

NOT INSURED BY THE CANADA DEPOSIT INSURANCE CORPORATION. NON ASSURÉ PAR LA SOCIÉTÉ D'ASSURANCE-DÉPÔTS DU CANADA. This Global Senior Note (as defined below) and the Senior Notes (as defined below) are bail-inable notes subject to conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of Royal Bank of Canada or any of its affiliates under subsection 39.2(2.3) of the Canada Deposit Insurance Corporation Act (the “CDIC Act”) and to variation or extinguishment in consequence and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to this Global Senior Note and the Senior Notes. For a description of Canadian bank resolution powers and the consequent risk factors attaching to this Global Senior Note and the Senior Notes reference is made to <http://www.rbc.com/investorrelations/assets-custom/pdf/Bail-in-Disclosure.pdf> which information is hereby incorporated by reference.

This Global Senior Note and the Senior Notes have not been and will not be registered under the United States Securities Act of 1933 and should not be offered or sold within the United States or to United States persons.

Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. (“CDS”) to Royal Bank of Canada or its agent for registration of transfer, exchange or payment, and any certificate issued in respect thereof is registered in the name of CDS & CO., or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & CO. or to such other entity as is requested by an authorized representative of CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered holder hereof, CDS & CO., has a property interest in the Senior Notes represented by this certificate and it is a violation of its rights for another person to hold, transfer or deal with this certificate.

CAD \$10.00 million

CUSIP: 780086ST2

**ROYAL BANK OF CANADA
(Main Branch, Toronto)
Issuer Extendible Step-Up Senior Notes**

This Global Senior Note is in respect of an issue by Royal Bank of Canada (the “**Bank**”), Main Branch, Toronto, of CAD \$10.00 Million Issuer Extendible Step-Up Senior Notes (the “**Senior Notes**”), each of which represents a beneficial interest in this Global Senior Note in the amount of CAD \$1,000 or an integral multiple of CAD \$1,000 and evidences a deposit in such branch.

The Bank, acting through the Main Branch, Toronto, in consideration of a deposit received, promises to pay to

CDS & CO.

or its registered assigns, on the Maturity Date, upon presentation and surrender of this Global Senior Note at the Bank's Main Branch, Toronto, currently located at 200 Bay Street – Main Floor, Toronto, Ontario, M5J 2J5, the principal amount of

TEN MILLION DOLLARS

in the lawful currency of Canada, and to pay interest on such principal amount in arrears on each Interest Payment Date at a rate per annum equal to the Interest Rate multiplied by the Day Count Fraction.

“Day Count Fraction” means the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

“Interest Payment Date” means the 16th day of each April and October (commencing April 16, 2021 and ending on the Maturity Date).

“Interest Period” means each period from and including an Interest Payment Date (or, if none, October 16, 2020) to but excluding the next following Interest Payment Date.

“Interest Rate” means:

- (a) for the Interest Periods commencing October 16, 2020, 1.60% per annum;
- (b) for the Interest Periods commencing October 16, 2022, 1.70% per annum;
- (c) for the Interest Periods commencing October 16, 2023, 1.80% per annum;
- (d) for the Interest Periods commencing October 16, 2024, 1.90% per annum;
- (e) for the Interest Periods commencing October 16, 2025, 2.00% per annum;
- (f) for the Interest Periods commencing October 16, 2026, 2.10% per annum;
- (g) for the Interest Periods commencing October 16, 2027, 2.25% per annum;
- (h) for the Interest Periods commencing October 16, 2028, 2.50% per annum; and
- (i) for the Interest Periods commencing October 16, 2029, 3.00% per annum.

“Maturity Date” means the later of (i) October 16, 2022, and (ii) if and only if deemed to be further extended pursuant to the terms hereof, each of the then next following April 16th and October 16th in each year to, and including October 16, 2030.

If any Interest Payment Date or the day the principal amount becomes due and payable shall be a day that is not a Business Day, the payment shall be postponed to the first following day that is a Business Day and no interest shall be paid in respect of the delay. “**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the City of Toronto.

The principal and interest payable pursuant to this Global Senior Note are payable in the lawful currency of Canada.

On April 16th and October 16th of each year (commencing on October 16, 2022 and ending on April 16, 2030) (each an “**Extendible Maturity Date**”), so long as an Event of Default (as defined below) has not occurred and is continuing, all, and not less than all, Senior Notes represented by this Global Senior Note are extendible at the option of the Bank to the next following Extendible Maturity Date, at the Interest Rate set out above in respect of the relevant Interest Period, but in no event beyond October 16, 2030. The Bank will be deemed to have exercised its option to extend the then applicable Maturity Date of the Senior Notes to the next following Extendible Maturity Date unless it provides notice in writing to CDS, not less than 15 Business Days prior to the then applicable Maturity Date, of its intention to redeem the Senior Notes and not to extend the maturity date of the Senior Notes. In the event that the Bank gives notice to CDS of its intention not to extend the term of the Senior Notes, the decision to give such notice will be subject to the prior approval of the Superintendent of Financial Institutions (Canada) (the “**Superintendent**”) if such non-extension would lead to a breach of the Bank’s Total Loss Absorbing Capacity (“**TLAC**”) requirements.

This Global Senior Note is registered in the name of CDS & CO. (“**CDS & CO.**”), a nominee of CDS and held by CDS. This Global Senior Note may not be transferred except to another nominee of CDS. The Senior Notes are represented through book entry accounts, to be established and maintained by CDS, for financial institutions acting on behalf of beneficial owners as direct and indirect participants of CDS. The Bank will not have any responsibility or liability for (i) records maintained by CDS relating to beneficial ownership interests in the Senior Notes held by CDS, or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest; or (iii) any advice or representation made by or with respect to CDS.

The Senior Notes will be issued in “book-entry only” form and must be purchased, transferred or redeemed through CDS and the brokers, dealers, banks, financial institutions or other persons for whom CDS effects book-entry transfers and pledges under its book-entry system (“**CDS Participants**”). Beneficial owners of the Senior Notes will not be shown on the records maintained by CDS, except through book-entry accounts of CDS Participants acting on their behalf. Transfers of ownership of the Senior Notes will be effected through records maintained by CDS or its nominee with respect to CDS Participants and through records maintained by CDS Participants with respect to beneficial owners. A beneficial owner who is not a CDS Participant, but who wishes to purchase, sell or otherwise transfer ownership of or any other interest in the Senior Notes, or to exercise any of the rights thereunder, may only do so through a CDS Participant.

The Bank will make payments of principal and interest on the Senior Notes to CDS or its nominee, as the case may be, as the registered holder of the Global Senior Note and the Bank understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant CDS Participants. Payments to beneficial owners of Senior Notes of amounts so credited will be the responsibility of the CDS Participants. As long as CDS or its nominee is the registered owner of the Global Senior Note, CDS or its nominee, as the case may be, will be considered the sole owner of the Senior Notes for the purpose of receiving payments or notices in respect of the Senior Notes. The responsibility and liability of the Bank in respect of notices or payments in respect of the Senior Notes is limited to giving notice or making payment of any principal and interest due on the Senior Notes to CDS or its nominee. If the Bank has made payments to the registered holder of this Global Senior Note in accordance with the terms hereof, no person, including any CDS Participant, shall have any claim against the Bank in respect of payments due under the Senior Notes and the obligation of the Bank shall be discharged by payment to the registered holder of this Global Senior Note in respect of each amount so paid.

Except as required by law, holders of the Senior Notes will not be entitled to definitive certificates or other instruments from the Bank or CDS evidencing ownership of any Senior Notes, although a CDS Participant may itself issue to a beneficial owner a non-transferable, non-negotiable receipt or other evidence indicating ownership of any Senior Notes. Such a receipt or other evidence will not create rights against the Bank and will have no bearing on the position of the beneficial owner. The transfer of such receipt or other evidence will not alter the relationship between the Bank, CDS, the registered holder, the CDS Participant acting for or on behalf of the beneficial owner, and the beneficial owner.

The Bank reserves the right to issue additional Senior Notes of the same maturity and interest rates which, subsequent to the first payment of interest on such additional Senior Notes, become fungible with the Senior Notes.

No transfer of this Global Senior Note shall be valid unless made upon the Senior Notes register maintained by the Bank, by the registered holder or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Bank and upon compliance with such further requirements as may be prescribed from time to time by the Bank.

This Global Senior Note constitutes a legal, valid and binding direct, unconditional, unsubordinated and unsecured obligation of the Bank and ranks at least *pari passu* and without preference with all other unsubordinated and unsecured obligations of the Bank, present and future, except as otherwise prescribed by law and subject to the exercise of Canadian bank resolution powers.

Each of the holders or beneficial owners of this Global Senior Note and the holders of the Senior Notes, by acceptance hereof and thereof and by its acquisition of an interest in this Global Senior Note and Senior Notes is deemed to (a) agree to be bound, in respect of this Global Senior Note and the Senior Notes, by the CDIC Act, including the conversion of this Global Senior Note and the Senior Notes, in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Bank or any of its affiliates under subsection 39.2(2.3) of the CDIC Act and the variation or extinguishment of this Global Senior Note and the Senior Notes in consequence, and by the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with

respect to the Global Senior Note and the Senior Notes; (b) attorn to the jurisdiction of the courts in the Province of Ontario with respect to the CDIC Act and those laws; and (c) acknowledge and agree that the terms referred to in (a) and (b), above, are binding on the holder or beneficial owner despite any provisions in this Global Senior Note or the Senior Notes, any other law that governs this Global Senior Note or the Senior Notes and any other agreement, arrangement or understanding between such holder or the beneficial owner and the Bank with respect to this Global Senior Note or the Senior Notes.

Holders and beneficial owners of this Global Senior Note and the Senior Notes will have no further rights in respect of this Global Senior Note and the Senior Notes to the extent this Global Senior Note and the Senior Notes are converted in a bail-in conversion, other than those provided under the bail-in regime, and by its acquisition of an interest in this Global Senior Note and the Senior Notes, each holder or beneficial owner of this Global Senior Note and the Senior Notes is deemed to irrevocably consent to the principal amount of the converted portion of this Global Senior Note and the Senior Notes and any accrued and unpaid interest thereon being deemed paid in full by the issuance of common shares of the Bank (or, if applicable, any of its affiliates) upon the occurrence of a bail-in conversion, which bail-in conversion shall occur without any further action on the part of that holder or beneficial owner; provided that, for the avoidance of doubt, this consent shall not limit or otherwise affect any rights of that holder or beneficial owner provided for under the bail-in regime.

Redemption for any reason (including without limitation, on any Maturity Date other than October 16, 2030) or purchase of this Global Senior Note or the Senior Notes by the Bank will be subject to the condition that if such redemption or purchase would lead to a breach of the Bank's TLAC requirements, such redemption or purchase will be subject to the prior approval of the Superintendent.

This Global Senior Note shall not be pledged as security or otherwise charged.

No holder or beneficial owner of this Global Senior Note and the Senior Notes may exercise, or direct the exercise of, claim or plead any right of set-off, netting, compensation or retention in respect of any amount owed to it by the Bank arising under, or in connection with, this Global Senior Note and the Senior Notes, and each holder or beneficial owner of this Global Senior Note and the Senior Notes shall, by virtue of its acquisition of an interest in this Global Senior Note and any Senior Note, be deemed to have irrevocably and unconditionally waived all such rights of set-off, netting, compensation or retention. Notwithstanding the foregoing, if any amounts due and payable to any holder or beneficial owner of this Global Senior Note and the Senior Notes by the Bank in respect of, or arising under, this Global Senior Note and the Senior Notes are purportedly discharged by set-off, netting, compensation or retention, without limitation to any other rights and remedies of the Bank under applicable law, such holder or beneficial owner shall receive and hold an amount equal to the amount of such discharge in trust for the Bank and, accordingly, any such discharge shall be deemed not to have taken place and such set-off, netting, compensation or retention shall be ineffective.

All notices given by the Bank to the beneficial owners of the Senior Notes shall be delivered to CDS for communication by CDS to the beneficial owners and any notice so given shall be deemed to have been given to beneficial owners on the third day after the day on which the notice was delivered to CDS.

For the purposes of the *Interest Act* (Canada) the annual rate of interest to which any rate of interest payable under this Global Senior Note at any time is equivalent, is the rate so determined multiplied by the number of days in the calendar year to which the calculation relates and divided by 365.

The registered holder of this Global Senior Note may give notice to the Bank that this Global Senior Note and the Senior Notes represented by this Global Senior Note are, and this Global Senior Note and such Senior Notes shall immediately become, due and payable on the happening of either of the following events (each, an “**Event of Default**”):

- (i) if the Bank defaults in the payment of the principal of, or interest on, the Global Senior Note and in each case such default continues for a period of 30 Business Days; or
- (ii) if the Bank becomes insolvent or bankrupt or subject to the provisions of the *Winding-up and Restructuring Act* (Canada), or any statute hereafter enacted in substitution therefor, as such Act, or substituted Act, may be amended from time to time, or if the Bank goes into liquidation, either voluntary or under an order of a court of competent jurisdiction, passes a resolution for the winding-up, liquidation or dissolution of the Bank, is ordered wound-up or otherwise acknowledges its insolvency;

provided that, such right of acceleration may only be exercised where an order has not been made pursuant to subsection 39.13(1) of the CDIC Act in respect of the Bank. Notwithstanding the exercise of any of those rights, this Global Senior Note and the Senior Notes will continue to be subject to bail-in conversion until repaid in full.

Each beneficial owner of the Senior Notes, by its acquisition of an interest in the Senior Notes, is deemed to have authorized, directed and requested CDS and any direct participant in such clearing system or other intermediary through which it holds the Senior Notes to take any and all necessary action, if required, to implement the bail-in conversion or any other action pursuant to the bail-in regime with respect to the Senior Notes, as may be imposed on it, without any further action or direction on the part of such beneficial owner.

Each holder or beneficial owner of the Global Senior Note or Senior Notes that acquires an interest in the Global Senior Note or Senior Notes in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any such holder or beneficial owner shall be deemed to acknowledge, accept, agree to be bound by and consent to the same provisions specified herein to the same extent as the holders or beneficial owners that acquire an interest in this Global Senior Note or Senior Notes upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to the terms of the Global Senior Note or Senior Notes related to the bail-in regime.

Where an amendment, modification or other variance that can be made to this Global Senior Note or the Senior Notes would affect the recognition of this Global Senior Note or the Senior Notes by the Superintendent as TLAC, that amendment, modification or variance will require the prior approval of the Superintendent.

This Global Senior Note and the Senior Notes are governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Dated at Toronto, Ontario as of October 16, 2020.

ROYAL BANK OF CANADA

(Main Branch, Toronto)

by: _____

Name: Ryan Neske

Title: Managing Director

by: _____

Name: Dave Sweeny

Title: Director