

## CANADIAN DEALER AGREEMENT

April 20, 2016

Royal Bank of Canada  
155 Wellington St. West  
14th Floor  
Toronto, Ontario  
Canada M5V 3K7  
Attention: Manager, Capital & Term Funding, Corporate Treasury

RBC Covered Bond Guarantor Limited Partnership  
c/o RBC Covered Bond GP Inc.  
155 Wellington St. West  
14th Floor  
Toronto, Ontario  
Canada M5V 3K7  
Attention: Senior Manager, Securitization

Ladies and Gentlemen:

We understand that Royal Bank of Canada (the “**Bank**” or “**RBC**”) has created a Covered Bond Programme (defined below) as described in the Base Shelf Prospectus (defined below) and the Prospectus Supplement (defined below) under which it proposes to issue and offer for sale in Canada up to Cdn.\$5,000,000,000 of covered bonds (collectively, the “**Covered Bonds**” or, individually, a “**Covered Bond**”).

The Covered Bonds will be issued with the benefit of the Agency Agreement (defined below) and will be direct, unsecured and unsubordinated senior indebtedness of the Bank ranking *pari passu* with all other unsubordinated indebtedness, including deposit liabilities, of the Bank other than certain governmental claims in accordance with applicable law.

The Covered Bonds will be unconditionally and irrevocably guaranteed by RBC Covered Bond Guarantor Limited Partnership (the “**Guarantor LP**”).

Subject to the terms and conditions hereof, the Bank hereby appoints RBC Dominion Securities Inc. (“**RBC DS**”), and such other investment dealer or dealers as the Bank may from time to time appoint as hereinafter provided (collectively, the “**Dealers**” or, individually, a “**Dealer**”), acting severally, as its exclusive agents in the Qualifying Jurisdictions (defined below) to solicit, from time to time, offers to purchase Covered Bonds, with such solicitations to be made directly or through other investment dealers approved by the Bank (together with the Dealers, referred to herein as the “**Selling Firms**”). The Bank may appoint additional or alternate agents hereunder by delivering to the then-existing Dealers a counterpart in the form attached as Schedule 1 signed by each such additional or alternate agent, whereupon that agent will become one of the Dealers hereunder.

The Dealers hereby severally accept their appointment to act as the Bank's exclusive agents in the solicitation of offers to purchase Covered Bonds.

The Bank agrees that during the term of this Agreement, it will not appoint any other agent to solicit offers to purchase Covered Bonds under the Covered Bond Programme in the Qualifying Jurisdictions other than as provided above. The Bank may, from time to time, terminate its relationship with any Dealer in accordance with the provisions of this Agreement. For greater certainty, the Bank is entitled, subject to applicable Canadian Securities Laws, (i) to accept unsolicited offers received from an investment dealer other than a Dealer to purchase debt securities, other than the Covered Bonds; (ii) to appoint an investment dealer other than a Dealer to solicit offers to purchase other debt securities; and (iii) to sell other debt securities to an investment dealer other than a Dealer as principal or underwriter for resale to the public, in each case other than pursuant to the provisions of this Agreement. For greater certainty, the Bank is also entitled to sell Covered Bonds to or through an investment dealer or directly outside of the Qualifying Jurisdictions. No commission will be payable to the Dealers for sales of Covered Bonds made by the Bank to an investment dealer other than a Dealer.

A Dealer, either alone or severally and not jointly with one or more of the other Dealers, may from time to time purchase, as an underwriter or dealer purchasing as principal for resale to the public in the Qualifying Jurisdictions at prices to be negotiated with purchasers, Covered Bonds from the Bank at prices and with such fees or commissions, if any, as may from time to time be agreed upon between the Bank and such Dealer or Dealers. Any purchase as underwriter or principal will be deemed to have been made on the basis of the representations and warranties of the Bank herein contained and shall be subject to the terms and conditions herein set forth.

The Bank may also offer Covered Bonds, from time to time, pursuant to any applicable statutory registration exemptions, directly to the public at prices and upon terms and conditions agreed to between the Bank and the purchasers of the Covered Bonds. No commission shall be payable to the Dealers for sales made directly by the Bank.

For each Covered Bond sold under this Agreement by one or more of the Dealers, the Bank will pay to such Dealer, or to such Dealers collectively, acting either as agent or agents of the Bank or as underwriter(s), a commission or fee as determined from time to time by mutual agreement of the Bank and such Dealer or Dealers. The commission in respect of any particular Covered Bond will be payable in the same currency as the principal of the Covered Bond and will be paid in accordance with the Operating Procedures set out in Schedule 2. For greater certainty, the Operating Procedures hereby replace the timing and procedures relating to the issue and subscription of the Covered Bonds and related matters as set forth in Schedule 8 of the European Dealership Agreement (defined below).

The Bank hereby nominates each Dealer that is not a party to the European Dealership Agreement as a new dealer generally in respect of the Covered Bond Programme pursuant to Section 7.01(b) of the European Dealership Agreement and each of the Dealers hereby accept such nomination and accept all the duties and obligations under, and the terms and conditions of, the European Dealership Agreement upon the terms hereof in respect of Covered Bonds. For the purposes of the European Dealership Agreement, this Agreement is a "Relevant Agreement" and a "Transaction Document", RBC DS is the "Relevant Dealer" under this Agreement as

contemplated in the European Dealership Agreement, each of the other Dealers hereunder is a “Dealer” thereunder and the Covered Bond Prospectus is an “Offering Document”. References to the term “Offering Document” in the European Dealership Agreement shall refer to the Covered Bond Prospectus. For greater certainty, the provisions of this Agreement shall not derogate or limit the rights of the Dealers pursuant to the European Dealership Agreement.

The Bank hereby waives the Selling and Transfer Restrictions in Schedule 1 of the European Dealership Agreement under the heading “Canada” and the first paragraph under the heading “General” with respect to the transactions contemplated hereunder.

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions.**

For the purposes of this Agreement, including the schedules hereto, the terms set out below have meanings ascribed thereto below.

“**Agency Agreement**” means the amended and restated issuing and paying agency agreement dated July 31, 2015 made between the Bank, the Guarantor LP, the Issuing and Paying Agent and the other parties named therein, and includes any agreement appointing an additional agent thereunder, each as may be further amended, supplemented or replaced from time to time.

“**Agreement**” means this agreement resulting from the acceptance hereof by the Bank and the Guarantor LP, as it may be amended from time to time by written agreement of the parties.

“**Auditors**” means the auditors appointed by the Bank in accordance with the provisions of the *Bank Act* (Canada), which at the date hereof are PricewaterhouseCoopers LLP and for fiscal year 2015 were Deloitte LLP.

“**Bank**” and “**RBC**” have the meaning ascribed thereto in the first paragraph of this Agreement.

“**Bank’s Counsel**” means Norton Rose Fulbright Canada LLP or such other counsel as may be selected by the Bank.

“**Base Shelf Prospectus**” means the short form base shelf prospectus of the Bank, in both English and French, dated January 21, 2016, including at any time the documents or information incorporated or deemed to be incorporated by reference therein.

“**Business Day**” means a day which is not a Saturday, Sunday or a day on which banking institutions are authorized or required by law or regulation to be closed in the City of Toronto.

“**Canadian Securities Laws**” means all applicable securities laws in each of the Qualifying Jurisdictions and the respective regulations made thereunder, together with applicable published policy statements, rules and orders of the securities regulators in each of the Qualifying Jurisdictions.

“**Closing**” means the completion of the issuance and sale by the Bank of any offering of Covered Bonds pursuant to this Agreement.

“**Closing Date**” means a date on which a Closing occurs.

“**Closing Time**” means, 8:00 a.m. (Toronto time) in respect of each Closing Date, or such other time as determined by the Bank and the Dealers from time to time.

“**CMHC**” means Canada Mortgage and Housing Corporation in fulfilling its responsibility to administer the legal framework for Canadian registered covered bond programs and any successor thereto.

“**Covered Bond**” and “**Covered Bonds**” have the meanings ascribed thereto in the first paragraph of this Agreement.

“**Covered Bond Programme**” means the programme for the issuance by the Bank of Covered Bonds unconditionally and irrevocably guaranteed by the Guarantor LP.

“**Covered Bond Prospectus**” has the meaning ascribed thereto in section 2.1.

“**Dealer**” and “**Dealers**” have the meanings ascribed thereto in the fourth paragraph of this Agreement.

“**Dealers’ Counsel**” means McCarthy Tétrault LLP or such other counsel as may be selected by RBC DS.

“**Decision**” means the decision dated October 30, 2009 of the securities regulators in Ontario and Quebec in respect of the Bank and the Guarantor LP.

“**Disclosure Documents**” means the Base Shelf Prospectus, Prospectus Supplement, any Pricing Supplement and any Supplementary Material.

“**European Dealership Agreement**” means the amended and restated dealership agreement dated July 31, 2015 made between the Bank, the Guarantor LP, RBC Europe Limited and RBC Capital Markets, LLC and any other dealers party thereto from time to time, as the same may be amended, supplemented or replaced from time to time.

“**Final Terms**” means, with respect to a Series or Tranche of Covered Bonds, the terms relating to such Covered Bonds set out in the applicable Pricing Supplement.

“**Guarantor LP**” has the meaning ascribed thereto in the third paragraph of this Agreement.

“**Guide**” means the Canadian Registered Covered Bond Programs Guide as published by CMHC on December 19, 2014, as amended, supplemented or replaced from time to time.

“**Indemnified Party**” and “**Indemnified Parties**” have the meanings ascribed thereto in section 8.1.

“**Investor Reports**” means the monthly report made available to the covered bond holders, among others, and as otherwise specified in the applicable Pricing Supplement, detailing, inter alia, the results of the asset coverage test and other information required by the Guide.

“**Issuing and Paying Agent**” means The Bank of New York Mellon, acting through its offices located at One Canadian Square, London, England E14 5AL, in its capacity as issuing and principal paying agent which expression shall include any other issuing and paying agent appointed pursuant to the terms of the Agency Agreement and any successor(s) thereto.

“**Marketing Materials**” has the meaning ascribed thereto in NI 41-101.

“**misrepresentation**”, “**material fact**”, “**material change**” and “**distribution**” have the respective meanings ascribed thereto in the *Securities Act* (Ontario), except as otherwise expressly provided herein.

“**NHA**” means the *National Housing Act* (Canada), as amended.

“**NI 13-101**” means National Instrument 13-101 *System for Electronic Document Analysis and Retrieval*, as amended or replaced.

“**NI 41-101**” means National Instrument 41-101 - *General Prospectus Requirements* of the Canadian Securities Administrators, as amended or replaced.

“**NI 44-101**” means National Instrument 44-101 - *Short Form Prospectus Distributions* of the Canadian Securities Administrators, as amended or replaced.

“**NI 44-102**” means National Instrument 44-102 - *Shelf Distributions* of the Canadian Securities Administrators, as amended or replaced.

“**No Trading Period**” has the meaning ascribed thereto in section 3.2.

“**Operating Procedures**” means the operating procedures set out in Schedule 2 or as determined by the Bank and the Dealers from time to time.

“**Out of the Market Period**” has the meaning ascribed thereto in section 3.1.

“**Pricing Supplement**” means a pricing supplement to the Base Shelf Prospectus, in either or both English and French, which describes the specific terms (including pricing information) of a particular issue of Covered Bonds under the Covered Bond Programme incorporated by reference into the Base Shelf Prospectus for the purpose of distributing Covered Bonds under the Covered Bond Programme, as contemplated by NI 44-102.

“**Prospectus Amendment**” means any amendment to the Base Shelf Prospectus or the Prospectus Supplement, in both English and French, unless the context indicates otherwise and includes an amendment by way of a material change report as contemplated by the Shelf Requirements.

**“Prospectus Supplement”** means the prospectus supplement to the Base Shelf Prospectus, in both English and French, which provides for a continuous offering of Covered Bonds under the Covered Bond Programme during the period that the Base Shelf Prospectus remains effective in accordance with NI 44-102.

**“Purchasers”** means the persons who acquire Covered Bonds from the Bank or any Dealer (where such Dealer is acting as principal hereunder) pursuant to any offering of Covered Bonds pursuant to this Agreement and the permitted assignees or transferees of such persons from time to time.

**“Qualifying Jurisdictions”** means all of the provinces and territories of Canada.

**“RBC DS”** means RBC Dominion Securities Inc.

**“Registry”** means the registry established by CMHC pursuant to Section 21.51 of Part I.1 of the NHA.

**“SEDAR”** has the meaning ascribed thereto under NI 13-101.

**“Selling Firms”** has the meaning ascribed thereto in the fourth paragraph of this Agreement.

**“Series”** shall have the meaning to be ascribed thereto in the Prospectus Supplement.

**“Shelf Requirements”** means, together, NI 44-101 and NI 44-102, as amended by the Decision.

**“Subscription Agreement”** means an agreement between the Bank, the Guarantor LP and any Dealer(s) for the sale by the Bank and the purchaser or, as the case may be, subscription as principal by such Dealer(s), or on such other basis as may be agreed between the Bank and the applicable Dealer(s).

**“Supplementary Material”** means, individually or collectively (as the context indicates), any Prospectus Amendment, prospectus supplement or other supplementary or amending document to the Base Shelf Prospectus or the Prospectus Supplement filed by the Bank under Canadian Securities Laws.

**“Template Version”** has the meaning ascribed thereto under NI 41-101.

**“Terms and Conditions”** means, in relation to any Covered Bonds, the terms and conditions applicable to such Covered Bonds set out in the Disclosure Documents as amended, supplemented or replaced as described in the applicable Final Terms or any supplement to the Prospectus, as the case may be, and any reference to a numbered “Condition” is to the correspondingly numbered provision thereof.

**“Trade Day”** means a day on which the Bank accepts orders for Covered Bonds.

**“Tranche”** shall have the meaning to be ascribed thereto in the Prospectus Supplement.

“**Transaction Documents**” shall have the meaning to be ascribed thereto in the Prospectus Supplement.

“*U.S. Securities Act*” means the United States Securities Act of 1933, as amended.

## 1.2 Interpretation.

- (a) All references herein to money amounts are to the lawful money of Canada.
- (b) The headings contained herein are for convenience only and will not affect the meaning or interpretation hereof. Unless otherwise indicated, any reference in this Agreement to an Article, section, paragraph or schedule refers to the specific Article, section, paragraph or schedule of this Agreement.
- (c) Where the context so requires, words importing the singular number include the plural and vice versa, words importing gender will include the masculine, feminine and neuter genders, and the words “**include**”, “**includes**” and “**including**” mean, in each case, “**without limitation**”.
- (d) Unless otherwise indicated, the terms “**party**” and “**parties**” refer to a party or the parties to this Agreement.

## 1.3 Schedules.

The following are the Schedules attached to and forming part of this Agreement:

Schedule 1	Form of Counterpart
Schedule 2	Operating Procedures
Schedule 3	Due Diligence Review Process

## ARTICLE 2 DISTRIBUTION OF COVERED BONDS

### 2.1 Qualified Covered Bonds.

The offering of Covered Bonds hereunder will be made pursuant to the Covered Bond Programme and will be launched in Canada on April 20, 2016 upon the filing by the Bank of the Prospectus Supplement with the securities regulators in each of the Qualifying Jurisdictions pursuant to the Shelf Requirements. The specific terms of particular Covered Bonds to be offered, which will be established at the time of the offering and sale of such Covered Bonds, will be described in a Pricing Supplement. In respect of any particular Covered Bonds to be offered and sold hereunder in the Qualifying Jurisdictions, the Base Shelf Prospectus and the Prospectus Supplement (including any Prospectus Amendment thereto) together with the Pricing Supplement will collectively constitute the “**Covered Bond Prospectus**” for such Covered Bonds.

RBC DS may prepare, in consultation with the Bank, any Marketing Materials reasonably required to be provided by the Dealers to any potential investor of Covered Bonds. The Template

Version of such Marketing Materials shall be subject to the approval in writing of the Bank and RBC DS as contemplated by Canadian Securities Laws prior to the time such Marketing Materials are provided to such potential investors. The Bank shall file a Template Version of such Marketing Materials with the securities regulators in each of the Qualifying Jurisdictions where such filing is required on or before the day such Marketing Materials are first provided to any potential investor of Covered Bonds. Any comparables and disclosure relating to such comparables shall be removed by the Bank from the Template Version of such Marketing Materials in accordance with NI 44-102 prior to filing such Template Version with the securities regulators in each of the Qualifying Jurisdictions where such filing is required and a complete Template Version of such Marketing Materials containing such comparables and disclosure relating to such comparables shall be delivered to the securities regulators in each of the Qualifying Jurisdictions where such filing is required by the Bank.

## **2.2 Best Efforts.**

The Dealers will, on such dates the Bank has notified the Dealers in accordance with the Operating Procedures that it wishes to offer Covered Bonds, use their best efforts to solicit offers to purchase the Covered Bonds from members of the public in the Qualifying Jurisdictions, only as permitted by and in compliance with Canadian Securities Laws and the terms and conditions of this Agreement and the Base Shelf Prospectus, the Prospectus Supplement, the applicable Pricing Supplement and any Supplementary Material.

## **2.3 Solicitation of Offers.**

The Dealers or their affiliates may solicit offers to purchase or sell Covered Bonds outside of Canada only with the prior consent of the Bank and in accordance with applicable law and only where the Covered Bonds may be lawfully sold on a basis exempt from the prospectus and registration requirements or similar requirements of any such jurisdictions. In any event, the Dealers will not solicit offers to purchase or sell the Covered Bonds so as to require registration of the Covered Bonds or the filing of a prospectus, registration statement or other notice or document with respect to the distribution of the Covered Bonds under the laws of any jurisdiction other than the Qualifying Jurisdictions, including without limitation, the United Kingdom and United States; and will require each of the Selling Firms to agree with the Dealers not to so solicit or sell. For purposes of this section 2.3, the Dealers will be entitled to assume that the Covered Bonds are qualified for distribution in all of the Qualifying Jurisdictions.

## **2.4 Terms of Covered Bonds.**

The Covered Bonds will be issued with the benefit of the Agency Agreement and each issue of Covered Bonds will, in all material respects, have the attributes and characteristics described in the applicable Covered Bond Prospectus. Each Covered Bond will be in the form agreed to from time to time by the Bank and the Dealers. Subject to the foregoing, all terms and conditions of Covered Bonds issued by the Bank from time to time will be determined by the Bank in its sole discretion (after consultation with the Dealers on a basis consistent with the Operating Procedures).



## 2.5 **Breakdown of Distribution.**

The Dealers will, as soon as is practicable, and in any event not later than the tenth day following a day on which the Dealers have distributed Covered Bonds, provide the Bank with a comprehensive breakdown of the Covered Bonds distributed by the Dealers, in the aggregate, both through agency sales and principal sales (separately enumerated), in each of the Qualifying Jurisdictions where a breakdown is required for the purpose of calculating fees payable by the Bank to a securities regulator in each such Qualifying Jurisdiction.

## **ARTICLE 3 CHANGES DURING DISTRIBUTION**

### 3.1 **Out of the Market Period**

At any time during the term of this Agreement, and for any reason, the Bank may designate a time period (an “**Out of the Market Period**”) during which the Bank will not distribute any Covered Bonds, any such designation to be made by at least one Business Day’s advance written notice to the Dealers which notice will state the approximate expected duration thereof.

### 3.2 **Material Changes During Distribution.**

During each period of a distribution of Covered Bonds under the Covered Bond Prospectus, the Bank shall not, during the time period (the “**No Trading Period**”) in which the Bank believes, in its reasonable judgment, that any change described below (which has not been announced or is the subject of the filing of a confidential material change report) is sufficiently imminent and probable that a reasonably prudent reporting issuer would not trade in its own securities, continue the distribution of Covered Bonds until the No Trading Period ends either through a change in circumstances or through a public announcement of such change or otherwise:

- (a) any change (actual, anticipated, contemplated or threatened) in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of the Bank and its subsidiaries and affiliates (taken as a whole);
- (b) any change in any matter covered by a statement contained or incorporated by reference in the Covered Bond Prospectus, as amended or supplemented immediately prior to such change; or
- (c) any fact which has arisen which would have been required to have been stated in the Covered Bond Prospectus had the fact arisen on or prior to the date of a Pricing Supplement relating thereto;

which change or fact in any case is, or may be, of such a nature as:

- (a) to render the Covered Bond Prospectus, as amended or supplemented immediately prior to such change or fact, misleading or untrue in any material respect;

- (b) would result in the Covered Bond Prospectus, as amended or supplemented immediately prior to such change or fact, containing a misrepresentation as defined under Canadian Securities Laws;
- (c) would result in the Covered Bond Prospectus, as amended or supplemented immediately prior to such change or fact, not complying with the laws of any Qualifying Jurisdiction; or
- (d) would reasonably be expected to have a significant effect on the market price or value of the Covered Bonds.

The Bank shall promptly comply with all applicable filing and other requirements under Canadian Securities Laws in the Qualifying Jurisdictions arising as a result of such change or fact, but need not submit any document required to be filed, other than the Covered Bond Prospectus, to the Dealers or the Dealers' Counsel for their review and comment. In addition, if during the period of the distribution of Covered Bonds under the Covered Bond Prospectus, there is any change in any applicable Canadian Securities Laws which, in the opinion of the Bank's counsel or the Dealers' Counsel, requires the filing of any Supplementary Material, the Bank will, to the reasonable satisfaction of its counsel and the Dealers' Counsel, as soon as possible prepare and file such Supplementary Material with the securities regulator in each of the Qualifying Jurisdictions where such filing is required. The Bank shall also discuss with the Dealers any change or fact in respect of which there may be doubt respecting the applicability of this section 3.2.

#### **ARTICLE 4 LAUNCH AND CLOSINGS**

##### **4.1 Filing and Delivery of Documents during the Term of Agreement.**

The Bank shall deliver to the Dealers:

- (a) on the date of this Agreement, the Base Shelf Prospectus and the Prospectus Supplement, in the English and French languages, as filed with the Securities Commissions (along with copies of the certificates of authentication required by NI 13-101) signed as required by Canadian Securities Laws and acceptable in form and substance to the Dealers' Counsel, acting reasonably;
- (b) on the date of this Agreement, all documents, in the English and French languages, incorporated or containing information incorporated by reference into the Base Shelf Prospectus and the Prospectus Supplement (delivery in respect of which documents shall be considered satisfied if such documents are at such time accessible on SEDAR);
- (c) upon request of the Dealers, copies of such continuous disclosure documents or information as may have been or may be incorporated by reference, at the appropriate time or times, under the heading "Documents Incorporated by Reference" in the Base Shelf Prospectus and the Prospectus Supplement;

- (d) as soon as they are available, copies of the Prospectus Supplement, any Prospectus Amendment and any Pricing Supplement as contemplated by NI 44-102, in the English and French languages, signed as required by applicable Canadian Securities Laws (along with copies of the certificates of authentication required by NI 13-101) and acceptable in form and substance to the Dealers and the Dealers' Counsel, acting reasonably, including copies of any documents incorporated, or containing information incorporated, by reference therein (delivery in respect of which documents shall be considered satisfied if such documents are at such time accessible on SEDAR);
- (e) at the time of the delivery to the Dealers pursuant to this section 4.1 (or as soon as practicable thereafter) of the French language version of the Covered Bond Prospectus (other than any Pricing Supplement) and at the time the French language version of a form of Pricing Supplement is delivered to the Dealers pursuant to this section 4.1 (or as soon as practicable thereafter), if requested by the Dealers or any one of them, opinions of the Bank's Quebec counsel and the Auditors dated the date of the relevant document and acceptable in form and substance to the Dealers' Counsel, acting reasonably, to the effect that, the French language version of the Covered Bond Prospectus and any document or information in the French language incorporated by reference therein is in all material respects a complete and accurate translation of the English language version thereof;
- (f) at each Closing or at the time of the filing of the Bank's interim and annual financial statements or in any other case where there is the release of material financial information and the Dealers or any one of them so reasonably request, a comfort letter from the Auditors, dated the Closing Date or the date of filing of such financial statements or release of such information, as the case may be, acceptable in form and substance to the Dealers and the Dealers' Counsel, acting reasonably, with respect to certain financial and accounting information (including, without limitation, earnings coverage ratios and financial information in the relevant Investor Reports) relating to the Bank or the Guarantor LP contained in the Covered Bond Prospectus, the Pricing Supplement, financial statements or other material financial information, as the case may be. The comfort letter shall be based on a review by the Auditors having a cut-off date not more than two Business Days prior to the date of the comfort letter and shall be in addition to any comfort letters which must be filed with Canadian Securities Commissions pursuant to applicable Canadian Securities Laws;
- (g) in such cities in the Qualifying Jurisdictions as the Dealers may reasonably request, within two Business Days from the date of a request from the Dealers in the case of the Covered Bond Prospectus (other than any relevant Pricing Supplement) and one Business Day from the date of the document in the case of a Pricing Supplement, that number of commercial copies (or photocopies in the case of a Pricing Supplement) of the Covered Bond Prospectus and any Pricing Supplement, as applicable, including copies of any documents incorporated, or

containing information incorporated, by reference therein as the Dealers may reasonably require, without charge;

- (h) copies of all receipts (including, without limitation, any expedited review receipt documents or similar documents) received, from time to time, from the Securities Commissions or other securities regulatory authorities in respect of the filing thereof for the Covered Bond Prospectus (excluding the Pricing Supplement) or any Prospectus Amendment as soon as they are available;
- (i) evidence that the Bank is registered as a registered issuer in the Registry and the Covered Bond Programme is registered in the Registry and that on the Closing Date that the Bank's right to issue Covered Bonds under the Covered Bond Programme has not been suspended by CMHC; and
- (j) at the times required in Schedule 3 hereto, such documents as are required to be delivered by the Bank to the Dealers thereunder.

The Bank's delivery to the Dealers of the documents referred to in paragraphs 4.1(a), (b), (d), (e) and (g) or the determination of the terms and conditions of Covered Bonds issued by the Bank in accordance with section 2 shall constitute the Bank's consent to the use by the Selling Firms of such documents in connection with the distribution of the Covered Bonds in compliance with the provisions of this Agreement.

#### **4.2 Closing Conditions.**

The Dealers' obligations under this Agreement will be conditional upon the fulfilment of the deliveries set out in section 4.1 having been made, to the extent required therein, on or before the times specified in such sections, as applicable. Any breach or failure to comply with any of the foregoing deliveries will entitle any Dealer, in its sole discretion, acting reasonably, to terminate its obligations under this Agreement by written notice to that effect given to the Bank and the Guarantor LP at or prior to the Closing Time on the applicable Closing Date.

#### **4.3 Due Diligence.**

In connection with a sale of Covered Bonds, each of the Bank and the Guarantor LP will allow the Dealers and the Dealers' Counsel to carry out reasonable due diligence necessary to fulfil the Dealer's obligations under Canadian Securities Laws consistent with the procedures outlined in Schedule 3.

#### **4.4 Completion of Purchase and Sale of Covered Bonds.**

The purchase and sale of any issue of Covered Bonds will be completed at such place as the Dealers and the Bank may agree upon. At or prior to the Closing Time in respect of a Closing, the Bank will deliver the Covered Bonds to the Dealers in accordance with the Operating Procedures, against payment to the Bank (or as the Bank may direct) of the aggregate subscription price therefor in lawful money of Canada by certified cheque, banker's draft or electronic wire transfer. The Bank will pay the aggregate applicable commissions or fees and

RBC DS will direct the applicable portion of the aggregate funds to be paid to the respective Dealers on the Closing Date.

#### 4.5 **Settlement.**

The Bank shall deliver, or cause to be delivered, to the Dealers and the Dealers' Counsel, on each Settlement Date (as defined in the Operating Procedures) or such other date to be mutually agreed upon by the Bank and the Dealers (a "**Settlement Date**"), the following documents:

- (a) a certificate dated the Settlement Date signed by any one of the Bank's Chief Executive Officer, the President, a Group Head, the Chief Administrative Officer and Chief Financial Officer, the Chief Risk Officer, the Chief Human Resources Officer, a Senior Executive Vice-President, the Chief Internal Auditor, an Executive Vice-President or a Senior Vice-President of the Bank, or any two Vice-Presidents of the Bank acting together or such other officer of the Bank as the Bank and the Dealers may agree certifying that, to the best of their knowledge, information and belief, after having made reasonable inquiries, there has been no material adverse change to such date in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Bank, its subsidiaries and affiliates on a consolidated basis from that disclosed in the Covered Bond Prospectus and any Prospectus Amendment and further that no event has occurred which should have been set forth in a Prospectus Amendment or in a notice of material change which has not been set forth in such Prospectus Amendment or such notice. Such certificate shall also relate to such matters of fact as the Dealers and the Dealers' Counsel may reasonably request;
- (b) an opinion of the Bank's Counsel, in a form acceptable to Dealers' Counsel acting reasonably; and
- (c) letters of DBRS Limited, Moody's and Fitch (provided each is rating the Covered Bonds at such time) and, if required, any other rating agency which has issued a rating in respect of any Covered Bonds, confirming that as at the Settlement Date the ratings on the Covered Bonds are as set out in the Pricing Supplement.

For the purposes of the opinion referred to in paragraph (b) above, it is understood that the Bank's Counsel may deliver opinions of local counsel acceptable to them as to the qualification of the distribution of the Covered Bonds for sale to the public in those Qualifying Jurisdictions where it does not carry on the practice of law and as to other matters governed by the laws of such Qualifying Jurisdictions. It is further understood that the Bank's Counsel may rely as to certain matters of fact on certificates of the Bank's officers and certificates issued by Securities Commissions and other governmental agencies, and that such opinion will be subject to the usual qualifications and assumptions.

### **ARTICLE 5 REPRESENTATIONS, WARRANTIES AND CERTAIN COVENANTS**

- 5.1 The delivery by the Bank to the Dealers of the documents referred to in paragraphs 4.1(a), (b), (c), (d), (e) and (g) shall constitute the Bank's representation and warranty to

the Dealers that each such document at the time of its filing complied in all material respects with the requirements of Canadian Securities Laws pursuant to which it was filed and that all the information and statements (except information or statements contained in or omitted from such document in reliance upon information provided by the Dealers or any of them, information relating solely to the Dealers and information and statements which are modified by or superseded by information or statements contained in or incorporated by reference in the Covered Bond Prospectus) contained in or incorporated by reference in the Covered Bond Prospectus are, at the respective dates of delivery thereof or the particular parts thereof, true and correct, and that such documents (including, without limitation, the documents incorporated or deemed to be incorporated therein by reference) contain no misrepresentation (as defined under Canadian Securities Laws) and constitute full, true and plain disclosure of all material facts relating to the Bank, its material subsidiaries and affiliates, taken together, and to the Covered Bonds as required by Canadian Securities Laws and that no material fact has been omitted therefrom and no other information has been omitted therefrom which is necessary to make the statements contained therein not misleading in light of the circumstances under which they are made.

5.2 During the term of this Agreement, the Bank shall ensure that:

- (a) the Covered Bonds are qualified for distribution in all Qualifying Jurisdictions and that the Canadian Securities Laws on its part and on the part of the Guarantor LP to have been complied with have been complied with.
- (b) the Bank is registered as a registered issuer in the Registry and the Covered Bond Programme is registered in the Registry;
- (c) the Bank has not requested the deregistration of the Bank as a registered issuer in the Registry or the deregistration of the Covered Bond Programme in the Registry;
- (d) the Bank is in compliance in all material respects with all of its obligations under Part I.1 of the NHA and the Guide; and
- (e) on the Closing Date, the Bank's right to issue Covered Bonds under the Covered Bond Programme is not suspended by CMHC.

5.3 During the term of this Agreement, the Guarantor LP shall ensure that it is in compliance in all material respects with all of its obligations under Part I.1 of the NHA and the Guide.

5.4 The Bank and the Gurantor LP jointly and severally undertake and agree with the Dealers and each of them that they shall (i) not request the deregistration of the Bank as a registered issuer in the Registry or the deregistration of the Covered Bond Programme in the Registry for so long as any Covered Bonds are outstanding; and (ii) in relation to the Bank, issue all Covered Bonds as a registered issuer under Part I.1 of the NHA and the Guide and under a registered covered bond programme under Part I.1 of the NHA and the Guide.

- 5.5 Each of the Dealers severally (and not jointly or jointly and severally) hereby represents, warrants, covenants and agrees to and with the Bank and the Guarantor LP that:
- (a) it will not disclose or permit disclosure of any confidential information or facts relating to the Bank or any of its subsidiaries (including the Guarantor LP) which has not been disclosed in compliance with Canadian Securities Laws without the consent of the Bank until such time as such information or fact is publicly disclosed by the Bank or any of its subsidiaries or is required to be disclosed by the Dealers by law or a court or regulatory body of competent jurisdiction;
  - (b) provided the Bank delivers the Covered Bond Prospectus or a Pricing Supplement to such Dealer as contemplated in paragraphs 4.1(a), (d) and (g) hereof, it will deliver such documents to the purchasers of Covered Bonds as soon as possible after receipt thereof and, to the extent practicable, by the close of business on the Business Day such documents are delivered by the Bank to such Dealer;
  - (c) it holds, and will ensure that its affiliates and each Selling Firm, as applicable, will hold, all necessary registrations, permits and licenses to offer for sale, to solicit offers to purchase, to sell or to carry out any act that is necessary to be carried out in connection with the sale of Covered Bonds in each of the Qualifying Jurisdictions, in compliance with applicable Canadian Securities Laws or any other applicable laws, regulations or policies;
  - (d) it will not, and will ensure that its affiliates and any Selling Firm, as applicable, do not, when offering for sale, soliciting offers to purchase, selling or carrying out any act in connection with the sale of, Covered Bonds, breach any applicable Canadian Securities Laws or any other applicable laws, regulations or policies; and
  - (e) in the case of electronic delivery of the Covered Bond Prospectus or any Pricing Supplement in Canada, comply with the provisions of National Policy 11-201 Delivery of Documents by Electronic Means of the Canadian Securities Administrators.
- 5.6 All warranties, representations, covenants and agreements herein contained or contained in any documents submitted pursuant to this Agreement and in connection with the transactions herein contemplated will survive the date of this Agreement and any Closing and continue in full force and effect for the benefit of the Dealers and Purchasers, regardless of the date of this Agreement or any Closing and regardless of any investigation which may be carried out by the Dealers.

## **ARTICLE 6 TERMINATION**

### **6.1 Expiry.**

Unless terminated earlier pursuant to the provisions of this Agreement, the term of the Dealers' appointment as agents under this Agreement will expire on the earlier of:

- (a) the date that the Base Shelf Prospectus expires under applicable Canadian Securities Laws;
- (b) the date upon which the Bank receives a receipt for a new (final) short form base shelf prospectus to replace or supersede the Base Shelf Prospectus for the purpose of continuing the Covered Bond Programme for distribution in Canada;
- (c) the date upon which the aggregate principal amount of Covered Bonds qualified under the Prospectus Supplement has been sold; and
- (d) in respect of one or more of the Dealers as specified in the notice referred to within this clause (d), the date upon which:
  - (i) the Bank determines in its sole discretion and provides notice to one or more such Dealers that it does not wish to continue the agency arrangement specified herein in respect of such Dealer or Dealers; or
  - (ii) any such Dealer determines in its sole discretion and provides notice to the Bank that it does not wish to continue the agency arrangement specified herein.

## 6.2 Termination of Obligations of Dealers.

Each of the Dealers will be entitled to terminate its rights and obligations under this Agreement with respect to any particular Closing and its obligations to purchase as principal by written notice to that effect given to the Bank if after the date on which the Dealer has agreed to accept such obligations:

- (a) any inquiry, investigation or other proceeding is commenced or any order is issued under or pursuant to any statute of Canada or of any province or territory of Canada preventing or restricting the distribution of or trading in the Covered Bonds in any of the Qualifying Jurisdictions;
- (b) there shall occur any material change or change in a material fact or should the Dealer become aware of an undisclosed material fact such as is contemplated in section 3.2 which in the Dealer's opinion, acting reasonably, would be expected to have a significant adverse effect on the market price or value of the Covered Bonds;
- (c) there should develop, occur or come into effect or existence any occurrence of national or international consequence or any action, government law or regulation or other occurrence of any nature whatsoever which, in the Dealer's opinion, acting reasonably, seriously adversely affects, or would be expected to seriously adversely affect the Canadian financial markets or the business, operations or affairs of the Bank and its subsidiaries taken as a whole; and
- (d) the rating assigned to: (i) long term debt securities of the Bank by any nationally recognized securities rating agency in Canada or in the United States; or (ii) the



Covered Bond Programme or any Series or Tranche of Covered Bonds by a Rating Agency, shall have been lowered since the Trade Day or if any such rating agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Bank's long term debt securities, the Covered Bond Programme or any Series or Tranche of Covered Bonds and if in the Dealer's opinion, acting reasonably, such change in rating or announcement could be reasonably expected to have a significant adverse effect on the market price or value of the Covered Bonds,

provided that with respect to obligations relating to a particular Closing or to a particular purchase as principal, such notice must be given to the Bank prior to the Closing Time or the time for the completion of such purchase, as applicable.

### **6.3 Procedures Upon Termination.**

- (a) In the event of a termination by any Dealer pursuant to section 6.2, there will be no further liability on the part of such Dealer to the Bank or of the Bank to such Dealer except any liability which may have arisen or may thereafter arise under Article 7 or Article 8.
- (b) Any termination by the Bank or any Dealer pursuant to section 6.1 or section 6.2, as applicable, will be effected by notice in writing delivered to the affected party or parties at the appropriate address set out herein. The right of the Bank or any Dealer to so terminate their respective obligations is in addition to such other remedies that they may have in respect of any default, act or failure to act of another party in respect of any of the matters contemplated by this Agreement.
- (c) Upon termination of a Dealer or Dealers pursuant to section 6.1 or section 6.2, the Bank and the remaining Dealers will promptly file a Prospectus Amendment, satisfactory to Dealers' Counsel, indicating that the Dealer or Dealers have ceased to be a Dealer or Dealers under the Prospectus Supplement or Pricing Supplement, as applicable, and in the case of an amendment to the Prospectus Supplement, containing a new certificate page to the Prospectus Supplement signed by the remaining Dealers, and any other document required under Canadian Securities Laws.

## **ARTICLE 7 EXPENSES**

### **7.1 Expenses.**

Unless otherwise agreed by the parties hereto in respect of any particular issue of Covered Bonds, whether or not any sale of the Covered Bonds will be completed, all reasonable expenses of or incidental to the issuance and delivery of such Covered Bonds and of or incidental to all matters in connection with the transactions set out herein will be borne by the Bank including expenses in connection with the issuance and sale of the Covered Bonds, all fees required under Canadian Securities Laws, the qualification of the Covered Bonds for distribution in the Qualifying Jurisdictions, all costs (including hotel, meal and transportation expenses) of any

marketing or information meetings conducted by the Bank or the Dealers, as applicable, the fees and expenses of counsel to the Bank and all local counsel selected by the Bank, the out-of-pocket expenses of the Dealers in connection with or incidental to the offering and issuance of the Covered Bonds (including travel and hotel expenses, and the reasonable fees and disbursements of their counsel) and all costs incurred in connection with the preparation and printing of any Covered Bond Prospectus or any Supplementary Material.

## **ARTICLE 8 INDEMNIFICATION**

### **8.1 Indemnity.**

- (a) The Bank and the Guarantor LP shall jointly and severally indemnify and save each of the Dealers and their respective directors, officers, employees, shareholders and agents, and any person (other than the Bank, the Guarantor LP and their successors and assigns) which, for these purposes, includes each of their respective directors, officers and employees, shareholders and agents, to whose benefit this Agreement shall enure or upon whom it shall be binding pursuant hereto (each of whom is an “**Indemnified Party**”, and are referred to collectively as the “**Indemnified Parties**”) harmless from and against all losses (except loss of profits in connection with the sale of the Covered Bonds), claims (other than a claim caused by or arising by reason of the breach by any such Dealer or an Indemnified Party of any of the Dealer’s covenants herein contained or of applicable Canadian Securities Laws or other applicable laws in connection with the transactions provided for herein), costs, damages, demands, expenses and liabilities which any of the Indemnified Parties may suffer, incur or be the subject of (whether under the provisions of any statute or otherwise), from time to time, and which are in any way caused by or derived directly or indirectly by reason of, from or in consequence of:
- (i) any misrepresentation, untrue or misleading statement or omission (except for a misrepresentation, statement or omission relating solely to the Dealers or any of them contained herein), in any Covered Bond Prospectus or any Supplementary Material or in any document incorporated therein by reference or supplementary thereto or in any document of the Bank or the Guarantor LP therein referenced or in any other material supplied to the Dealers by the Bank or the Guarantor LP pursuant to this Agreement and/or filed or delivered by the Bank or the Guarantor LP in compliance or intended compliance with Canadian Securities Laws;
  - (ii) any order made or inquiry, investigation or proceeding commenced or threatened by the Superintendent of Financial Institutions (Canada), any securities regulator or other competent authority in Canada or in any of the Qualifying Jurisdictions based upon any misrepresentation, untrue or misleading statement or omission or alleged misrepresentation, untrue or misleading statement or omission (except a misrepresentation, statement or omission relating solely to the Dealers or any of them) contained in any

Covered Bond Prospectus, any Supplementary Material or any other document referred to in section 8.1(a)(i) (other than any document or material prepared or filed solely by the Dealers) which prevents or restricts the trading in or the distribution of any of the Covered Bonds or any of them in any of the Qualifying Jurisdictions; or

- (iii) the French language version of any document referred to in section 8.1(a)(i) being, or being alleged to be, other than a complete and accurate translation of the English language version of the document.

If any claim contemplated by this section shall be asserted against any of the Indemnified Parties, or if any potential claim contemplated by this section shall come to the knowledge of any of the Indemnified Parties, the Indemnified Party concerned shall notify the Bank and the Guarantor LP as soon as possible of the nature of such claim (provided that any failure to so notify shall not affect the liability of the Bank and the Guarantor LP under this section except to the extent that the Bank and/or the Guarantor LP is materially prejudiced by such failure) and the Bank and/or the Guarantor LP (as applicable) shall, subject as hereinafter provided, be entitled (but not required) to assume the defence on behalf of the Indemnified Party of any suit brought to enforce such claims; provided, however, that the defence shall be through legal counsel engaged by the Bank and/or the Guarantor LP and acceptable to the Indemnified Party, acting reasonably, and no admission of liability shall be made by the Bank, the Guarantor LP or the Indemnified Party without, in each case, the prior written consent of the Bank, the Guarantor LP and the Indemnified Party, such consent not to be unreasonably withheld or delayed. An Indemnified Party shall have the right to employ separate counsel in any such suit and participate in the defence thereof but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless: (i) the employment of such counsel has been authorized by the Bank or the Guarantor LP; or (ii) the Bank and the Guarantor LP have not within a reasonable time after receiving written notice of a claim or potential claim employed counsel to have carriage of the defence of such suit; or (iii) the named parties to any such suit include the Indemnified Party and the Bank and/or the Guarantor LP and the Indemnified Party shall have been advised by counsel that there may be one or more legal defences available to the Indemnified Party which are different from or in addition to those available to the Bank and/or the Guarantor LP (in which case the Bank and the Guarantor LP shall not have the right to assume the defence of such suit on behalf of the Indemnified Party, but the Bank and the Guarantor LP shall be liable in accordance with the provisions of this section to pay the reasonable fees and expenses of counsel for the Indemnified Party). The Bank and the Guarantor LP shall not be liable under this section 8.1 to pay the fees and expenses of more than one law firm in any one jurisdiction acting as counsel on behalf of one or more Indemnified Parties. The Bank and the Guarantor LP hereby constitute the Dealers as trustees for the Dealers' directors, officers, employees, shareholders and agents of the covenant of the Bank under this section 8.1 with respect to the Dealers' directors, officers,

employees, shareholders and agents and the Dealers agree to accept such trust and hold and enforce such covenants on behalf of such persons.

- (b) In order to provide for just and equitable contribution in circumstances in which the indemnity provided in section 8.1(a) is due in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by any Indemnified Party or enforceable otherwise than in accordance with its terms, to the extent permitted by applicable law the Bank, the Guarantor LP and each affected Indemnified Party shall contribute to the aggregate of all claims, damages, costs and liabilities and all losses (other than loss of profits) of the nature contemplated in section 8.1(a) and suffered or incurred by any Indemnified Party in such proportions so that such Indemnified Parties are each responsible for the portion represented by the percentage that the aggregate fee payable by the Bank and the Guarantor LP to such Indemnified Party bears to the aggregate initial offering price of the Covered Bonds sold by the Dealers under a Covered Bond Prospectus and the Bank and the Guarantor LP shall be responsible for the balance whether or not it has been sued or sued separately; provided that, in any event, no Indemnified Party shall be liable to contribute, in the aggregate, any amount in excess of such aggregate fees or any portion thereof actually received and, provided further that no person guilty of a fraudulent misrepresentation shall be entitled to any contribution from any person who is not guilty of such fraudulent misrepresentation.
- (c) The rights to contribution provided in section 8.1(b) shall be in addition to and not in derogation of any other right to contribution which any Indemnified Party may have by statute or otherwise pursuant to applicable law.
- (d) In the event that the Bank and/or the Guarantor LP may be held to be entitled to contribution from any Indemnified Party under the provisions of any statute or otherwise pursuant to applicable law, the aggregate of the Bank's and the Guarantor LP's entitlement shall be limited to an amount not exceeding the lesser of (i) the portion for which such Indemnified Parties are responsible, as determined pursuant to section 8.1(b), of the full amount of the loss or liability giving rise to such contribution and (ii) the amount of any fees or commissions actually received by such Indemnified Parties in connection herewith.
- (e) If any action is instituted against the Bank and/or the Guarantor LP as a result of any matter referred to in section 8.1(a) or if any payment is made by the Bank and/or the Guarantor LP pursuant to this section, neither the Bank or the Guarantor LP shall make any claim for contribution against any of the Indemnified Parties except to the extent permitted by section 8.1(b) or except to the extent that such claim is based upon the negligence or misfeasance of such parties.
- (f) Notwithstanding any other provision of this Agreement, the rights to indemnity and contribution contained in this section 8.1 shall survive each and every sale of

Covered Bonds hereunder and shall continue in full force and effect unaffected by any disposition or re-distribution by Dealers of any or all of the Covered Bonds.

**ARTICLE 9  
AUTHORITY OF LEAD DEALER**

**9.1 Authority of Lead Dealer.**

Except where otherwise specified in this Agreement, all steps which must or may be taken by the Dealers in connection with this Agreement, including any agreement to amend this Agreement, may be taken by RBC DS, as the lead Dealer and Relevant Dealer, on the Dealers' behalf, after consultation with the other Dealers, and each of the Dealers authorizes the Bank and the Guarantor LP to deal solely with RBC DS on behalf of all Dealers except in respect of a notice of termination pursuant to section 6.2 or any claim or settlement under Article 8.

**9.2 Dealings with Other Dealers.**

Notwithstanding section 9.1, the Bank and the Guarantor LP may, from time to time, deal directly with any Dealer other than RBC DS in connection with a distribution of the Covered Bonds (such as in the event that RBC DS is not participating in such distribution).

**ARTICLE 10  
MISCELLANEOUS**

**10.1 Waiver of Terms and Conditions.**

Any breach or failure by the Bank or the Guarantor LP to comply with any term or condition contained herein will entitle the Dealers to terminate their obligations hereunder by written notice to that effect given to the Bank and the Guarantor LP. It is understood that the Dealers may waive, in whole or in part, or extend the time for compliance with, any such term or condition without prejudice to their rights in respect of any such term or condition or any subsequent breach thereof or non-compliance therewith, provided that to be binding on the Dealers any such waiver or extension must be in writing.

**10.2 Advertisements.**

Subject to the prior consent of the Bank, the Dealers will have the right, at their own expense, to place such advertisement or advertisements relating to the sale of the Covered Bonds contemplated herein as the Dealers may consider desirable or appropriate and as may be permitted by applicable law.

**10.3 Notices.**

Any notice or other communication to be given hereunder will be in writing and, unless delivered personally to a responsible officer of the addressee, will be given by telecopy, and will be deemed to have been received on the date so delivered or telecopied or delivered to

- (a) in the case of notice to Bank:

Royal Bank of Canada  
155 Wellington St. West  
14<sup>th</sup> Floor  
Toronto, Ontario M5V 3K7

Attention: Manager, Capital & Term Funding, Corporate Treasury  
with a copy to:

Norton Rose Fulbright Canada LLP  
Suite 3800  
Royal Bank Plaza, South Tower  
200 Bay Street, P.O. Box 84  
Toronto, Ontario M5J 2Z4  
Fax: (416) 216-3930  
Attention: Andrew Fleming

- (b) in the case of notice to the Guarantor LP:

RBC Covered Bond Guarantor Limited Partnership  
155 Wellington St. West  
14<sup>th</sup> Floor  
Toronto, Ontario M5V 3K7  
Attention: Senior Manager, Securitization

with a copy to:

Norton Rose Fulbright Canada LLP  
Suite 3800  
Royal Bank Plaza, South Tower  
200 Bay Street, P.O. Box 84  
Toronto, Ontario M5J 2Z4  
Fax: (416) 216-3930  
Attention: Andrew Fleming

- (c) in the case of notice to the Dealers:

to the Dealers collectively, or to RBC Dominion Securities Inc., be addressed and sent to:

RBC Dominion Securities Inc.  
South Tower  
2nd Floor  
Royal Bank Plaza  
Toronto, Ontario M5J 2W7  
Fax: (416) 842-6477  
Attention: Peter Hawkrigg

with copies to:

McCarthy Tétrault LLP  
Suite 5300, TD Bank Tower  
Toronto, Ontario M5K 1E6  
Fax: (416) 868-0673  
Attention: Shea Small

and to such other Dealers as the Bank may appoint as provided herein.

Any of the foregoing parties may change their respective addresses by notice given in the manner aforesaid.

#### 10.4 **General.**

- (a) Time will, in all respects, be of the essence hereof.
- (b) This Agreement may be amended or modified in any respect only by written instrument executed by the parties.
- (c) The invalidity or unenforceability of any particular provision of this Agreement will not affect or limit the validity or enforceability of the remaining provisions of this Agreement.
- (d) This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- (e) The terms and provisions of this Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that, except as provided herein, this Agreement will not be assignable by any party hereto without the written consent of the others.
- (f) Each of the parties hereto will do or cause to be done all such acts and things and will execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.
- (g) This Agreement is intended to and will take effect as of the date first set forth above notwithstanding its actual date of execution or delivery.
- (h) This Agreement may be executed in any number of counterparts, which taken together will form one and the same agreement.

If the Bank and the Guarantor LP are in agreement with the foregoing terms and conditions, please so indicate by executing the two enclosed copies of this letter where indicated and delivering one of the copies to RBC DS on behalf of the Dealers.

Yours very truly,

**RBC DOMINION SECURITIES INC.**

Per: *"Peter Hawkrigg"*

Name: Peter Hawkrigg

Title: Managing Director



The foregoing is hereby accepted and agreed upon.

**ROYAL BANK OF CANADA**

Per: “David Power”  
Name: David Power  
Title: President

Per: “James Salem”  
Name: James Salem  
Title: Executive Vice-President,  
Corporate Treasury

**RBC COVERED BOND GUARANTOR  
LIMITED PARTNERSHIP, by its managing  
general partner, RBC COVERED BOND GP  
INC.**

Per: “David Power”  
Name: David Power  
Title: President

**SCHEDULE 1**

**COUNTERPART TO DEALER AGREEMENT**

TO: ROYAL BANK OF CANADA (the “**Bank**”)

AND TO: RBC COVERED BOND GUARANTOR LIMITED PARTNERSHIP (the  
“**Guarantor LP**”)

AND TO: RBC DOMINION SECURITIES INC. (the “**Original Dealer**”)

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Reference is made to the Canadian dealer agreement dated April 20, 2016 (the “**Dealer Agreement**”) between the Bank and the Original Dealer, a copy of which is attached as Appendix A. Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Dealer Agreement.

In accordance with the Dealer Agreement, in executing this counterpart to the Dealer Agreement, the undersigned hereby covenants and agrees to be bound by the Dealer Agreement, as the same may be amended from time to time in accordance with the provisions thereof, in connection with the offering and sale of the Covered Bonds under the Covered Bond Programme as a Dealer in the same manner and to the same extent as if the undersigned had been the Original Dealer under the Dealer Agreement.

For the purposes of section 10.3 of the Dealer Agreement, copies of notices should also be delivered to:

•

Fax: •

Attention: •

DATED \_\_\_\_\_

**[NAME OF NEW DEALER]**

Per: \_\_\_\_\_

Name:

Title:

**[Attach Dealer Agreement as Appendix A hereto]**

## SCHEDULE 2

### OPERATING PROCEDURES

The following outlines the procedures by which the Bank intends from time to time to sell the Covered Bonds through the Dealers acting as agents of the Bank or as principals for resale pursuant to the Agreement. All operating procedures shall be carried out in accordance with the Shelf Requirements and applicable Canadian Securities Laws. Capitalized terms used herein have the meanings ascribed thereto in the Agreement, unless otherwise defined herein. These operating procedures shall not apply if otherwise agreed to by the Bank and the applicable Dealers and when the Bank elects, pursuant to the Agreement, to issue Covered Bonds directly to purchasers.

#### **A. General**

1. At any time, the Bank may establish, in consultation with the Dealers or any of them, an appropriate rate and pricing structure for Covered Bonds to be sold by the Dealers within a defined time frame pursuant to the Agreement and the Bank's requirement for funds to be raised by the sale of such Covered Bonds (including the term or terms and the currency or currencies required and other terms (collectively, the "**Terms**" of the Covered Bonds) as permitted by the Base Shelf Prospectus and Prospectus Supplement (as amended or further supplemented by any Prospectus Amendment). At the Bank's sole discretion, the rate and pricing structure and requirement for funds so established will be based upon market conditions and the Bank's current and prospective funding requirements.
2. The Bank, in its sole and absolute discretion, may determine that an adjustment in the rate or pricing structure, any of the other Terms or the requirement for funds is desirable and will notify each Dealer of the adjustment. The Bank may consult with the Dealers or any of them concerning the desirability of any such adjustment. Also, a Dealer will advise the Bank at any time if the Dealer feels an immediate adjustment in the Bank's rate or pricing structure, any of the other Terms or the requirement for funds is desirable.
3. Whenever a Dealer obtains a firm offer to purchase Covered Bonds on the Terms established by the Bank and within the confines of the Bank's prevailing requirement for funds, the Dealer will telephone or otherwise contact the Bank to determine whether the Bank requires funds and, if it does, the Bank will confirm by telephone or otherwise that the Dealer may accept such offer as agent on behalf of the Bank (with commissions as may be mutually agreed upon by the Dealer and the Bank) or may acquire such Covered Bonds as principal on terms (including price and commissions, if any) then mutually agreed upon by the Dealer and Bank for resale by the Dealer pursuant to such offer.
4. Whenever a Dealer obtains a firm offer to purchase Covered Bonds at other than the prevailing Terms, and/or not within the confines of the Bank's prevailing requirement for funds, the Dealer will inform the Bank of that offer and will discuss with the Bank the advisability of accepting that offer.

5. Unless otherwise agreed to by the Dealer and the Bank, all orders accepted by the Bank on a Trade Day will be settled on the fifth Business Day following the Trade Day (the “**Settlement Date**”) in Toronto, Ontario.
6. The Bank will file all Pricing Supplements and other documents required to be filed with the securities regulator in each Qualifying Jurisdiction in which Covered Bonds have been sold pursuant to the applicable Pricing Supplement within the times prescribed by the Shelf Requirements and any other applicable Canadian Securities Laws and will remit all fees payable to such regulatory authorities.

**B. Book-Entry Only Covered Bonds**

1. Subject to the terms of the Agency Agreement, Covered Bonds shall be issued in the form of one or more global covered bonds registered in the name of the Depository (as defined below) that evidence all or any part of any series of Covered Bonds (“**Global Covered Bonds**”) and shall be held under the Book-Entry Only System.
2. Each Global Covered Bond will be registered in the name of CDS & Co., as nominee for the CDS Clearing and Depository Services Inc. (“**CDS**”), or such other nominee designated by CDS from time to time, or any or other depository designated by the Bank pursuant to the Agency Agreement, or its nominee (the “**Depository**”), on the debt securities register maintained under the Agency Agreement.
3. The receipt of immediately available funds by the Bank in payment for the Global Covered Bond and the issuance of the Global Covered Bond shall constitute “**Settlement**”.
4. Settlement procedures with regard to each Global Covered Bond to be issued and sold shall be as set forth below, subject to such amendments as may be required to comply with any Depository rules in effect at the time of Settlement:
  - (a) The Dealer will orally advise the Bank of the necessary information required for Settlement of the Covered Bonds (the “**Settlement Information**”) immediately following the acceptance of any offer by the Dealer acting as agent on behalf of the Bank or acting as principal and all such Settlement Information shall be confirmed in writing pursuant to the timetable for Settlement set forth below.
  - (b) After receiving the Settlement Information from the Dealer, the Bank will deliver to each Dealer which is a Dealer for the purpose of the issue, a Covered Bond Prospectus (including the applicable Pricing Supplement) relating to the Global Covered Bond to be issued and sold in accordance with such Settlement Information. The Dealer will deliver the Covered Bond Prospectus to each purchaser of any beneficial interest in the applicable Global Covered Bond (a “**Book-Entry Interest**”) by the end of the second Business Day following the Trade Day or the date the Bank has delivered the applicable Covered Bond Prospectus to the Dealer, whichever is later.

- (c) The Bank will, subject to any required Depository approvals and procedures, assign a CUSIP number to the Covered Bonds represented by a Global Covered Bond and will forward copies of the applicable Covered Bond Prospectus to the Depository via facsimile or other form of electronic transmission and request activation of the CUSIP number.
  - (d) After receiving all of the Settlement Information from the Dealers participating in the sale of the Covered Bonds, the Bank will communicate to the Depository and to the Issuing and Paying Agent all of the Settlement Information by facsimile or electronic transmission.
  - (e) The Bank will prepare and execute a Global Covered Bond in the form agreed to by the Bank and the Issuing and Paying Agent.
  - (f) Each Dealer shall deliver either by certified cheque or by electronic funds transfer the amount, net of the appropriate Dealer's commission, as agreed in respect of such Covered Bonds to an account designated by the Bank with a reference or trading number. In the event such amount has not been received in the designated account of the Bank by 11:30 a.m. on the Settlement Date, the transaction shall not settle until the next Business Day in Toronto, Ontario and the Bank shall be compensated by the Dealer for its cost of funds incurred as a result of the delay in Settlement based on the interest rate or yield determined and calculated in the manner provided in the Covered Bonds, for the period from but not including the Settlement Date to and including the date the transaction settles.
  - (g) Upon instructions from the Bank to do so, the Issuing and Paying Agent will authenticate the Global Covered Bond and deliver such Global Covered Bond to the Dealer or directly to the Depository (as instructed by the Bank) in Toronto, Ontario.
  - (h) The Depository will credit the Book-Entry Interest in the Covered Bonds to the appropriate participant account(s) maintained by the Depository.
  - (i) The Dealer will confirm the purchase of each Book-Entry Interest in the Covered Bonds to the purchasers thereof by mailing a written confirmation to such purchasers.
5. If a proposed issue and sale of a Global Covered Bond is cancelled prior to Settlement, the Bank will deliver to the Depository and the Issuing and Paying Agent a cancellation message to such effect and the Issuing and Paying Agent will mark such Global Note "void and cancelled", and make appropriate entries in its records. The CUSIP number assigned to such Global Note shall, in accordance with CUSIP Service Bureau procedures, be cancelled and not reassigned.

These Operating Procedures will be in effect until such time as the Bank and the Dealers shall agree that revisions to the procedures are desirable.

## SCHEDULE 3

### DUE DILIGENCE

#### **REVIEW PROCESS FOR THE COVERED BOND PROGRAMME**

The following sets out the due diligence review process for the Covered Bond Programme. Capitalized terms used herein have the meanings ascribed thereto in the Dealer Agreement, unless otherwise defined herein.

#### **Quarterly Review with Senior Management**

After receiving and reviewing the quarterly unaudited financial statements and accompanying management's discussion and analysis ("MD&A") of the Bank, representatives of each of the Dealers and counsel to the Dealers may, at the option of the Dealers, acting reasonably, meet with one or more members of the senior management of the Bank and their respective counsel to conduct an update due diligence session with respect to the affairs of the Bank. Any such meeting may take the form of a conference call. Prior to the foregoing quarterly due diligence session, counsel to the Dealers will be permitted to review the minutes of the directors' (and any committees thereof) and shareholders' meetings of the Bank for each such quarter. These documents will be made available for review by counsel to the Dealers by the Bank and counsel to each of the Bank will be available to answer questions regarding these documents.

#### **Annual Review of Audited Financial Statements and Annual Information Form of the Bank**

After receiving and reviewing the Bank's audited financial statements and accompanying MD&A and the Bank's Annual Information Form, representatives of each of the Dealers and counsel to the Dealers may, at their option, acting reasonably, meet with the senior management of the Bank and their counsel to conduct an annual due diligence review in conjunction with the filing of such documents. The Dealers and counsel to the Dealers may, at their option, also meet with the auditors of the Bank to conduct a due diligence review with respect to the Bank's annual financial information.

#### **Review of Material Change Reports**

As soon as possible upon the earlier of the issuance of a press release relating to a material change report or the filing of a material change report, members of the senior management of the Bank will at the request of the Dealers meet with representatives of the Dealers and counsel to the Dealers (by means of a conference call) to discuss the subject matter of the material change report.

#### **Review of Material Contracts**

Counsel to the Dealers will be allowed access to review all material contracts (after necessary public disclosure thereof) entered into by the Bank which are out of the ordinary course of business during the term of the Covered Bond Programme. The Bank will promptly notify counsel to the Dealers of the entry into of such a material contract.