

Covered Bond Swap Confirmation

March 27, 2020

To: RBC Covered Bond Guarantor Limited Partnership, acting by its managing general partner,
RBC Covered Bond GP Inc.

155 Wellington Street West, 14th Floor
Toronto, Ontario
Canada M5V 3K7

Attn: President

Fax: (416) 974-1368

From: Royal Bank of Canada

Re: **Covered Bond Transaction (re CAD5,000,000,000 Floating Rate Covered Bonds due March 27, 2023, Series CB55 (CUSIP: 780086RX4, ISIN: CA780086RX40) under €60,000,000,000 Royal Bank of Canada Global Covered Bond Programme unconditionally and irrevocably guaranteed as to payments by RBC Covered Bond Guarantor Limited Partnership)**

And Re: **Trade Reference:**

Dear Sir or Madam,

The purpose of this letter is to confirm the terms and conditions of the transaction entered into between Royal Bank of Canada (“**Party A**”) and RBC Covered Bond Guarantor Limited Partnership, acting by its managing general partner, RBC Covered Bond GP Inc. (“**Party B**”) on the Trade Date specified below (the “**Transaction**”). This facsimile constitutes a “**Confirmation**” as referred to in the Agreement as specified below.

This Confirmation evidences a complete binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. This Confirmation supplements, forms part of, and is subject to, the ISDA Amended and Restated Covered Bond 2002 Master Agreement dated as of August 1, 2014, as amended restated or supplemented from time to time, between you and us (the “**Agreement**”). All provisions contained in the Agreement shall govern this Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction. The definitions and provisions contained in the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) (the “**Definitions**”) are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Amended and Restated Master Definitions and Construction Agreement dated July 5, 2019 between Royal Bank of Canada, RBC Covered Bond Guarantor Limited Partnership, Computershare Trust Company of Canada, RBC Covered Bond GP Inc., 6848320 Canada Inc., PricewaterhouseCoopers LLP and each other Person who may from time to time become a party thereto, as amended, restated or supplemented from time to time (the “**Master Definitions and Construction Agreement**”); and (iii) the Definitions. Capitalized terms used but not defined herein shall have the respective meanings given to them in the Master Definitions and Construction

Agreement. For the purposes of the Definitions, references herein to a “Transaction” shall be deemed to be references to a “Swap Transaction”.

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date: March 23, 2020.

Effective Date: The later of:

(a) the Issue Date for Series CB55; and

(b) the earlier of:

(i) the Covered Bond Guarantee Activation Event Date;

(ii) a Trigger Event Date; and

(iii) an impending or actual insolvency on the part of the Issuer that constitutes an Issuer Event of Default pursuant to Condition 7.01(f).

Termination Date: The earlier of:

(a) the Final Maturity Date for (or, if earlier, the date of redemption or cancellation in whole, but not in part, of) Series CB55 or, if Party B notifies Party A prior to such Final Maturity Date of its inability to pay in full Guaranteed Amounts corresponding to the Final Redemption Amount for Series CB55, the final date on which an amount representing the Final Redemption Amount for Series CB55 is paid (but in any event, not later than the Extended Due for Payment Date for Series CB55) (the “**Scheduled Termination Date**”); and

(b) the date designated therefor by the Bond Trustee and notified to Party A and Party B for purposes of realizing the Security in accordance with the Security Agreement and distributing the proceeds therefrom in accordance with the Post-Enforcement Priority of Payments following the enforcement of the Security pursuant to Condition 7.03 as may be modified by the Final Terms for Series CB55.

Business Day: Toronto.

Party B Amounts

Floating Rate Payer: Party B.

Party B Notional Amount: For each Guarantor LP Calculation Period, the Party A Notional Amount on the first day of such Guarantor LP Calculation Period.

Party B Payment Amount: On each Guarantor LP Payment Date, Party B will pay to

Party A the product of:

- (a) the Party B Notional Amount for the Guarantor LP Calculation Period ending on such Guarantor LP Payment Date;
- (b) the Party B Day Count Fraction; and
- (c) the Party B Floating Rate.

Guarantor LP Calculation Period: Each period from and including a Guarantor LP Payment Date to, but excluding, the next following Guarantor LP Payment Date, provided that (a) the first Guarantor LP Calculation Period begins on, and includes, the Effective Date and (b) the final Guarantor LP Calculation Period shall end on, but exclude, the Scheduled Termination Date.

Party B Payment Date: Each Guarantor LP Payment Date.

Party B Day Count Fraction: Actual/365.

Party B Business Day Convention: Modified Following Business Day Convention.

Party B Floating Rate: Party B Floating Rate Option *plus* Party B Spread.

Party B Floating Rate Option: CAD-BA-CDOR.

Designated Maturity: 1 month.

Party B Spread: per annum.

Reset Date: First Business Day of each Guarantor LP Calculation Period.

Party A Amounts

Floating Rate Payer: Party A.

Party A Notional Amount: In respect of each Swap Provider Calculation Period, an amount in CAD equal to \$5,000,000,000 *minus* the aggregate of each portion of the Final Redemption Amount for Series CB55 paid or that was redeemed or cancelled pursuant to Condition 6.08 as may be modified by the Final Terms for Series CB55, in each case, on or prior to the first day of such Swap Provider Calculation Period.

Swap Provider Calculation Period: Each period from and including a Swap Provider Payment Date to, but excluding, the next following applicable Swap Provider Payment Date, except that (a) the initial Swap Provider Calculation Period will commence on, and include, the Effective Date and (b) the final Swap Provider Calculation Period will end on, but exclude, the Scheduled Termination Date.

Swap Provider Payment Date: 27th day of March, June, September and December of each year, commencing June 27, 2020, each day that a portion of the Final Redemption Amount for Series CB55 is payable

and the 27th day of each month after the Final Maturity Date for Series CB55, up to and including the Scheduled Termination Date.

Party A Payment Amount: On each Swap Provider Payment Date, Party A will pay to Party B the product of:

- (a) the Party A Notional Amount for the Swap Provider Calculation Period ending on but excluding such Swap Provider Payment Date;
- (b) the Party A Day Count Fraction; and
- (c) the Party A Floating Rate.

Party A Floating Rate: Party A Floating Rate Option plus Party A Spread.

Party A Floating Rate Option: CAD-BA-CDOR.

Designated Maturity: 3 months prior to the Final Maturity Date for Series CB55 and 1 month after the Final Maturity Date for Series CB55.

Party A Spread: % per annum prior to the Final Maturity Date for Series CB55 and % after the Final Maturity Date for Series CB55.

Reset Date: First Business Day of each Swap Provider Calculation Period.

Party A Day Count Fraction: Actual/365 (Fixed).

Party A Business Day Convention: Modified Following Business Day Convention.

Other Provisions

Calculation Agent: Party A.

Account Details

Account for payments to Party A in CAD:

Bank:

SWIFT:

Beneficiary account:

Beneficiary account number:

Beneficiary SWIFT ID:

or such other account as Party A may direct from time to time.

Account for payments to Party B in CAD:

Such account as Party B may direct from time to time.

Contact Details for notices

Party A

Royal Bank of Canada
155 Wellington Street West, 14th Floor
Toronto, Ontario
Canada M5V 3K7

Attention: Managing Director, Capital & Term
Funding, Corporate Treasury

Facsimile No.: (416) 974-1368.

Party B

RBC Covered Bond Guarantor Limited Partnership
c/o RBC Covered Bond GP Inc.
155 Wellington Street West, 14th Floor
Toronto, Ontario
Canada M5V 3K7

Attention: President

Facsimile No: (416) 974-1368.

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Confirmation

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of this Confirmation and returning it to us. We are delighted to have executed this Transaction with you and look forward to working with you again.

Time of trading is available upon request.

Yours sincerely,

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Confirmed as of the date first written above:

RBC COVERED BOND GUARANTOR LIMITED PARTNERSHIP, by its managing general partner,
RBC Covered Bond GP Inc.

By: _____
Name:
Title:
Date: March 27, 2020