

**Interest Rate Swap Confirmation**

January 21, 2025

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

E-mail: [REDACTED]

From: Royal Bank of Canada

Re: **€75,000,000,000 Royal Bank of Canada Global Covered Bond Programme unconditionally and irrevocably guaranteed as to payments by RBC Covered Bond Guarantor Limited Partnership, acting by its managing general partner, RBC Covered Bond GP Inc.**

And Re: [REDACTED]

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 document 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 Master Agreement dated as of January 21, 2025 (identified on page 1 thereof as the “Interest Rate 2002 Master Agreement”), 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 2021 ISDA Interest Rate Derivatives 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 16, 2024 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: July 1, 2024.

Effective Date: July 1, 2024.

Termination Date: The earlier of:

- (a) the Final Maturity Date for the final Tranche or Series of Covered Bonds then outstanding (provided that the Issuer has not given prior written notice to Party A and Party B that it intends to issue additional Covered Bonds following such date) or, if Party B notifies Party A, prior to the Final Maturity Date for such final Tranche or Series of Covered Bonds then outstanding, of the inability of Party B to pay in full Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such final Tranche or Series of Covered Bonds then outstanding, the final date on which an amount representing the Final Redemption Amount for such final Tranche or Series of Covered Bonds then outstanding is paid (but in any event not later than the Extended Due for Payment Date for such Tranche or Series of Covered Bonds);
- (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 of any final Tranche or Series of Covered Bonds then outstanding;
- (c) the date on which the Notional Amount is reduced to zero; and
- (d) the date of redemption pursuant to Condition 6.02 or 6.15 in respect of any final Tranche or Series of Covered Bonds then outstanding (provided that the Issuer has not

given prior written notice to Party A and Party B that it intends to issue additional Covered Bonds following such date).

Business Day Convention: Modified Following, except for the purposes of determining the Calculation Date.

Business Day: Toronto.

Receipt Ratio: In respect of each Guarantor LP Calculation Period, the fraction, the numerator of which is the aggregate amount of payments on account of interest in respect of all Loans actually received by Party B during such period, and the denominator of which is such amounts that become due in that Guarantor LP Calculation Period on all Loans, in accordance with the terms of such Loans and as at the first day in such period, to receive during such period, all as calculated by the Cash Manager in accordance with the provisions of the Cash Management Agreement; provided that at any time Royal Bank of Canada is Party A the Receipt Ratio shall be equal to one (1).

Notional Amount: In respect of each Guarantor LP Calculation Period, an amount in Canadian Dollars equal to the Average Loan Balance on the Calculation Date immediately following the last day of the relevant Guarantor LP Calculation Period multiplied by the Receipt Ratio.

Payment Dates: The seventeenth day in each month, subject to the Business Day Convention.

Guarantor LP Calculation Period: Each period from and including the last Business Day of each month to, but excluding, the last Business Day of the next succeeding month, 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.

### **Blended Amounts**

Blended Rate Payer: Party B.

Party B Payment Amount: On each Payment Date, Party B shall pay to Party A an amount equal to the amount available to Party B to make non-termination payments to Party A in respect of such Payment Date and this Confirmation in accordance with the then-applicable Priority of

Payments.

Party B Day Count Fraction: Actual/Actual (ICMA) as defined in the Terms and Conditions of the Covered Bonds.

### **Floating Amounts**

Floating Rate Payer: Party A.

Floating Rate Payer Calculation Amount: Notional Amount.

Floating Rate Option: CAD-CORRA-OIS COMPOUND.

Observation Period Shift: Two Business Days prior to the end of each Guarantor LP Calculation Period

Party A Reset Date: The last day of each Guarantor LP Calculation Period

Party A Spread: On the Trade Date, [REDACTED] per cent. per annum, and thereafter, in respect of a Portfolio Adjustment (defined below), the spread agreed from time to time in writing by Party A and Party B in accordance with the Spread Determination Procedure set out below.

Party A Payment Amount: In respect of a Payment Date, Party A will pay to Party B the product of:

- (a) the Floating Rate Payer Calculation Amount;
- (b) the Party A Day Count Fraction in respect of the relevant Guarantor LP Calculation Period; and
- (c) the Floating Rate Option plus the Party A Spread in respect of the relevant Guarantor LP Calculation Period.

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

### **Other Provisions**

Calculation Agent: Party A.

Spread Determination Procedure: At any time when it is proposed that:

- (a) any Loan shall be sold from the Covered Bond Portfolio (other than a Loan repurchased by the Seller as a result of a breach of representation or warranty made with respect to such Loan in the Mortgage Sale Agreement) including in respect of a Payment in Kind;

- (b) any Loan shall be acquired by Party B and included in the Covered Bond Portfolio; or
- (c) the interest rate applicable to any Loan shall be adjusted in accordance with the Servicing Agreement,

(each, a “**Portfolio Adjustment**”), then Party B (or the Servicer on behalf of Party B) shall notify Party A (which notice shall include sufficient information for Party A to make the determinations required by this section) and request that Party A determine (i) the amount by which the Party A Spread would change (such revised Party A Spread, the “**Adjusted Spread**”) as a result of such Portfolio Adjustment and (ii) the estimated Breakage Fee (if any) payable by either party in respect of such Portfolio Adjustment.

Following notification of the Adjusted Spread and estimated Breakage Fee, Party B shall determine whether to proceed with the proposed Portfolio Adjustment. No Portfolio Adjustment may be made if the Adjusted Spread taking into account the estimated Breakage Fee (if any) payable by Party A to Party B or by Party B to Party A) in respect of such Portfolio Adjustment would be insufficient to ensure that Party B has sufficient funds to (i) make any payments of interest due on the Intercompany Loan or following a Covered Bond Guarantee Activation Event, all non-termination payments when due under all Covered Bond Swaps then outstanding and all payments (other than payments of principal) when due in respect of any Covered Bonds for which no Covered Bond Swap has been entered into; (ii) meet the Asset Coverage Test or the Amortization Test, as applicable after giving effect to such payment, (iii) pay any other Guarantor LP expenses then due and payable in priority to the payment of the Breakage Fee in accordance with the relevant Priorities of Payment, and (iv) retain an amount equal to 2 bps of additional spread.

With effect from and including the date (the “**Portfolio Adjustment Date**”) on which any Portfolio Adjustment is completed, and provided that the Adjusted Spread satisfies the requirements set out in the above paragraph, the Party A Spread shall be the related Adjusted Spread.

The Breakage Fee (if any) is payable on the Payment Date immediately following the Portfolio Adjustment Date (or, if the Portfolio Adjustment Date is a

Payment Date, such date).

Breakage Fee:

Upon a Portfolio Adjustment pursuant to the Spread Determination Procedure above, an amount, as determined by Party A, will be payable as follows:

(A) if the Mark-to-Market Value of this Transaction immediately prior to the Portfolio Adjustment is greater than the Mark-to-Market Value of this Transaction immediately following the Portfolio Adjustment, Party B will pay the Mark-to-Market Change to Party A on the relevant Payment Date; or

(B) if the Mark-to-Market Value of this Transaction immediately prior to the adjustment is less than the Mark-to-Market Value of this Transaction immediately following the adjustment, Party A will pay the absolute value of the Mark-to-Market Change to Party B on the relevant Payment Date.

“Mark-to-Market Change” means, in respect of this Transaction, an amount (which may be positive or negative) equal to the Mark-to-Market Value of a transaction having identical terms to this Transaction immediately prior to the Portfolio Adjustment minus the Mark-to-Market Value of a transaction having identical terms to this Transaction immediately following the Portfolio Adjustment.

“Mark-to-Market Value” means, at any time, an amount which would be payable to Party A (expressed as a positive) or by Party A (expressed as a negative) pursuant to Section 6(e) of this Agreement as though an Early Termination Date had been designated as a result of a Termination Event under this Agreement for which Party B was the sole Affected Party and the only Affected Transaction was this Transaction.

Additional Termination Event:

It shall be an Additional Termination Event, with respect to which Party B shall be the sole Affected Party and all Transactions shall be Affected Transactions, if a Portfolio Adjustment is undertaken notwithstanding the fact that the Adjusted Spread would be insufficient to satisfy the test described above under Spread Determination Procedure.

## Account Details

### Account for payments to Party A:

Bank: Royal Bank of Canada  
SWIFT: [REDACTED]  
Beneficiary account: Royal Bank of Canada, Toronto  
Beneficiary account number: [REDACTED]  
Beneficiary SWIFT ID: [REDACTED]

or such other account as Party A may direct.

### Account for payments to Party B:

Bank: Royal Bank of Canada  
SWIFT: [REDACTED]  
Beneficiary account: Royal Bank of Canada, Toronto  
Beneficiary account number: [REDACTED]  
Beneficiary SWIFT ID: [REDACTED]

or such other account as Party B may direct.

## Contact Details for notices

### Party A

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

Attention: Vice President, Corporate Treasury

E-mail: [REDACTED]

### Party B

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

Attention: President

E-mail: [REDACTED]

[Remainder of page intentionally left blank]

## 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.

Time of trading is available upon request.

Yours sincerely,

## ROYAL BANK OF CANADA

By: /s/ Jason Drysdale  
Name: Jason Drysdale  
Title: Executive Vice-President and Treasurer

By: /s/ Rajneesh Sharma  
Name: Rajneesh Sharma  
Title: Vice President & Head, Term Funding and Capital Management

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: /s/ Rajneesh Sharma  
Name: Rajneesh Sharma  
Title: President  
Date: January 21, 2025