



STANDBY LETTER OF CREDIT / GUARANTEE

Guidelines for Completion of
Application and Agreement

HERE'S HOW TO COMPLETE THE APPLICATION AND AGREEMENT

ACTION: Refer to corresponding number on E-Form 1003		EXPLANATORY NOTES
1.	<ul style="list-style-type: none">address of Royal Bank branch at which you deal	
2.	<ul style="list-style-type: none">type or title of the Standby Letter of Credit or guarantee ("the guarantee") requested by the beneficiary	Both document types are usually drawn only if you default under your obligations to the beneficiary. <ul style="list-style-type: none">Standby Letters of Credit are governed by the International Standby Practices (ISP 98)Demand Guarantee drawings are payable on demand. This Guarantee type is governed by the Uniform Rules for Demand Guarantees (ICC758)
3.	<ul style="list-style-type: none">print full name, address (including street name & number), postal code of the individual or company entering into transaction with the beneficiary	<ul style="list-style-type: none">usually you or your company. If you are applying on behalf of another party, full name and address of that party.
4.	<ul style="list-style-type: none">name and telephone number of contact	<ul style="list-style-type: none">to whom Royal Bank can direct any queries.
5.	<ul style="list-style-type: none">print full name, address (including street name & number), postal code, telephone and facsimile numbers of beneficiary	beneficiary: the party to which the guarantee is payable. <ul style="list-style-type: none">If Royal Bank is to deliver the guarantee to beneficiary, indicate contact person, floor or suite# if available.
6.	<ul style="list-style-type: none">currency and amount of guarantee	Please indicate the specific collateral (e.g. EDC Performance Security Guarantee - PSG, Cash Collateral, Other) is provided in support of this standby letter of credit/guarantee, otherwise leave blank. If EDC please attach copy of the EDC application.
7.	a) if you are attaching details b) briefly describe what contract, agreement, etc. covers or is related to	<ul style="list-style-type: none">enclose extract of agreement, contract, etc., or other details.include the following where available: agreement/contract names of parties signing and briefly state what it covers purchase order number and date, plus brief description of goods bid/tender bid/tender number, plus brief description of relative project
8.	a) latest date when beneficiary may present complying documents for payment in their country (or another country if specified) or at the counters of Royal Bank. b) If guarantee is to be automatically renewed on expiry date for further period, specify renewal frequency. <ul style="list-style-type: none">indicate date beyond which guarantee is not to be renewedNumber of days' notice to beneficiary re: non-renewals c) RBC will add a minimum of 2 weeks to the expiry date for issuances via a foreign bank. d) RBC will extend the liability when required on documents in favour of Government bodies	a) - by this date, beneficiary in Canada is usually required to present documents for payment at Royal Bank counters in a specific location. - by this date, beneficiary outside Canada is generally required to present documents to a bank in their country. b) - applicable to ongoing contract, agreement, etc., with beneficiary - beneficiary must be advised re: non renewal of guarantee prior to expiry date. Inform Royal Bank at least 15 days prior to the time at which Royal Bank is required to give notice to beneficiary regarding non-renewal. c) Additional time is required to permit the foreign bank to transmit claim to RBC. d) This is a delayed claim benefit to cover defaults incurred prior to the expiry. Caution is advised as the laws of foreign jurisdictions may not be enforced or interpreted similar to the laws in Canada.
9.	<ul style="list-style-type: none">the company or person, resident in Canada, who should receive the guarantee directly from the bank, unless there are exceptional circumstances	<ul style="list-style-type: none">other instructions: indicate any other party you want the guarantee sent to and where applicable, delivery method other than mail, e.g. courier.
10.	<ul style="list-style-type: none">whether beneficiary can demand payment once, or several times (partial drawings)	<ul style="list-style-type: none">as a general rule, partial drawings are permitted under guarantees.
11.	<ul style="list-style-type: none">document(s) you require from beneficiary before payment is made under the guarantee	<ul style="list-style-type: none">demand in writing: letter from beneficiary stating amount being drawn.
12.	SPECIAL INSTRUCTIONS If applicable, state earliest date for payment demands (drawings) Where applicable, indicate: a) amount by which guarantee will reduce or increase automatically b) frequency of these reductions or increases and effective date c) indicate if instrument may be transferred by the beneficiary d) any other special conditions re: the guarantee	a) The beneficiary will be unable to make a valid claim prior to this date. b) schedule will be as agreed by Applicant and Beneficiary frequency may be shown as monthly, quarterly, etc. c) Recommended in the event of planned changes to the beneficiary.
13.	a) Select method of transmission - (if known) provide the name of the destination bank. b) what instructions Royal Bank is to give correspondent bank in beneficiary's country re: <ul style="list-style-type: none">advising beneficiaryissuing guarantee on Royal Bank's behalf, and delivery instructions	a) How you want the guarantee to be issued - RBC will make every effort to direct to the bank of your choice. If none is provided, RBC will select one of its correspondents. b) This option may be dictated by the beneficiary -If advised, the foreign bank provides the message without liability and at minimum cost -if issued, the foreign bank issues the message on our behalf and claims their issuance charges.
14.	name of individual or company guaranteeing repayment to Royal Bank for amounts paid under the guarantee <ul style="list-style-type: none">signature(s) of individual or of company officials	<ul style="list-style-type: none">usually same party as Applicant (Refer to (3) above). If not, name of party that will repay Royal Bank for amounts paid.company officers authorized to sign at Royal Bank on behalf of Company.
15.	You will also need to know - International Standby Practices 1998, ICC Publication No. 590 - Uniform Rules for Demand Guarantees, ICC Publication No. 758	These publications are available through - International Chamber of Commerce (ICC) - The Canadian Chamber of Commerce

For further information contact:

Your Royal Bank account manager or one of our trade experts at your regional International Trade Centre.

Trade Service Centre Help Line: 1-800-757-4525



APPLICATION AND AGREEMENT FOR STANDBY LETTER OF CREDIT OR GUARANTEE

Date: _____

1. ROYAL BANK OF CANADA

Transit ,
Branch Address

2. PLEASE ISSUE:

☐ Standby Letter of credit according to: ☐ ICC 590 - ISP 98
☐ Demand Guarantee ☐ ICC 758
☐ As per attached sample

3. FROM APPLICANT (Full Name, Street Address and Postal Code)

4. COMPANY CONTACT

Name: _____
Tel: _____ Fax: _____

5. IN FAVOUR OF: (BENEFICIARY)(Full Name, Street Address incl. Floor &/or Suite # and Postal Code)

6. FOR (a) CURRENCY (b) AMOUNT IN FIGURES AND WORDS

☐ Standby L/C or Guarantee issued with built in increases in amount
☐ Specific Collateral Security ☐ EDC

7. PURPOSE:

a. ☐ As per attached details b. ☐ Details as below
Details:

8. EXPIRY DATE: (Select One) a) ☐ One year from date of issue
☐ On (state date) _____

b) ☐ Automatically renew this standby L/C or Guarantee: (Specify)
Every: _____
Notification time re: non-renewal _____ Days

c) ☐ Standby L/C or Guarantee issued under the laws of a country other than Canada. Specify Country _____
(Alert: when a foreign issuing bank is used the expiration may be extended based on their requirements)

d) ☐ Standby L/C or Guarantee issued in favour of Government of Canada or Provincial Government containing a **Delayed Claim Benefit**

9. DELIVERY INSTRUCTIONS - BENEFICIARY IN CANADA
(Complete section 13. for beneficiary outside Canada) (Select One)

☐ Beneficiary ☐ Applicant
☐ Other (as specified):

We recommend direct delivery to the beneficiary

10. DRAWINGS: (Select One)

Beneficiary can make ☐ One ☐ Multiple demands for payment (drawings)

11. DOCUMENTS REQUIRED FOR DRAWINGS (Optional)

☐ Demand in writing ☐ Sight Draft
☐ Signed Beneficiary Certificate stating a default
☐ Copy of Transport Document (Specify)

☐ Copy(ies) of Beneficiary's Invoice
☐ Document as per format attached
☐ Other (Specify):

12. SPECIAL INSTRUCTIONS (Optional)

a. ☐ Drawings not permitted prior to _____

b. ☐ This standby L/C or Guarantee will automatically ☐ reduce by or ☐ increase by _____
(Amount)
_____ Commencing _____
(Frequency) (Date)

c. ☐ Transferable

d. ☐ Other (Specify):

13. DELIVERY INSTRUCTIONS - BENEFICIARY OUTSIDE CANADA
(Complete Section 9. for beneficiary in Canada)

a. Method of Delivery (Select One)

☐ Swift to Foreign Bank only ☐ Courier to Foreign Bank
☐ Courier to Beneficiary

☐ Other
Provide name and address of Foreign Bank if available

b. Instruct your correspondent bank in country of beneficiary to (Select One)

☐ Advise to beneficiary
☐ Issue on your behalf and deliver to: (Select One)
☐ Our Agent (Name, address, phone no.) ☐ Beneficiary

All mail addresses must include Street and Floor numbers when appropriate

14. BY SIGNING THIS FORM, THE CUSTOMER HEREBY ACKNOWLEDGES, AGREES AND RATIFIES THE INFORMATION CONTAINED HEREIN AND THE TERMS AND CONDITIONS SET OUT ON THE NEXT PAGE. IN THE CASE OF INCORPORATED COMPANIES AND OTHER ORGANIZATIONS, THIS FORM MUST BE SIGNED BY PROPERLY AUTHORIZED OFFICIALS. LIABILITY WILL BE RECORDED IN NAME OF COMPANY, ORGANIZATION OR INDIVIDUAL INDICATED BELOW, COMPANY NAME (WHERE) APPLICABLE.

Per: Per:

FOR BANK USE ONLY

SRF NO. (Applicant)	TRANSIT RE LIABILITY	BRR (Refer L3-10-3) / Rate EFFECTIVE DATE	FACILITY ACCOUNT NO.	SPECIAL RATE (Where Applicable) EFFECTIVE DATE
BORROWER (if other than applicant)		BORROWER SRF NO.	GUARANTEE TYPE <input type="checkbox"/> Financial <input type="checkbox"/> Non-Financial Trade <input type="checkbox"/> Non-Financial Other	
DEBIT A/C AT TRANSIT: SRF No. (if different to Borrower)		<input type="checkbox"/> CAD A/C NO. <input type="checkbox"/> USD A/C NO.	CONTACT AT BRANCH/BSG: TEL:	BBTR: EXPIRY DATE
COMMISSION FREQUENCY: (Select One) <input type="checkbox"/> Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> In Full <input type="checkbox"/> Semi-annually <input type="checkbox"/> Monthly		TIME OF COLLECTION <input type="checkbox"/> In advance <input type="checkbox"/> On Anniversary <input type="checkbox"/> At end of period <input type="checkbox"/> On Calendar Basis	<input type="checkbox"/> AUTOMATIC RENEWAL AND/OR EXCEEDING A YEAR - PROPER RISK APPROVAL IS HELD FOR THIS TRANSACTION	
ACCOUNT MANAGER NAME (print) No. Tel.		CASPER APPLICATION NO.	ORIGINAL APPLICATION HELD BY AUTHORIZING PARTY	
WE CERTIFY THAT THE INSTRUCTIONS FOLIO CRCA 2 AND WHERE APPLICABLE FOLIO TR 4-1-2 HAVE BEEN OBSERVED				
AUTHORIZED SIGNATURE		SIGNATURE STAMP		

ORIGINAL - FORWARD TO YOUR BRANCH OR BUSINESS SERVICE CENTRE

TERMS AND CONDITIONS

In consideration of Royal Bank of Canada (hereinafter called the "Bank") issuing, honouring, revising and amending a standby letter of credit or guarantee (hereinafter called the "Credit") at the request of the person(s) (herein collectively called the "Customer", their liabilities herein being joint and several) whose signature(s) appears on the Application and Agreement for Standby Letter of Credit or Guarantee (the "Application") to which these terms and conditions are attached and of which these terms and conditions form part, and subject to modifications in the Credit which may be made by the Bank from time to time, the Customer covenants and agrees with the Bank as follows:

- The Customer shall provide for all bills of exchange, drafts, cable and written demands for payments and receipts drawn or issued under a Credit (a "Drawing") by payment of the amounts thereof at the branch of the Bank where the Application is made (the "Application Branch") in accordance with the following provisions:
 - a Drawing in the currency of the place of the Application Branch shall be provided for by payment in that currency.
 - a Drawing in a currency other than the currency of the place of the Application Branch (a "foreign currency") shall be provided for by payment in the currency of the place of the Application Branch in an amount determined by applying the Bank's current announced rate of exchange for converting such foreign currency to the currency of the place of the Application Branch to the amounts due under the Credit, or in such foreign currency, by bankers' demand draft or telegraphic transfer approved by the Bank; and
 - payment will be made on demand of the Bank, at any time and from time to time, whether before, at or after maturity of the Credit, together with interest from the date the Drawing was honoured by the Bank.
- The Customer shall pay the Bank's fees (including, without limitation, any legal and documentation fees) and expenses incurred by the Bank in connection with the Credit or these terms and conditions, including the enforcement of its rights under the Credit or these terms and conditions with interest thereon.
- The Customer shall pay the Bank's fees and charges at the prevailing rate for issuing, renewing, honouring, revising and making amendments to Credits. The Customer shall reimburse the Bank that amount which compensates the Bank for any additional cost or reduction in income caused by: (i) an imposition of or increase in taxes on amounts payable by the Customer to the Bank in connection with the Credit or these terms and conditions, other than taxes on the overall net income of the Bank; (ii) an imposition of or increase in reserve or similar requirement against assets of, or deposits in or for the account of loans by, or any other acquisition of funds by, the Bank; (iii) a change in any requirement of the Bank relating to capital adequacy; or (iv) the imposition of any other condition with respect to the Credit by any government, governmental body or agency, tribunal or regulatory authority, through any directive, regulation, request or requirement with which financial institutions operating in the relevant jurisdiction are accustomed to or have generally complied, whether or not having the force of law.
- The Customer shall pay interest on all overdue payments, fees and charges. Any interest payable hereunder is payable at the rate of interest announced from time to time by the Bank as the reference rate then in effect for determining interest rates on commercial loans in the relevant currency and location. Such interest shall be calculated daily and shall be payable monthly with interest on overdue interest at the same rate as on the principal.
- Notwithstanding any other provision of these terms and conditions, the Bank may at any time or from time to time, without notice to the Customer or to any other person, set-off, appropriate and apply any and all deposits (general and special) by or for the benefit of the Customer with any branch of the Bank, whether matured or unmatured, and regardless of currency and any other indebtedness of the Bank to the Customer, against and on account of the amounts payable to, or the liabilities of the Customer to, the Bank under these terms and conditions, irrespective of whether or not the Bank has made any demand for payment pursuant to the provisions of these terms and conditions or the amounts payable are due or the liabilities are contingent.
- If, in the Application, an automatic extension of the Credit has been requested, the Credit will be extended without amendment for a further period equal in duration to the period specified in the Application, unless 15 days prior to the time at which the Bank is required to give notice of non-renewal of the Credit to the beneficiary: (i) the Customer notifies the Bank in writing that the Credit is not to be renewed, or (ii) the Bank notifies the Customer in writing that the Bank will not renew the Credit.
- The Bank may, in its sole discretion, use any agent or correspondent to advise, confirm or issue the Credit or carry out any other act or deed in connection with the Credit.
- These terms and conditions and the rights and obligations hereunder shall be deemed to form part of the Credit as if written thereon.
- These terms and conditions and the obligations hereunder shall continue in force and apply notwithstanding any change for any cause or in any manner whatsoever in the composition or membership of any firm which is a party hereto or may be a user of the Credit, and shall be binding upon the Customer and its heirs, executors, administrators, successors and assigns and shall inure to the benefit of, and be enforceable by, the Bank and its successors and assigns.
- In case of renewal or extension of the Credit or any bills drawn thereunder or any increase in the amount of the Credit or any modification in any of its terms, all obligations of the Customer under these terms and conditions shall subsist and apply to and in respect of such bills and the Credit related thereto as so renewed, extended, increased or modified.

- If the Credit is not honoured or partially honoured, it may only be cancelled or retired on a day other than its maturity date with the written consent of the beneficiary of such Credit and the return of the original Credit to the Bank.
- Neither the Bank nor its agents or correspondents shall be liable for any loss resulting from (i) any act or omission pursuant to the Customer's instructions, (ii) any other act or omission of the Bank or its agents or correspondents other than arising from their gross negligence or wilful misconduct, (iii) the default or error in or misinterpretation of or default or delay in the sending, transmission, arrival or delivery of any message, document or payment, whether in cipher or not, by post, telegraph, cable, wireless or otherwise, (iv) any bill or document accepted, paid or acted upon by the Bank or its agents or correspondents being in any or all respects invalid, insufficient, fraudulent, forged or discrepant or any bill not bearing a sufficient reference to the Credit, (v) any act, default, omission, insolvency or failure in business of any other person (including any agent or correspondent), or (vi) any matter beyond the Bank's control.
- Notwithstanding the form of any action or claim which may be asserted by the Customer, the liability of the Bank under these terms and conditions or any document delivered or Credit issued will be limited in the aggregate to actual and direct money damages not exceeding the total fees and charges paid by the Customer to the Bank in connection with the Credit. In no event will the Bank be liable for any indirect, consequential or exemplary damages whatsoever, including loss of profits, or for any claims against or other liabilities of the Customer in respect of any third party, whether for breach of warranty, negligence or otherwise, even if the Bank has been advised or been given notice of such a possibility.
- The Customer shall indemnify the Bank from and against all losses, damages, expenses and liabilities (including legal fees and expenses), which the Bank may incur by reason of issuing, honouring and amending the Credit (including, without limitation, such losses, damages, expenses and liabilities that might arise by reason of complying with local laws, customs and regulations rendering invalid any provision of the Credit, including, without limitation, provisions dealing with the expiration thereof) arising from the fraud, forgery or illegal actions of others or the Bank's performance of the obligations of a confirmer that wrongfully dishonours a confirmation; or by reason of any action taken, admitted or suffered to be taken in good faith in reliance upon any instruction (including, without limitation, any modification of instructions provided on the Application), application, request or order from the Customer or upon other paper, document or electronic communication reasonably believed by the Bank to be genuine; or otherwise arising out of the non-compliance by the Customer with any of these terms and conditions.
- Except as expressly provided by the instructions, a Standby Letter of Credit shall be subject to International Standby Practices 1998, ICC Publication No. 590 as revised from time to time, or if specifically requested, to Uniform Customs and Practice for Documentary Credits, 2007 revision, International Chamber of Commerce (ICC) Publication No. 600. A Demand Guarantee is subject to Uniform Rules for Demand Guarantees, ICC Publication No. 758 and subsequent revisions.
- No failure to exercise and no delay in exercising on the part of the Bank, any right, power or privilege hereunder shall operate as a waiver thereof nor shall any partial or single exercise of any other right, power or privilege preclude any other right, power or privilege. No amendment, modification or waiver of any provision of these terms and conditions shall be effective unless it is in writing, duly signed by the Bank and the Customer, and then the amendment, modification or waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Bank. These terms and conditions and the obligations hereunder are in addition to and not in substitution for any other obligations or security held by the Bank for satisfaction of the Obligations. The remedies herein provided are cumulative and are not exclusive of any other right or remedy provided by law, in equity or under any agreement or instrument.
- These terms and conditions shall continue in full force and effect until the expiration of the Credit, but notwithstanding any such expiration, these terms and conditions shall continue in full force and effect until all obligations then outstanding under the Credit have been paid in full and all rights of the Bank hereunder have been satisfied or other arrangements for the securing of such rights satisfactory to the Bank have been made.
- These terms and conditions shall be binding upon the heirs, executors, administrators, assigns or successors of the Customer and shall inure to the benefit of and be enforceable by the Bank, its successors and assigns.
- The Credit is subject to all laws, customs and regulations which may be in force in any place of negotiation or payment thereof as well as any laws specifically designated by the Customer. The Customer further agrees that when such foreign laws are designated, these terms and conditions will be subject, at the Bank's sole discretion to these same laws. If any provision of these terms and conditions is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate, affect or impair any of the remaining provisions hereof or render unenforceable the provision in any other jurisdiction.
- The Customer has expressly requested that this document be drawn up and executed in the English language. Le client a expressément demandé que ce document soit rédigé et signé en langue anglaise (Province of Quebec only).

THE CUSTOMER HEREBY ACKNOWLEDGES, AGREES AND RATIFIES THE TERMS AND CONDITIONS SET OUT ABOVE. IN THE CASE OF INCORPORATED COMPANIES AND OTHER ORGANIZATIONS, THIS FORM MUST BE SIGNED BY PROPERLY AUTHORIZED OFFICIALS. LIABILITY WILL BE RECORDED IN NAME OF COMPANY, ORGANIZATION OR INDIVIDUAL INDICATED BELOW, COMPANY NAME (WHERE) APPLICABLE.

Per: _____ Per: _____

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APPLICATION AND AGREEMENT FOR STANDBY LETTER OF CREDIT OR GUARANTEE

Date: _____

1. ROYAL BANK OF CANADA

Transit

Branch Address

2. PLEASE ISSUE:

☐ Standby Letter of credit according to:

☐ ICC 590 - ISP 98

☐ Demand Guarantee

☐ ICC 758

☐ As per attached sample

3. FROM APPLICANT (Full Name, Street Address and Postal Code)

4. COMPANY CONTACT

Name:

Tel:

Fax:

5. IN FAVOUR OF: (BENEFICIARY)(Full Name, Street Address incl. Floor &/or Suite # and Postal Code)

6. FOR (a) CURRENCY (b) AMOUNT IN FIGURES AND WORDS

☐ Standby L/C or Guarantee issued with built in increases in amount

☐ Specific Collateral Security ☐ EDC

7. PURPOSE:

a. ☐ As per attached details

b. ☐ Details as below

Details:

8. EXPIRY DATE: (Select One) a) ☐ One year from date of issue

☐ On (state date)

b) ☐ Automatically renew this standby L/C or Guarantee: (Specify)

Every:

Notification time re: non-renewal Days

c) ☐ Standby L/C or Guarantee issued under the laws of a country other than Canada. Specify Country

(Alert: when a foreign issuing bank is used the expiration may be extended based on their requirements)

d) ☐ Standby L/C or Guarantee issued in favour of Government of Canada or Provincial Government containing a Delayed Claim Benefit

9. DELIVERY INSTRUCTIONS - BENEFICIARY IN CANADA (Complete section 13. for beneficiary outside Canada) (Select One)

☐ Beneficiary ☐ Applicant

☐ Other (as specified):

We recommend direct delivery to the beneficiary

10. DRAWINGS: (Select One)

Beneficiary can make ☐ One ☐ Multiple demands for payment (drawings)

11. DOCUMENTS REQUIRED FOR DRAWINGS (Optional)

☐ Demand in writing ☐ Sight Draft

☐ Signed Beneficiary Certificate stating a default

☐ Copy of Transport Document (Specify)

☐ Cop(ies) of Beneficiary's Invoice

☐ Document as per format attached

☐ Other (Specify):

12. SPECIAL INSTRUCTIONS (Optional)

a. ☐ Drawings not permitted prior to

b. ☐ This standby L/C or Guarantee will automatically ☐ reduce by or ☐ increase by (Amount) (Frequency) Commencing (Date)

c. ☐ Transferable

d. ☐ Other (Specify):

13. DELIVERY INSTRUCTIONS - BENEFICIARY OUTSIDE CANADA (Complete Section 9. for beneficiary in Canada)

a. Method of Delivery (Select One)

☐ Swift to Foreign Bank only ☐ Courier to Foreign Bank

☐ Courier to Beneficiary

☐ Other

Provide name and address of Foreign Bank if available

b. Instruct your correspondent bank in country of beneficiary to (Select One)

☐ Advise to beneficiary

☐ Issue on your behalf and deliver to: (Select One)

☐ Our Agent (Name, address, phone no.) ☐ Beneficiary

All mail addresses must include Street and Floor numbers when appropriate

14. BY SIGNING THIS FORM, THE CUSTOMER HEREBY ACKNOWLEDGES, AGREES AND RATIFIES THE INFORMATION CONTAINED HEREIN AND THE TERMS AND CONDITIONS SET OUT ON THE NEXT PAGE. IN THE CASE OF INCORPORATED COMPANIES AND OTHER ORGANIZATIONS, THIS FORM MUST BE SIGNED BY PROPERLY AUTHORIZED OFFICIALS. LIABILITY WILL BE RECORDED IN NAME OF COMPANY, ORGANIZATION OR INDIVIDUAL INDICATED BELOW, COMPANY NAME (WHERE) APPLICABLE.

Per:

Per:

EXCEPT AS OTHERWISE EXPRESSLY STATED, THIS DOCUMENT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES - ISP 98 INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION VERSION CURRENT AT TIME OF ISSUANCE.

For information and assistance from anywhere in Canada, call 1-800-757-4525, or contact the closest client service unit as listed below:

ALBERTA / SASKATCHEWAN

International Trade Centre - Transit 02129

335 - 8th Avenue SW, 5th Floor

Calgary, Alberta T2P 1C9

Tel.: (403) 292-3812 Fax: (403) 292-3543

BRITISH COLUMBIA

International Trade Centre - Transit 02120

34th Floor, 1055 West Georgia Street

Vancouver, British Columbia V6E 3S5

Tel.: (604) 606-3945 Fax: (604) 665-8411

ONTARIO

International Trade Centre - Transit 02126

180 Wellington Street West, 9th Floor

Toronto, Ontario M5J 1J1

Tel.: (416) 974-3499 or 3244 Fax: (416) 974-4053

ATLANTIC

International Trade Centre - Transit 02123

5161 George Street, P.O. Box 1147

Halifax, Nova Scotia B3J 2Y1

Tel.: (902) 421-6140 Fax: (902) 421-9211

MANITOBA

International Trade Centre - Transit 02127

220 Portage Avenue, 2nd Floor

Winnipeg, Manitoba R3C 3A6

Tel.: (204) 988-4086 Fax: (204) 988-6174

QUEBEC

International Trade Centre - Transit 02121

1 Place Ville Marie, 2nd Floor

Montreal, Quebec H3C 3A7

Tel.: (514) 874-5750 Fax: (514) 874-5168

Send the original to your branch or business service centre
COPY - RETAINED BY APPLICANT (YOUR COPY)

TERMS AND CONDITIONS

In consideration of Royal Bank of Canada (hereinafter called the "Bank") issuing, honouring, revising and amending a standby letter of credit or guarantee (hereinafter called the "Credit") at the request of the person(s) (herein collectively called the "Customer", their liabilities herein being joint and several) whose signature(s) appears on the Application and Agreement for Standby Letter of Credit or Guarantee (the "Application") to which these terms and conditions are attached and of which these terms and conditions form part, and subject to modifications in the Credit which may be made by the Bank from time to time, the Customer covenants and agrees with the Bank as follows:

- The Customer shall provide for all bills of exchange, drafts, cable and written demands for payments and receipts drawn or issued under a Credit (a "Drawing") by payment of the amounts thereof at the branch of the Bank where the Application is made (the "Application Branch") in accordance with the following provisions:
 - a Drawing in the currency of the place of the Application Branch shall be provided for by payment in that currency.
 - a Drawing in a currency other than the currency of the place of the Application Branch (a "foreign currency") shall be provided for by payment in the currency of the place of the Application Branch in an amount determined by applying the Bank's current announced rate of exchange for converting such foreign currency to the currency of the place of the Application Branch to the amounts due under the Credit, or in such foreign currency, by bankers' demand draft or telegraphic transfer approved by the Bank; and
 - payment will be made on demand of the Bank, at any time and from time to time, whether before, at or after maturity of the Credit, together with interest from the date the Drawing was honoured by the Bank.
- The Customer shall pay the Bank's fees (including, without limitation, any legal and documentation fees) and expenses incurred by the Bank in connection with the Credit or these terms and conditions, including the enforcement of its rights under the Credit or these terms and conditions with interest thereon.
- The Customer shall pay the Bank's fees and charges at the prevailing rate for issuing, renewing, honouring, revising and making amendments to Credits. The Customer shall reimburse the Bank that amount which compensates the Bank for any additional cost or reduction in income caused by: (i) an imposition of or increase in taxes on amounts payable by the Customer to the Bank in connection with the Credit or these terms and conditions, other than taxes on the overall net income of the Bank; (ii) an imposition of or increase in reserve or similar requirement against assets of, or deposits in or for the account of loans by, or any other acquisition of funds by, the Bank; (iii) a change in any requirement of the Bank relating to capital adequacy; or (iv) the imposition of any other condition with respect to the Credit by any government, governmental body or agency, tribunal or regulatory authority, through any directive, regulation, request or requirement with which financial institutions operating in the relevant jurisdiction are accustomed to or have generally complied, whether or not having the force of law.
- The Customer shall pay interest on all overdue payments, fees and charges. Any interest payable hereunder is payable at the rate of interest announced from time to time by the Bank as the reference rate then in effect for determining interest rates on commercial loans in the relevant currency and location. Such interest shall be calculated daily and shall be payable monthly with interest on overdue interest at the same rate as on the principal.
- Notwithstanding any other provision of these terms and conditions, the Bank may at any time or from time to time, without notice to the Customer or to any other person, set-off, appropriate and apply any and all deposits (general and special) by or for the benefit of the Customer with any branch of the Bank, whether matured or unmatured, and regardless of currency and any other indebtedness of the Bank to the Customer, against and on account of the amounts payable to, or the liabilities of the Customer to, the Bank under these terms and conditions, irrespective of whether or not the Bank has made any demand for payment pursuant to the provisions of these terms and conditions or the amounts payable are due or the liabilities are contingent.
- If, in the Application, an automatic extension of the Credit has been requested, the Credit will be extended without amendment for a further period equal in duration to the period specified in the Application, unless 15 days prior to the time at which the Bank is required to give notice of non-renewal of the Credit to the beneficiary: (i) the Customer notifies the Bank in writing that the Credit is not to be renewed, or (ii) the Bank notifies the Customer in writing that the Bank will not renew the Credit.
- The Bank may, in its sole discretion, use any agent or correspondent to advise, confirm or issue the Credit or carry out any other act or deed in connection with the Credit.
- These terms and conditions and the rights and obligations hereunder shall be deemed to form part of the Credit as if written thereon.
- These terms and conditions and the obligations hereunder shall continue in force and apply notwithstanding any change for any cause or in any manner whatsoever in the composition or membership of any firm which is a party hereto or may be a user of the Credit, and shall be binding upon the Customer and its heirs, executors, administrators, successors and assigns and shall inure to the benefit of, and be enforceable by, the Bank and its successors and assigns.
- In case of renewal or extension of the Credit or any bills drawn thereunder or any increase in the amount of the Credit or any modification in any of its terms, all obligations of the Customer under these terms and conditions shall subsist and apply to and in respect of such bills and the Credit related thereto as so renewed, extended, increased or modified.

- If the Credit is not honoured or partially honoured, it may only be cancelled or retired on a day other than its maturity date with the written consent of the beneficiary of such Credit and the return of the original Credit to the Bank.
- Neither the Bank nor its agents or correspondents shall be liable for any loss resulting from (i) any act or omission pursuant to the Customer's instructions, (ii) any other act or omission of the Bank or its agents or correspondents other than arising from their gross negligence or wilful misconduct, (iii) the default or error in or misinterpretation of or default or delay in the sending, transmission, arrival or delivery of any message, document or payment, whether in cipher or not, by post, telegraph, cable, wireless or otherwise, (iv) any bill or document accepted, paid or acted upon by the Bank or its agents or correspondents being in any or all respects invalid, insufficient, fraudulent, forged or discrepant or any bill not bearing a sufficient reference to the Credit, (v) any act, default, omission, insolvency or failure in business of any other person (including any agent or correspondent), or (vi) any matter beyond the Bank's control.
- Notwithstanding the form of any action or claim which may be asserted by the Customer, the liability of the Bank under these terms and conditions or any document delivered or Credit issued will be limited in the aggregate to actual and direct money damages not exceeding the total fees and charges paid by the Customer to the Bank in connection with the Credit. In no event will the Bank be liable for any indirect, consequential or exemplary damages whatsoever, including loss of profits, or for any claims against or other liabilities of the Customer in respect of any third party, whether for breach of warranty, negligence or otherwise, even if the Bank has been advised or been given notice of such a possibility.
- The Customer shall indemnify the Bank from and against all losses, damages, expenses and liabilities (including legal fees and expenses), which the Bank may incur by reason of issuing, honouring and amending the Credit (including, without limitation, such losses, damages, expenses and liabilities that might arise by reason of complying with local laws, customs and regulations rendering invalid any provision of the Credit, including, without limitation, provisions dealing with the expiration thereof) arising from the fraud, forgery or illegal actions of others or the Bank's performance of the obligations of a confirmer that wrongfully dishonours a confirmation; or by reason of any action taken, admitted or suffered to be taken in good faith in reliance upon any instruction (including, without limitation, any modification of instructions provided on the Application), application, request or order from the Customer or upon other paper, document or electronic communication reasonably believed by the Bank to be genuine; or otherwise arising out of the non-compliance by the Customer with any of these terms and conditions.
- Except as expressly provided by the instructions, a Standby Letter of Credit shall be subject to International Standby Practices 1998, ICC Publication No. 590 as revised from time to time, or if specifically requested, to Uniform Customs and Practice for Documentary Credits, 2007 revision, International Chamber of Commerce (ICC) Publication No. 600. A Demand Guarantee is subject to Uniform Rules for Demand Guarantees, ICC Publication No. 758 and subsequent revisions.
- No failure to exercise and no delay in exercising on the part of the Bank, any right, power or privilege hereunder shall operate as a waiver thereof nor shall any partial or single exercise of any other right, power or privilege preclude any other right, power or privilege. No amendment, modification or waiver of any provision of these terms and conditions shall be effective unless it is in writing, duly signed by the Bank and the Customer, and then the amendment, modification or waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Bank. These terms and conditions and the obligations hereunder are in addition to and not in substitution for any other obligations or security held by the Bank for satisfaction of the Obligations. The remedies herein provided are cumulative and are not exclusive of any other right or remedy provided by law, in equity or under any agreement or instrument.
- These terms and conditions shall continue in full force and effect until the expiration of the Credit, but notwithstanding any such expiration, these terms and conditions shall continue in full force and effect until all obligations then outstanding under the Credit have been paid in full and all rights of the Bank hereunder have been satisfied or other arrangements for the securing of such rights satisfactory to the Bank have been made.
- These terms and conditions shall be binding upon the heirs, executors, administrators, assigns or successors of the Customer and shall inure to the benefit of and be enforceable by the Bank, its successors and assigns.
- The Credit is subject to all laws, customs and regulations which may be in force in any place of negotiation or payment thereof as well as any laws specifically designated by the Customer. The Customer further agrees that when such foreign laws are designated, these terms and conditions will be subject, at the Bank's sole discretion to these same laws. If any provision of these terms and conditions is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate, affect or impair any of the remaining provisions hereof or render unenforceable the provision in any other jurisdiction.
- The Customer has expressly requested that this document be drawn up and executed in the English language. Le client a expressément demandé que ce document soit rédigé et signé en langue anglaise (Province of Quebec only).

THE CUSTOMER HEREBY ACKNOWLEDGES, AGREES AND RATIFIES THE TERMS AND CONDITIONS SET OUT ABOVE. IN THE CASE OF INCORPORATED COMPANIES AND OTHER ORGANIZATIONS, THIS FORM MUST BE SIGNED BY PROPERLY AUTHORIZED OFFICIALS. LIABILITY WILL BE RECORDED IN NAME OF COMPANY, ORGANIZATION OR INDIVIDUAL INDICATED BELOW, COMPANY NAME (WHERE) APPLICABLE.

Per: _____ Per: _____

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