

**Final Term Sheet**  
**Dated February 5, 2021**

**RBC LiONS™ Canadian Banks Dividend Growth Securities, Series 7P, F-Class, due February 26, 2026**

*Unless otherwise indicated, references to "\$" are to Canadian dollars.*

<b>PRODUCT</b>		<b>DATES</b>	
<b>Issuer:</b>	Royal Bank of Canada (the " <b>Bank</b> ")	<b>Term:</b>	Approximately 5 years
<b>Issue:</b>	RBC LiONS™ Canadian Banks Dividend Growth Securities, Series 7P, F-Class, due February 26, 2026 (the " <b>Securities</b> ")	<b>Trade Date:</b>	February 22, 2021
<b>Bank Credit Rating:</b>	Moody's: Aa2 Standard & Poor's: AA- DBRS: AA	<b>Initial Valuation Date:</b>	February 22, 2021
<b>Fundserv Code:</b>	RBC4013	<b>Issue Date:</b>	February 26, 2021
<b>Principal Amount:</b>	\$100 per Security	<b>Final Valuation Date:</b>	February 23, 2026
<b>Denomination:</b>	\$100 per Security	<b>Observation Type at Maturity:</b>	European Monitoring (Single Observation on the Final Valuation Date)
<b>Issue Price:</b>	\$100 per Security	<b>Maturity Date:</b>	February 26, 2026
<b>Participation Rate:</b>	100.00%	<b>Delivery:</b>	Cash
		<b>RBC Code:</b>	L-EQDIVGR7PF

**Underlying Securities Information**

<b>Underlying Security</b>	<b>Bloomberg Ticker Symbol</b>	<b>Initial Dividend Value</b>	<b>Most Recent Cash Dividend Declared</b>
Royal Bank of Canada	RY CT Equity	\$4.32	\$1.08
Bank of Montreal	BMO CT Equity	\$4.24	\$1.06
The Bank of Nova Scotia	BNS CT Equity	\$3.60	\$0.90
Canadian Imperial Bank of Commerce	CM CT Equity	\$5.84	\$1.46
National Bank of Canada	NA CT Equity	\$2.84	\$0.71
The Toronto-Dominion Bank	TD CT Equity	\$3.16	\$0.79

<b>Issue Price:</b>	The Securities will be issued at a price equal to their Principal Amount.
<b>Denomination:</b>	Securities are issuable in denominations of \$100 (the “ <b>Principal Amount</b> ”) and in minimum increments of \$100.
<b>Minimum Investment:</b>	10,000 Securities or \$1,000,000.
<b>Objective of the Securities:</b>	The Securities have been designed for investors seeking a return linked to the regular cash dividends declared by the Underlying Security Issuers (defined below) on the Underlying Securities (defined below) (the “ <b>Dividends</b> ”), as announced by the Toronto Stock Exchange (the “ <b>TSX</b> ”) on the ex-dividend date for such regular cash dividends declared, and who are prepared to assume the risks associated with such an investment.
<b>Principal at Risk Securities:</b>	All but 1.00% of the Principal Amount of the Securities is fully exposed. You could lose substantially all of your investment.
<b>Status:</b>	The Securities will be the Bank’s direct, unsecured and unsubordinated debt obligations.
<b>Bank Credit Rating:</b>	The Securities have not been and will not be rated. You should consult the relevant rating organization with respect to the interpretation and implications of any rating of the Bank. Any such rating should not be construed as a recommendation to buy, sell or hold the Securities. Ratings may be revised or withdrawn at any time by the respective rating organizations.
<b>Underlying Securities:</b>	<p>The notional portfolio (the “<b>Portfolio</b>”) will be comprised of the common shares (the “<b>Underlying Securities</b>”) and each, an “<b>Underlying Security</b>”) of Royal Bank of Canada, Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada and The Toronto-Dominion Bank (the “<b>Underlying Security Issuers</b>”) and each, an “<b>Underlying Security Issuer</b>”). The Underlying Securities will be equally weighted in the Portfolio (the “<b>Portfolio Weight</b>”) at the Initial Valuation Date. Such weightings will not be adjusted or rebalanced during the term of the Securities.</p> <p>Securities do not represent an interest in the Underlying Securities, and registered holders of Securities (the “<b>Securityholders</b>”) will have no right or entitlement to the Underlying Securities, including, without limitation, redemption rights (if any), voting rights or rights to receive dividends or other distributions paid on any of such Underlying Securities. There is no requirement for the Bank to hold any interest in the Underlying Security Issuers.</p> <p>This term sheet has been prepared for the sole purpose of assisting prospective investors in making an investment decision with respect to the Securities. This term sheet relates only to the Securities offered hereby and does not relate to the Underlying Securities and/or the Underlying Security Issuers. Additional information relating to any of the Underlying Security Issuers whose Underlying Securities are relevant to the return on the Securities can be obtained from the public disclosure filed on publicly available sources.</p>
<b>Issue Date:</b>	The “ <b>Issue Date</b> ” is February 26, 2021.
<b>Initial Valuation Date:</b>	The “ <b>Initial Valuation Date</b> ” is February 22, 2021.
<b>Final Valuation Date:</b>	The “ <b>Final Valuation Date</b> ” is February 23, 2026.
<b>Maturity Date:</b>	The “ <b>Maturity Date</b> ” is February 26, 2026 (approximately a five-year term).
<b>Payment at</b>	Payment on the Maturity Date will be calculated on the Final Valuation Date and will be based on

**Maturity:** the average percentage change of the Final Dividend Values (defined below) relative to the corresponding Initial Dividend Values (defined below), multiplied by the Participation Rate of 100.00%. The amount payable (the “**Redemption Amount**”) on each \$100 Principal Amount per Security at maturity will be determined as follows:

$$\text{Redemption Amount} = \$100 + (\$100 \times \text{Percentage Change} \times \text{Participation Rate})$$

As a result, the Redemption Amount will not be determinable before the Final Valuation Date. All dollar amounts will be rounded to the nearest whole cent. The minimum payment at maturity is \$1.00 per Security.

**Percentage Change:** The “**Percentage Change**” is the amount, expressed as a percentage rounded to three decimal places, equal to the sum of the Weighted Component Changes (positive and negative) for the Underlying Securities, where, the “**Weighted Component Change**” for each Underlying Security will be a number, expressed as a percentage rounded to three decimal places, equal to:

$$\text{Weighted Component Change} = \text{Portfolio Weight} \times \text{Dividend Change}$$

where, the “**Dividend Change**” for each Underlying Security will be equal to:

$$\text{Dividend Change} = \frac{(\text{Final Dividend Value} - \text{Initial Dividend Value})}{\text{Initial Dividend Value}}$$

**Participation Rate:** 100.00%

**Portfolio Weight:** 16.667% (1/6<sup>th</sup> weighting for each Underlying Security).

**Dividend Values:** The dividend value on the Initial Valuation Date for an Underlying Security (an “**Initial Dividend Value**”) is calculated by multiplying the dollar value of the most recent regular cash dividend declared on such Underlying Security by the corresponding Underlying Security Issuer prior to the Initial Valuation Date, as announced by the TSX on the ex-dividend date for such regular cash dividend declared, by the number of regular cash dividends declared (as announced by the TSX) over the annual period immediately prior to the Initial Valuation Date. For the avoidance of doubt, that means multiplying the regular cash dividend by 12 for Underlying Security Issuers that declare dividends on a monthly basis, by 4 for Underlying Security Issuers that declare dividends on a quarterly basis, by 2 for Underlying Security Issuers that declare dividends on a semi-annual basis, and by 1 for Underlying Security Issuers that declare dividends on an annual basis.

For greater certainty, the regular cash dividend declared on an Underlying Security for purposes of its Initial Dividend Value will be determined by the Calculation Agent using the regular cash dividend declared by the applicable Underlying Security Issuer on the most recent ex-dividend date (as announced by the TSX) and will not include any unusual cash dividend declared that is not regularly declared, in which latter case the Calculation Agent will use the prior regular cash dividend declared (as announced by the TSX) in determining the Initial Dividend Value.

The dividend value on the Final Valuation Date for an Underlying Security (a “**Final Dividend Value**”) is calculated by aggregating the total dollar values of all regular cash dividends declared on such Underlying Security by the corresponding Underlying Security Issuer, as announced by the TSX on the ex-dividend date for each such regular cash dividend declared, over the annual period immediately prior to the Final Valuation Date.

Any regular cash dividends declared by an Underlying Security Issuer to be paid in a currency other than Canadian dollars will be converted into Canadian dollars using the applicable mid-rate

exchange rate provided by Reuters, using the Reuters Instrument Code “CAD=” on the (i) Initial Valuation Date for the purpose of calculating the Initial Dividend Values, and (ii) Final Valuation Date for the purpose of calculating the Final Dividend Values.

**Fixed Interest Payments:** Fixed interest payments (the “**Fixed Interest Payments**” and each a “**Fixed Interest Payment**”) on the Securities will be payable on each Fixed Interest Payment Date, in arrears, at a fixed interest rate of 0.2083% monthly (an “**Interest Period**”) for each Interest Period while the Securities are outstanding. On the basis of the foregoing, the interest on each \$100 Principal Amount of Securities for an Interest Period would equal  $\$100 \times 0.2083\%$  or \$0.2083. The Fixed Interest Payments will not be contingent on or related to the price performance of the Portfolio or the Dividends.

**Fixed Interest Payment Dates:** The “**Fixed Interest Payment Date**” for each Fixed Interest Payment will occur on March 26, 2021 and on the 26<sup>th</sup> day of each month thereafter to the Maturity Date. If any such Fixed Interest Payment Date is not a Business Day, it shall be postponed to the next succeeding Business Day.

**Extraordinary Events:** Determination of an Initial Dividend Value, a Final Dividend Value and the Redemption Amount may be postponed, or the Bank can accelerate determination of the Redemption Amount and repay the Securities in full prior to their maturity, in certain circumstances. If an Extraordinary Event (defined below) occurs then the Calculation Agent (defined below) may, but is not required to, make such adjustments to any payment or other term of the Securities as it determines to be appropriate, acting in good faith, to account for the economic effect of such event on the Securities and determine the effective date of any such adjustment.

**Costs and Fees:** No sales commission will be paid in connection with this issuance of Securities.

**Risk Factors:** Other than the Fixed Interest Payments payable during the term of the Securities, the return on the Securities is unknown and subject to many variables, including interest rate fluctuations and changes in the amount or frequency of Dividends. You should independently determine, with your own advisors, whether an investment in the Securities is suitable for you having regard to your own investment objectives and expectations.

*Lack of Diversification*

The Underlying Security Issuers are Canadian banks and are therefore concentrated in this industry sector. This means that the performance of the Securities will likely be tied entirely to the success of this industry sector. Canadian banks, and the amount and frequency of regular cash dividends declared by such banks, are subject to risks that are specific to their industry sector and which may therefore result in the performance of the Securities being substantially different, and potentially substantially worse, than other industry sectors or the securities/equity markets generally.

*Uncertain Return until Final Valuation Date*

Other than the Fixed Interest Payments payable during the term of the Securities, the return, if any, on the Securities will be uncertain until the Final Valuation Date. Whether there is a return on the Securities will depend on the Percentage Change, which further depends on the amount and frequency of Dividends declared over the annual period immediately prior to the Final Valuation Date. There can be no assurance that the Securities will generate a positive return or that the objectives of the Securities will be achieved. Other than Fixed Interest Payments payable during the term of the Securities (which are not contingent on or related to the price performance of the Portfolio or the Dividends), depending on the amount and frequency of Dividends declared over the annual periods immediately prior to the Initial Valuation Date and immediately prior to the Final Valuation Date, holders of Securities may not be repaid the amount they invested in the Securities (other than \$1.00 per Security). Historical Dividends should not be considered as an indication of future Dividends. Investors should understand that the risk involved in this type of investment is



greater than that normally associated with other types of investments.

*Payment at Maturity Dependent on Dividends*

The Final Dividend Values, and therefore the Percentage Change and the Redemption Amount, are entirely dependent on the amount and frequency of Dividends declared over the annual period immediately prior to the Final Valuation Date. The amount and frequency of Dividends declared during periods other than the annual periods immediately prior to the Initial Valuation Date and immediately prior to the Final Valuation Date will not affect the Percentage Change or Redemption Amount. If one or more Underlying Security Issuers decreases the amount or frequency of regular cash dividends declared on the Underlying Securities during the annual period immediately prior to the Final Valuation Date, the Percentage Change could be a negative number, resulting in a Redemption Amount that is less than the Principal Amount. In addition, increases to the amount or frequency of regular cash dividends declared during the annual period immediately prior to the Final Valuation Date on one or more Underlying Securities may be offset by decreases to the amount or frequency of regular cash dividends declared on other Underlying Securities during such period. There can be no assurance that the Underlying Security Issuers will continue to declare regular cash dividends in the future and historical Dividends should not be considered as an indication of future Dividends.

*No Upside Participation by the Securities*

Other than the Fixed Interest Payments payable during the term of the Securities, the return, if any, on the Securities is entirely dependent on the amount and frequency of Dividends declared during the annual periods immediately prior to the Initial Valuation Date and immediately prior to the Final Valuation Date; holders of Securities will not participate in any price performance of the Underlying Securities.

**Suitability for Investment:**

You should consult with your advisors regarding the suitability of an investment in the Securities. The Securities may be suitable for:

- investors seeking an investment product with exposure to the Dividends;
- investors who are willing and can afford to risk substantially all of the principal amount of their investment;
- investors looking for the potential to earn an enhanced return over fixed-rate investments and who are prepared to assume the risks associated with an investment linked to the Dividends; and
- investors with an investment horizon equal to the term of the Securities who are prepared to hold the Securities until maturity.

**Tax:**

In the case of non-resident holders, any excess of the Redemption Amount over the Principal Amount will be subject to Canadian withholding tax, subject to any relief under any applicable tax treaty.

**All holders of Securities should consult their own tax advisors with respect to their tax positions and the tax consequences of holding the Securities.**

**Business Day Convention:**

Following

**Day Count:**

30/360 unadjusted

**Settlement:**

RBC Dominion Securities Inc. ("RBC DS")

**Governing Law:**

Province of Ontario and the laws of Canada applicable therein.

**Secondary Market:**

Securities may be purchased through dealers and other firms that facilitate purchase and related settlement using the Fundserv Inc. ("Fundserv") network. Securities may be resold using the



**Canadian  
Offering  
Information:**

**Book-entry  
System:**

Fundserv network at a sale price equal to the closing price posted on Fundserv as of the close of business on the Exchange Day on which the order is placed, as determined by and posted to Fundserv by the Calculation Agent, which sale price may be lower than the Principal Amount of such Securities.

The Securities may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada except under an exemption under applicable securities law.

The Securities will be issued through the “book-entry-only system” and must be purchased, transferred or redeemed through RBC DS or using the Fundserv network (see “Transfers of Securities” below). On the Issue Date, the Securities will be registered in the name of RBC DS or its nominee, as the case may be, which will hold such Securities as depository on behalf of the registered dealers through whom the Securities are purchased (i.e., the members of RBC DS’ distribution network that participate in the offering as “selling firms”). RBC DS or one of its affiliates will maintain a record of all of the beneficial owners of the Securities.

Except as described below, a purchaser acquiring a beneficial interest in the Securities will not be entitled to a certificate or other instrument from the Bank, any trustee or the depository evidencing that purchaser’s interest therein, and such purchaser will not be shown as the registered holder of the Securities on the records maintained by the depository. Each such purchaser of Securities will receive a customer confirmation of purchase from the registered dealer through whom the Securities are purchased in accordance with the practices and procedures of that registered dealer.

As long as the Securities are held in the book-entry-only system maintained by RBC DS, the Bank will recognize only RBC DS as the holder of the Securities and the Bank will make all payments on the Securities to RBC DS. RBC DS will in turn make payments to beneficial owners, by distributing such payments through the Fundserv network. The Bank understands that RBC DS does so under agreements it has made with the registered dealers through whom the Securities are purchased; RBC DS is not obligated to do so under the terms of the Securities.

Under this arrangement and pursuant to the *Securities Transfer Act, 2006* (Ontario) (the “**STA**”), investors will not own the Securities directly. Instead, they will own beneficial interests in the Securities, through RBC DS and, if applicable, any other registered dealer through whom the Securities are purchased. As long as the Securities are held in the book-entry-only system, investors will be indirect owners, and not registered holders, of Securities. Under the STA, RBC DS has the rights and obligations of a securities intermediary vis-à-vis any investors who purchase their beneficial interests from RBC DS. As such, the Securities are held for the benefit of investors, are not the property of RBC DS and are not subject to the claims of creditors of RBC DS.

The Bank will not assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Securities held by a depository or the payments or deliveries relating thereto; (b) maintaining, supervising or reviewing any records relating to the Securities; or (c) any advice or representation made by or with respect to a depository, including those contained in this prospectus, relating to the rules governing the depository or any action to be taken by the depository or at the direction of the selling firms. The depository acts as the agent and depository for the selling firms, who in turn are agents for the beneficial owners. As a result, for payment or deliveries made by or on behalf of the Bank to the depository in respect of the Securities, the beneficial owners of the Securities must look solely to the selling firms, who in turn will look to the depository for such payment or deliveries.

As indirect holders of Securities, investors should be aware that, except in the circumstances described below, they: (a) may not have Securities registered in their name; (b) may not have





physical certificates representing their interest in the Securities; (c) may not be able to sell the Securities to institutions required by law to hold physical certificates for securities they own; and (d) may be unable to pledge Securities as security.

Securities in fully registered and certificated form will be issued to beneficial owners of Securities only if: (i) required by applicable law; (ii) RBC DS' book-entry-only system ceases to exist; (iii) the Bank or RBC DS advises that RBC DS is no longer willing or able to properly discharge its responsibilities as depository with respect to the Securities and the Bank is unable to locate a qualified successor; (iv) the Bank, at its option, decides to terminate its present arrangements with RBC DS; (v) if an event of default has occurred with regard to the Securities and has not been cured or waived; or (vi) as otherwise agreed by the Bank and RBC DS.

If the Securities are issued in fully registered and certificated form in the circumstances described above, the Redemption Amount, Fixed Interest Payments or Actualized Fair Value will be paid by the Bank to the registered holder.

#### *Transfers of Securities*

Transfers of ownership of the Securities will be effected only through records maintained by RBC DS or one of its affiliates, as the case may be, with respect to interests of the beneficial owners. If you hold Securities and desire to purchase, sell or otherwise transfer ownership of or other interests in Securities, you may do so only through RBC DS or by using the Fundserv network.

Your ability to pledge Securities or otherwise take action with respect to your interest in Securities (other than through RBC DS or by using the Fundserv network) may be limited due to the lack of a physical certificate.

#### *Global Securities*

The Securities will be issued as book-entry only securities in fully registered form and will be represented by a global security (the "**Global Security**") that the Bank will deposit with and register in the name of RBC DS, or its nominee, as depository. The Global Security may also be held by the Bank in its capacity as domestic custodian for the depository. Except in the circumstances described above, owners of beneficial interests in book-entry securities will not be entitled to physical delivery of securities in certificated form. The Bank will make payments of all amounts payable on the Securities to the depository. The Global Security may not be transferred to the name of a beneficial owner except in the special circumstances described above.

#### **Amendments to the Global Security:**

The Bank may amend the Global Security without the consent of the holders of Securities if, in the opinion of the Bank, acting reasonably, the amendment is to correct a manifest error or would not materially and adversely affect the interests of the holders of Securities.

In other cases, the Bank may amend the Global Security if the amendment is approved by a resolution passed by the favourable votes of the holders of not less than 66 2/3% of the outstanding principal amount of the Securities represented by the Global Security represented at a meeting convened for the purposes of considering the resolution, or by written resolution signed by holders of not less than 66 2/3% of the outstanding principal amount of the Securities represented by the Global Security. Each holder is entitled to one vote per \$100 of principal amount for the purpose of voting at meetings convened for considering the resolution or for the purpose of passing a written resolution. The Securities do not carry the right to vote in any other circumstances.

#### **Adjustments Relating to the Underlying Securities:**

If an Extraordinary Event occurs, the Calculation Agent may, but is not required to, make such adjustments (other than Non-Permitted Adjustments (defined below)) to any payment or other term of the Securities as it determines to be appropriate, acting in good faith, to account for the economic effect of such event on the Securities and determine the effective date of any such

adjustment. Such permitted adjustments include, but are not limited to:

- deeming the Underlying Securities to be replaced by New Underlying Securities (defined below); and
- deeming the Underlying Security Issuer to be replaced by the issuer of such New Underlying Securities.

**Delay in  
Determining  
Values:**

Subject to the Bank's right to accelerate payment on Securities in the circumstances described below under "Acceleration upon Occurrence of Extraordinary Event", if an Extraordinary Event in respect of an Underlying Security occurs and is continuing on the day on which a value is to be determined, then, to the extent necessary, the day on which such value will be determined will instead be the earlier of (i) the next Exchange Day for the applicable Underlying Security on which there is no such Extraordinary Event, and (ii) the fifth day that would otherwise have been an Exchange Day for such Underlying Security following the day on which such value was supposed to have been determined but for the occurrence of the Extraordinary Event. In the latter case, if the Extraordinary Event is continuing on such fifth day, then the Calculation Agent will make such calculations as it may deem appropriate to determine the value on such day using, to the extent possible, the applicable values for such Underlying Security on the last day it was determinable. In such case, any payment due to be made on the Securities to be wholly or partially determined from such postponed Underlying Security value determination will be postponed to the first Business Day after the applicable value of all of the Underlying Securities has been determined.

**Acceleration  
upon  
Occurrence of  
Extraordinary  
Event:**

If an Extraordinary Event occurs and continues for at least five consecutive Exchange Days, then the Bank may, by notice to Securityholders (an "**Acceleration Notice**") accelerate the calculation of the return payable in respect of all Securities to the date of the Acceleration Notice (the "**Accelerated Valuation Date**") and accelerate payment of such return to the Business Day that is ten Business Days after the Accelerated Valuation Date (the "**Special Payment Date**") to Securityholders of record on the Special Payment Date. Instead of paying the Redemption Amount at maturity of the Securities, the Bank will pay the greater of (i) an amount equal to 1.00% of the Principal Amount of the Securities and (ii) the Actualized Fair Value (defined below) of the Securities, calculated as at the Accelerated Valuation Date, to Securityholders of record on the Special Payment Date. Such payment will constitute payment in full on the Securities and no other payments will be made or due in respect of the Securities at any time after such date.

## SALES RESTRICTIONS AND DISCLAIMER

**Selling  
Restrictions:**

No action has been or will be taken that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required. No purchase, offer, sale or re-sale or delivery of any Securities or distribution of any offering material relating to the Securities may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Bank, the guarantor, if any, or the Calculation Agent.

**Resale  
Restrictions:**

The distribution of the Securities is being made on a private placement basis and will be subject to a four-month hold period under Canadian securities law. Accordingly, any resale of the Securities must be made: (i) through an appropriately registered dealer or in accordance with an exemption from the registered dealer requirements of applicable provincial securities laws; and (ii) during such four-month hold period, in accordance with, or pursuant to an exemption from, or in a transaction not subject to, the prospectus requirements of those laws. The Securities may be relatively illiquid during the four-month hold period due to the restrictions on resale described above.

**On-sales of  
Securities:**

In addition to the specific restrictions in relation to offers in Canada stated above, any on-sales, subsequent offer or buy back of the Securities should only be made in accordance with any applicable law and regulation. In particular, any applicable securities laws or regulations relating to



the requirement for a prospectus or other prescribed disclosure or any requirement to conduct suitability or appropriateness assessments and any requirement regarding the disclosure of commissions and/or fees and/or non-monetary benefits paid or received should be complied with.

**US Offering Information:**

Securities have not been and will not be registered under the *Securities Act of 1933* (United States), as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

## OTHER RISK INFORMATION

<b>Product Risk:</b>	<b>The Securities are not principal protected. Depending on the Percentage Change, you could lose substantially all of your investment.</b>
<b>Issuer Risk:</b>	Investors bear the issuer risk. The value of the Securities is dependent not only on the Percentage Change, but also on the creditworthiness of the Bank, which may vary over the term of the Securities. The ratings of the Bank noted above reflect the independent opinion of the rating agencies as to the safety of the Bank’s payment obligations. These ratings are not a guarantee of credit quality. The ratings do not take into consideration any risk associated with fluctuations in the market value of the Securities, or where factors other than the Bank’s credit quality determine the amount required to be paid by the Bank with respect to the Securities.
<b>Differences From a Direct Investment in the Underlying Securities:</b>	<p>The return on the Securities will not reflect the return you would realize if you owned the Underlying Securities. As such, the Securities are subject to different risks than, and the return on the Securities may be substantially different than the returns associated with, such investment.</p> <p>Investing in the Securities will not make you a holder of any of the Underlying Securities. You will not have any voting rights, any right to receive dividends or other distributions or any other rights with respect to any of the Underlying Securities.</p>
<b>Liquidity Risk:</b>	The investor should be prepared to hold this Security until maturity should it not be called or terminated early, if such option exists, by the Bank. The Bank will, however, use its reasonable endeavours to provide liquidity to the Security but is not obliged to do so and may stop providing liquidity at any time without notice. The price at which you purchase the Securities include hedging costs and profits that the Bank or its affiliates expect to incur or realize. These costs and profits will reduce the secondary market price, if any secondary market develops, for the Securities. As a result, you may experience an immediate and substantial decline in the value of your Securities on the Issue Date.
<b>Suitability:</b>	This document is being provided to you based on our reasonable belief that you are an accredited investor that is capable of assessing the merits and risks of the matters discussed herein. Institutions referencing this document or extracting information from this document with which to advise their clients will need to ensure that the information satisfies their local jurisdictional requirements and applicable securities laws for conducting business with private and/or retail clients.
<b>Non-CDIC Protection:</b>	<b>The Securities will not constitute deposits that are insured under the <i>Canada Deposit Insurance Corporation Act</i>.</b>

## DEFINITIONS

<b>Actualized Fair Value:</b>	<p><b>“Actualized Fair Value”</b> per Security is the fair value of the Security as at the Accelerated Valuation Date as determined by the Calculation Agent acting in good faith in accordance with industry-accepted valuation methods, practices and procedures for valuing financial instruments of the nature of the Securities. In this regard, the Calculation Agent will have regard to a wide variety of interrelated factors, such as the lack of principal protection (subject to the 1.00% floor), the amount and frequency of Dividends declared on each Underlying Security after the Initial Valuation Date and on or prior to the Accelerated Valuation Date relative to the corresponding Initial Dividend Value; the prevailing level of interest rates; the existence of any right to redeem the Securities and the time remaining until such redemption right may be exercised by the Bank; and the time remaining until the maturity of the Securities. The calculation of the Actualized Fair Value is expected to involve a market valuation of the various components of the formula for determining the amount payable in respect of the Securities.</p>
<b>Business Day:</b>	<p><b>“Business Day”</b> means a day on which commercial banks are open for business and able to effect transactions in foreign exchange and foreign currency deposits in Toronto, Ontario, Canada and a day on which book-entry transfers may be effected through RBC DS. If any date on which any action is otherwise required to be taken in respect of the Securities is not a Business Day, the date on which such action shall be taken shall, except as otherwise indicated, be the next following Business Day and, if the action involves payment of any amount, no interest or other compensation shall be paid as a result of any such delay.</p>
<b>Calculation Agent:</b>	<p>A calculation agent will be appointed by the Bank from time to time (the <b>“Calculation Agent”</b>). The Calculation Agent will initially be RBC DS.</p> <p>Absent manifest error, all determinations of the Calculation Agent will be final and binding on you and the Bank, without any liability on the part of the Calculation Agent except in the case of the Calculation Agent’s negligence, bad faith or wilful misconduct. The Calculation Agent will act solely as the Bank’s agent and will not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders.</p> <p>The Bank may vary or terminate the appointment of the Calculation Agent in respect of the Securities and may appoint another Calculation Agent at any time without your consent.</p>
<b>Delisting:</b>	<p><b>“Delisting”</b> means an Exchange (defined below) announces that pursuant to the rules of such Exchange, an Underlying Security ceases (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event (defined below) or Tender Offer (defined below)) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).</p>
<b>Exchange:</b>	<p><b>“Exchange”</b> means a securities exchange or trading platform on which Underlying Securities trade, or on which futures contracts, options or other derivatives relating to the Underlying Securities trade.</p>
<b>Exchange Day:</b>	<p><b>“Exchange Day”</b> means a day on which the TSX is (or, but for the occurrence of an Extraordinary Event, would have been) open for trading during its regular trading session, including a day on which trading on the TSX is scheduled to close prior to its regular closing time.</p>
<b>Extraordinary Event:</b>	<p><b>“Extraordinary Event”</b> means any event, circumstance or cause that the Bank determines, and the Calculation Agent confirms, has or will have a material adverse effect on the ability of the Bank to perform its obligations under the Securities or to hedge its position in respect of its obligation to make payment of amounts owing thereunder, including as a result of any of the Bank’s internal policies, and more specifically includes the following events to the extent that they have such effect:</p> <ul style="list-style-type: none"> <li>(i) the occurrence or existence on any Exchange Day of a Market Disruption Event (defined</li> </ul>



below) in respect of one or more Underlying Securities;

- (ii) the enactment, publication, decree or other promulgation of, or any change in, any statute, regulation, rule, policy, practice, or order, or the promulgation or any change in the interpretation by any court, tribunal or other government authority of any statute, regulation, rule, policy, practice, or order that would make it unlawful or impracticable for the Bank to perform its obligations under the Securities or for dealers to execute, maintain or modify a hedge in a position in respect of one or more Underlying Securities;
- (iii) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada or any other country or political subdivision thereof that has a material adverse effect on the financial markets of Canada or a country in which an Exchange is located;
- (iv) the payment of an extraordinary distribution or an extraordinary dividend by an Underlying Security Issuer on an Underlying Security (where the characterization of a dividend or distribution as “extraordinary” will be determined in good faith by the Calculation Agent);
- (v) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the Bank’s ability to perform its obligations under the Securities or of a dealer to execute, maintain or modify a hedge of a position with respect to one or more Underlying Securities or a material and adverse effect on the economy of Canada or any country in which an Exchange is located or on the trading of securities generally on any Exchange;
- (vi) an event that has a dilutive or concentrative effect on the value of any of the Underlying Securities;
- (vii) an adjustment is made to the exercise, settlement, payment or other terms of futures contracts, options or other derivatives on any of the Underlying Securities traded on an Exchange;
- (viii) a Merger Event;
- (ix) a Tender Offer; or
- (x) a Hedging Event.

**Hedging Event:**

“**Hedging Event**” means the occurrence of an event that has a material adverse effect on the Bank’s ability to place, maintain or modify any hedge, including without limitation:

- (i) the adoption of or any change in any applicable law or regulation (including tax law), or the promulgation or any change in the interpretation by any court, tribunal or regulatory authority of any applicable law or regulation (including by a taxing authority);
- (ii) the termination or material amendment of any hedging contract with a third party;
- (iii) the inability of the Bank after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset for hedging its price risk, or realize, recover or remit the proceeds of any such transaction or asset, including as a result of the application of the Bank’s internal policies; or
- (iv) a material increase in the amount of tax, duty, expense or fee to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset for hedging its price risk or realize, recover or remit the proceeds of any such transaction or asset.

The Bank will publish information regarding any adjustments required upon the occurrence of a Hedging Event at [www.rbcnotes.com](http://www.rbcnotes.com).

**Market Disruption Event:**

“**Market Disruption Event**” means, in respect of an Underlying Security, the occurrence of any of the following events:

- (i) the Delisting of an Underlying Security;

- (ii) a suspension, absence or material limitation of trading on an Exchange for one or more Underlying Securities or futures contracts, options or other derivatives relating to the Underlying Securities, including a limitation on trading on any relevant Exchange on any one day by reason of movements in prices that exceed the price permitted by such Exchange; or
- (iii) the occurrence of a material change in the content, composition or constitution of the Underlying Securities.

For the purpose of determining whether a Market Disruption Event exists at any time, a limitation on the hours or number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of an Exchange and an “absence” or “limitation on trading” of or on such Exchange will not include any time when such Exchange itself is closed for trading under ordinary circumstances.

**Merger Event:** **“Merger Event”** means, with respect to an Underlying Security, any one or more of the following events:

- (i) reclassification or change of such Underlying Security that results in a transfer or an irrevocable commitment to transfer all of such Underlying Securities to another entity or person;
- (ii) consolidation, amalgamation, merger or binding share exchange of the Underlying Security Issuer with or into another entity or person (unless the Underlying Security Issuer is the continuing entity and not all of such Underlying Securities are reclassified or changed);
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by an entity or person to purchase or otherwise obtain 100% of the outstanding Underlying Securities of such Underlying Security Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Securities (other than those owned or controlled by the offeror);
- (iv) consolidation, amalgamation, merger or binding share exchange of the Underlying Security Issuer or its subsidiaries with or into another entity in which the Underlying Security Issuer is the continuing entity and which results in the outstanding Underlying Securities (other than the Underlying Securities owned or controlled by such other entity) prior to the event being less than 50% of the outstanding Underlying Securities immediately after such event; or
- (v) such other event having substantially the same effect as the events described above.

**New Underlying Securities:** **“New Underlying Securities”** means any securities involved in a Merger Event or Tender Offer or the securities of the entity or person (other than the Underlying Security Issuer) involved in the Merger Event or Tender Offer or a third party that are, as of the date of closing of the related Merger Event or Tender Offer, promptly scheduled to be publicly quoted, traded or listed on an exchange or quotation system located in the same country (or where the Exchange is within the European Union, in any member state of the European Union) as the Exchange.

**Non-Permitted Adjustments:** **“Non-Permitted Adjustments”** means any adjustment made to account solely for changes in volatility, expected dividends (that are not extraordinary distributions or extraordinary dividends) or liquidity relevant to the Underlying Securities.

**Tender Offer:** **“Tender Offer”** means a takeover bid, takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, greater than 10% and less than 100% of the Underlying Securities of an Underlying Security Issuer.