

## MASTER CUSTODIAN AGREEMENT

**CUSTODIAN AGREEMENT** made on the 26th day of July, 2012.

**BETWEEN:**

**RBC GLOBAL ASSET MANAGEMENT INC.**, a company amalgamated under the federal laws of Canada (the "**Client**", in its capacity as manager of the trusts, corporations and limited partnerships listed in Schedules "A", "B", "C" and "D" attached to this Agreement, as the same may be amended from time to time (hereinafter singularly referred to as a "**Fund**" or collectively as the "**Funds**" as the context herein shall require))

- and -

**RBC DEXIA INVESTOR SERVICES TRUST**, a trust company incorporated under the laws of Canada (the "**Custodian**")

**WHEREAS** each of the Funds is established under either the laws of a province or territory of Canada or the federal laws of Canada, as applicable;

**AND WHEREAS** RBC Asset Management Inc. ("**RBCAMI**"), a predecessor company to the Client, and The Royal Trust Company ("**RTCO**") entered into an Amended and Restated Custodian Agreement on November 27, 2003 with effect as of July 31, 2003 whereby RBCAMI appointed RTCO to act as custodian for one or more Funds that are RBC private pooled fund trusts (as amended and supplemented from time to time, the "**Pooled Fund Custodian Agreement**");

**AND WHEREAS** RBCAMI and RTCO entered into an Amended and Restated Custodian Agreement made as of July 15, 2005 whereby RBCAMI appointed RTCO to act as custodian for one or more Funds that are mutual fund trusts, which agreement was amended as of December 19, 2011 to include mutual fund corporations and limited partnerships managed by the Client (as further amended and supplemented from time to time, the "**Custodian Agreement**");

**AND WHEREAS** effective as of January 1, 2006, RBC Dexia Investor Services Trust carried on the institutional investor services business formerly carried on by RTCO and Royal Trust Corporation of Canada (collectively, "**Royal Trust**"). Pursuant to an Asset Purchase Agreement dated as of January 1, 2006, Royal Trust assigned and transferred all of the assets of its institutional investor services business to RBC Dexia Investor Services Trust, including all of Royal Trust's interest in, and obligations under, the Pooled Fund Custodian Agreement and the Custodian Agreement;

**AND WHEREAS** effective November 1, 2010, RBCAMI changed its corporate name and amalgamated with an affiliate to form RBC Global Asset Management Inc., the successor by amalgamation to the rights and obligations of RBCAMI including all of its rights and obligations under the Pooled Fund Custodian Agreement and the Custodian Agreement;

**AND WHEREAS** pursuant to various master management agreements between the Client and the Funds, the Client has the sole power, authority and responsibility to manage the day to day operations of all of the Funds including, for greater certainty, the power and authority to bind and to appoint and provide ongoing directions to a custodian, including the Custodian, on behalf of the Funds;

**AND WHEREAS** the Client and the Custodian wish to amend and replace each of the Pooled Fund Custodian Agreement and the Custodian Agreement with, and to combine them together to form, this Agreement, in order to create one master custodian agreement for custody and safekeeping services in respect of the Funds that are RBC private pooled fund trusts, mutual fund trusts, corporate funds and limited partnerships, all as may be amended, supplemented or removed from time to time and listed in the Schedules as heretofore set forth and attached hereto;

**AND WHEREAS** the Client wishes to confirm the appointment of the Custodian to act as custodian of the Property (as defined below) of each Fund and to provide safekeeping and custodial services in respect of the Property of each Fund pursuant to the terms of this Agreement;

**AND WHEREAS** the Custodian has agreed to continue to act as custodian for the Property of each Fund and to provide safekeeping and custodial services in respect of the Property of each Fund pursuant to the terms of this Agreement;

**NOW THEREFORE**, in consideration of the premises and of the mutual agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the parties), it is agreed between the parties as follows:

## **SECTION 1** **CUSTODIAL SERVICES**

### **Section 1.1 Definitions**

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings ascribed to them below:

- (a) **“Account”** means one or more securities accounts in the name of a Fund maintained with the Custodian as a Securities Intermediary, to which Property held hereunder may be credited;

- (b) **“Act of Insolvency”** means that any of the following events have occurred:
- (i) a party ceases to carry on its business;
  - (ii) a party commits any act of bankruptcy, becomes insolvent or admits its insolvency (as defined or provided for in any applicable statute);
  - (iii) any proceeding, voluntary or involuntary, is commenced respecting a party pursuant to any statute relating to bankruptcy, insolvency, reorganization of debts, winding up or dissolution, including any proceedings under the *Bankruptcy and Insolvency Act*, the *Companies’ Creditors Arrangement Act* or the *Winding-Up and Restructuring Act*, provided that if any such proceeding is involuntary, no Act of Insolvency shall be considered to have occurred if the relevant party is defending such proceeding;
  - (iv) a party passes any resolution for its liquidation, winding up or dissolution; or
  - (v) any receiver, manager, receiver and manager, trustee, sequester, custodian or liquidator or person or entity with similar powers is appointed judicially or extra-judicially for a party or for any property; provided that if any such person or entity is appointed extra-judicially, no Act of Insolvency shall be considered to have occurred if the relevant party is defending such appointment;
- (c) **“Affiliate”** means, with respect to a party, that party’s affiliated companies within the meaning of the *Business Corporations Act* (Ontario);
- (d) **“Agent”** means any agent, including but not limited to any service provider, advisor or other entity appointed by the Custodian to assist in providing services under this Agreement, and includes Affiliates and subsidiaries of the Custodian;
- (e) **“Agreement”** means this Master Custodian Agreement as may be amended, supplemented or restated from time to time;
- (f) **“Applicable Law”** means any existing or future laws, regulations, policies or orders made and promulgated under statutory authority by any Canadian governmental or regulatory body, commission or agency purporting to have jurisdiction over the Custodian, the Client or a Fund, all as the same may be amended from time to time, including without limitation, the *Income Tax Act* (Canada) and similar, provincial or territorial legislation;
- (g) **“Business Day”** means any day on which The Toronto Stock Exchange is open for business;
- (h) **“Contractual Settlement Date”** has the meaning given in Section 1.10;

- (i) **"Corporate Actions"** means any conversion privileges, subscription rights, warrants or other rights or options available in connection with any Property, including those relating to the reorganization, recapitalization, takeover, consolidation, amalgamation, merger, liquidation, filing for or declaration of bankruptcy, or plans of arrangement of any corporation or association;
- (j) **"Depository"** means any authorized domestic or foreign depository or clearing or settlement agency or system, including a transnational book-based system, and shall include CDS Clearing and Depository Services Inc. and its successors and assigns, and the Depository Trust Company;
- (k) **"Directions"** shall mean all directions, notices, requests, instructions and any other communications of the Client or any Investment Manager given to the Custodian in accordance with Section 2;
- (l) **"Fee Schedule"** shall have the meaning as set out in Section 3.1;
- (m) **"Fund" or "Funds"** mean one or more funds, as heretofore defined, as the same may be established by the Client in accordance with NI 81-102 and Applicable Laws, all as are reflected in Schedules "A", "B", "C" and "D" attached to this Agreement, as the same may amended, supplemented or removed from time to time;
- (n) **"Investment Manager"** means any person or entity designated by the Client pursuant to Section 1.12;
- (o) **"NI 81-102"** means National Instrument 81-102 – *Mutual Funds* as amended, supplemented or restated from time to time as applicable to all of the Funds and the Custodian, in its capacity as custodian of the Funds;
- (p) **"PPSA"** means the *Personal Property Security Act* (Ontario) and any successor legislation thereto as amended and in effect from time to time;
- (q) **"Property"** at any time, means for each Fund, any property (including all assets, securities (including mortgages), cash (including any free credit balances), cash equivalents, currencies, and all rights thereto) of a Fund paid or delivered by the Client to, and accepted by, the Custodian from time to time for credit to an Account, including any proceeds realized from the distribution of units or shares of that Fund, and any additions thereto, substitutions, proceeds, income, accretions, earnings and profits thereon, less any authorized payment therefrom; all such Property held by the Custodian in an Account for the Fund shall be treated as "financial assets" under the STA;
- (r) **"Securities Intermediary"** shall have the meaning set out in the STA;
- (s) **"STA"** means the Securities Transfer Act, 2006 (Ontario) and any successor legislation thereto as amended and in effect from time to time;

- (t) **"Voting Materials"** means all proxies, proxy solicitation materials and other communications received by the Custodian relating to the Property that call for voting.

### **Section 1.2 Appointment and Recitals**

The Client hereby appoints the Custodian, and the Custodian hereby accepts such appointment, as the custodian of the Property with responsibility for the safekeeping of the Property, subject to the terms of this Agreement. The parties agree that the recitals to this Agreement shall form a part of this Agreement.

### **Section 1.3 Subcustodians**

- (a) The Custodian may appoint subcustodians (who may be affiliated with or otherwise related to the Custodian) to hold all or a portion of the Property and enter into subcustodianship agreements on terms consistent with this Agreement, provided, however, that written consent to such appointment has been provided by the relevant Fund, acting through the Client. For the purposes of this Agreement, such consent is deemed to have been obtained in respect of the appointment of those subcustodians which are part of the Custodian's international network of subcustodians upon the Custodian providing the Client with the Custodian's terms and conditions of global custody services. Further, upon notice to the Client and any applicable Investment Manager, on behalf of the Funds, of the appointment of any additional subcustodians or any change in the Custodian's international network, each Fund will be deemed to have consented to such appointment.
- (b) A subcustodian appointed by the Custodian shall be permitted to appoint a sub subcustodian only upon the prior written consent of the Custodian and the relevant Funds acting through the Client, and shall enter into sub subcustody agreements on terms consistent with this Agreement. The term "sub-custodian" in this agreement shall include any "sub-sub-custodian".
- (c) Any subcustodian appointed for the Funds by or under the authority of the Custodian shall meet the requirements of (A) NI 81-102 and (B) any other guidelines, rules or laws as applicable for acting as a subcustodian of the Funds prescribed by securities regulatory authorities in Canada from time to time or Applicable Law (hereinafter Section 1.3 (c) (B) collectively referred to as the "**guidelines**"). The arrangements under which a sub-custodian is appointed shall be such that each sub-custodian agreement (i) complies with NI 81-102 and the applicable guidelines; (ii) will allow each of the Funds or the trustee or Client on behalf of the Funds, to enforce rights directly, or require the Custodian or a sub-custodian to enforce such rights, to the Property held by the appointed sub-custodian, and (iii) provides for the safekeeping of the Property on terms consistent with this Agreement. The Custodian shall annually review this Agreement and all subcustodian agreements to determine if those agreements are in compliance with NI 81-102, the guidelines and the requirements set out herein, and shall also make reasonable enquiries as to whether each subcustodian satisfies such applicable requirements. The Custodian shall make or cause to be made, any changes as may be necessary to ensure that this

Agreement and the subcustodian agreements are in compliance with NI 81-102 and the guidelines, and that all subcustodians of the Funds satisfy such applicable requirements.

- (d) The Custodian shall, within 60 days following the end of each financial year of the Funds, advise the Funds in writing of the names and addresses of all subcustodians of the Funds, whether this Agreement and the subcustodian agreements are in compliance with NI 81-102 and the guidelines, and whether, to the best of the knowledge and belief of the Custodian, each subcustodian satisfies the applicable requirements of NI 81-102 and the guidelines. Where required under Applicable Law, the Client on behalf of the Funds shall deliver a copy of this report to the applicable securities regulatory authorities within 30 days after the filing of the annual financial statements of the Funds.
- (e) The appointment of one or more sub-custodians shall not relieve the Custodian of its own obligations as described in this Agreement.

#### **Section 1.4     Holding of Property**

Except as otherwise provided herein, all Property shall be held in Canada by the Custodian or a duly appointed subcustodian, or outside Canada by the Custodian or a duly appointed subcustodian if appropriate to facilitate portfolio transactions of a Fund outside Canada. Property may also be held in accordance with Directions where permitted by Applicable Law.

#### **Depositories**

The Custodian is also empowered to hold securities forming part of the Property through an account held with a Depository on the terms of business of the operators of such Depositories, and may effect settlement in accordance with the customary or established trading and processing practices and procedures in the jurisdiction or market in which any transaction in respect of the Property occurs. The Custodian shall be fully protected and absolved from any liability howsoever arising from effecting transactions in the foregoing manner except to the extent that such liability arises out of the Custodian's breach of its standard of care in carrying out Directions in connection with any Depository.

#### **Depository Rules**

Where Property is so held through a Depository, the Client confirms that it will not assert any claim in respect of such Property which would be contrary to the rules and procedures of that Depository, and will not knowingly act in any way which could result in the Custodian being in breach of any rule or procedure of that Depository.

#### **Section 1.5     Recording of Property**

All Property shall at all times and in all circumstances be clearly recorded in the books and records of the Custodian so as to show that the beneficial ownership of the Property is vested in the relevant Fund.

If Property is held by a subcustodian, such Property:

- (a) shall be identified in the books and records of the Custodian as being held on behalf of, or registered in the name of, the relevant Fund by that subcustodian; and
- (b) shall be maintained and clearly recorded by the subcustodian in an account holding only property for customers of the Custodian, and shall be transferred or dealt with by the subcustodian only on the instructions of the Custodian.

In the event that a Depository is used to hold Property, such Property shall be identified by that Depository in its books as being held for the account of the Custodian on behalf of its clients. In the event that a subcustodian uses a Depository to hold Property, such Property shall be identified by that Depository in its books as being held for the account of the subcustodian on behalf of its clients. For clarity, the records of the Custodian shall contain an account number or other designation to show that the beneficial ownership of the portfolio assets held by the Custodian or any subcustodian and deposited in a Depository is vested in the Fund.

The Custodian may commingle Property with property of other clients of the Custodian in a Depository (but not with property held for the Custodian's own account), in which case the Fund shall be entitled, in common with those other clients, to its proportionate share of such Property so held and/or the rights thereto.

#### **Section 1.6 Registration of Property**

Property may be registered in the Custodian's own name, in the name of a subcustodian appointed under this Agreement, in the name of a Depository, or any of their respective nominees, or in bearer form, in accordance with the requirements of NI 81-102.

#### **Section 1.7 Accounting and Review of Statements**

- (a) The Custodian shall account for all Property received by it and take all reasonable steps to collect and receive all income, principal, interest, dividends and other payments or distributions arising from or accruing to the Property when due, and all proceeds of disposition of Property. The Custodian shall disburse or retain any income received thereon and/or capital pursuant to Directions and provide monthly statements of account in such format as may be agreed to by the parties. In addition, the Custodian shall make available to the Client, through its secured access channel RBC Dexia Online, certain custodial reports, including but not limited to transaction history, position and entitlements activity reports, with respect to each transaction in respect of the Property on the business day next following the day on which the transaction took place. The Custodian agrees to assist the Client with reasonable requests to provide additional information in order to satisfy the reasonable requirements of the Client and Applicable Law with respect to the Property.
- (b) The Client will within ninety (90) days (the "Notice Period") following the issue date of the statement give the Custodian written notice of any alleged omissions from or

additions wrongly made to or inaccurate entries in such statement. To the extent that there are any alleged omissions from, or additions wrongly made to, or inaccurate entries in, such statement identified by the Client, the Custodian shall make all required corrections or restoration of entries related thereto and shall be liable to the extent that any such corrections or restoration of entries are identified within such Notice Period and arise directly from the Custodian's failure to comply with its standard of care in Section 4.1 (the "Notice Period Liability"). For the avoidance of doubt, in circumstances where the Client has identified such alleged omissions from, or additions wrongly made to, or inaccurate entries in, such statement after such Notice Period, the Custodian shall not be liable for any increase in the amount of any Notice Period Liability provided that, the Custodian shall continue to be responsible in accordance with its standard of care in Section 4.1, for the amount of any such Notice Period Liability as if the Client had notified the Custodian in accordance with such Notice Period.

### **Section 1.8 Withdrawal of Property**

All Property held by the Custodian shall be surrendered only in accordance with Directions except as otherwise provided in this Agreement. The Custodian shall have no duty or responsibility in respect of the application of the Property so withdrawn, or withdrawn on termination of this Agreement.

### **Section 1.9 Services to be Performed by the Custodian**

#### **A. Services Performed pursuant to Directions**

The Custodian shall, on Direction:

- (a) settle on behalf of a Fund the purchase and sale of Property;
- (b) complete and process such Voting Materials and process Corporate Actions, provided that the Client or Investment Manager has provided Directions to the Custodian within the time frames specified by the Custodian in any such Voting Materials or Corporate Action notice applicable thereto. Where Directions have not been provided by the Client or Investment Manager within such time frames, the Custodian will take no action except only in the case of Corporate Actions and where a default option exists, the Fund will receive such default option as outlined in the notice. In the event that Directions are provided by the Client or the Investment Manager after such time frames, the Custodian shall use reasonable efforts to process such Corporate Actions or Voting Materials but the Custodian shall have no liability for failure to process such Voting Materials or Corporate Actions;
- (c) borrow money against the security of the Property, provided that the Client hereby authorizes the Custodian to pay the principal of and interest charged on such borrowing out of the Property and for such purpose to liquidate sufficient Property as the Custodian may select upon reasonable consultation with the Client, in respect of the relevant Fund, in accordance with Section 3 herein;



- (d) settle the purchase, sale and exchange of contracts for derivative products, including without limitation:
- (i) any rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transactions (including options with respect to any of these transactions and any combination of these transactions);
  - (ii) any repurchase transaction, reverse repurchase transactions or buy/sell back transaction;
  - (iii) forward contracts;
  - (iv) financial and/or stock index futures contracts;
  - (v) contracts under which the rights and/or liabilities of the parties are determined by reference to a financial and/or stock index or securities or commodities;
  - (vi) contracts or other instruments or strategies the value of which is based upon the market price, value or level of an index or the market price or value of a security, commodity, economic indicator or financial instrument or bench mark, or the value of a specified account in which securities, commodities and/or derivative transactions or any combination of such transactions may be carried out; and
  - (vii) put and call options on securities, contracts, instruments, or derivative products; and
  - (viii) any transaction similar to any of those enumerated above that is currently or in the future becomes regularly entered into in the financial markets and that is a forward, swap, future or option on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or debt instruments, or economic indices or measures of economic risk or value;

whether or not such derivative products, contracts or transactions or any underlying interest are traded over-the-counter or on an exchange, provided that the Custodian shall not be obliged or required to do so unless it remains indemnified to its satisfaction, acting reasonably, against all expenses and liabilities sustained or anticipated by the Custodian by reason thereof;

- (e) enter into and settle foreign exchange transactions, on behalf of the Client, for purposes of facilitating settlement of trades of Property or otherwise, with such counterparties

(including but not limited to the Custodian acting as principal or its Affiliates) as the Client directs,

- (f) participate on behalf of the relevant Fund in a securities lending program, in any jurisdiction in which securities are held hereunder, administered by the Custodian or its Affiliate in its or their separate capacity (the "**Program**") on such terms and conditions as the Client and the Custodian or its Affiliate agree.

**B. Services to be performed without Directions**

The Custodian may, without Direction:

- (a) take all reasonable steps to collect and receive all income, principal, dividends and other payments and distributions when due in respect of any Property in its custody and promptly credit all cash receipts received by it for the account of the relevant Fund;
- (b) with respect to Voting Materials, promptly forward, or arrange to have promptly forwarded, to the Client (or such Investment Manager which the Client has designated as having responsibility for a security which forms part of the Property) all Voting Materials which the Custodian receives;
- (c) with respect to Corporate Actions, promptly forward to the Client or on Direction from the Client, to an Investment Manager, a Corporate Action notice that contains a summary of information which is actually received by the Custodian from third party sources believed by the Custodian to be reliable, and request Directions with respect to such Corporate Action where required. For greater certainty, other than as described in this paragraph and in paragraph 1.9 B. (b) above, the Custodian shall not be obligated to forward or summarize any other shareholder communications, including shareholder mailings, notices or reports, and the Custodian shall have no responsibility or liability for ensuring the accuracy or adequacy of such third party information contained in any such Voting Materials or Corporate Action notice;
- (d) with respect to any other written information (including, without limitation, pendency of calls, maturities of securities and expiration of rights in connection therewith) received by the Custodian or by its subcustodians in respect of Property, transmit such information to the Client;
- (e) in its sole discretion, advance monies by way of overdraft to a Fund for the purposes of settlement of portfolio transactions, on such terms and conditions as the Custodian may in its sole discretion determine, provided that the Client hereby authorizes the Custodian to, with prior notice to the Client, pay the principal of and interest charged on any such advances out of the Property of that Fund and, if that Fund does not hold sufficient cash to make such payments, dispose of other Property of that Fund, as the Custodian may in its sole discretion select, upon reasonable consultation with the Client, in sufficient amounts for such purpose, and in accordance with Section 3 herein. For greater

certainty, no Fund shall have liability for any obligations of another Fund on account of any overdraft in that other Fund's account; and,

- (f) do all such acts, take all such proceedings and exercise all such rights and privileges, although not specifically mentioned in this Agreement, as would be customary for a Canadian institutional custodian of mutual funds similar to the Funds and as the Custodian may deem necessary, acting reasonably, to carry out the Custodian's rights and obligations under this Agreement.

### **Section 1.10 Contractual Settlement**

The Custodian shall, in jurisdictions where settlement practices permit, credit the Account of a Fund, in connection with the receipt of interest or dividends or the maturity, sale or redemption of any security held hereunder, and debit the Account of a Fund, in connection with the purchase of any security, on the Contractual Settlement Date with respect thereto, whether or not such monies have been received, or payment made, by the Contractual Settlement Date. However, if after a reasonable time (as determined by the Custodian in accordance with standard industry practice) following the Contractual Settlement Date any such payment or receipt shall fail to take place for any reason other than the failure of the Custodian to make payment against delivery or delivery against payments, all related credits and debits shall be reversed and adjusted to reflect the failure of the transaction to take place.

"Contractual Settlement Date" means:

- (a) with respect to the purchase or sale of any bond or stock, the date the parties have contracted to settle the trade, provided the Custodian has received reasonable notice;
- (b) with respect to the purchase or sale of any short term money market investments, the date specified by the Client at the time at which it gave instructions to the Custodian;
- (c) with respect to the maturity of a security, the maturity date; and
- (d) with respect to interest and dividend payments, the due date established by the payor.

### **Section 1.11 Cash Balances**

The Custodian may retain uninvested cash balances from time to time on hand in any of the Funds and may, in its sole discretion hold such cash balances on deposit with a bank or such other deposit taking institution, including the Custodian or its Affiliates, in any jurisdiction in such interest bearing account as the Custodian in its sole discretion may determine.

For greater certainty, the parties agree that all free credit balances standing to the credit of any Account, including un-invested cash balances, shall constitute "financial assets" for the purposes of the STA and shall be subject to the security interest provided in Section 3 of this Agreement.

### **Section 1.12 Investment Management**

The Client shall be responsible for the investment management of the Property and all investment decisions. For greater certainty, it is hereby confirmed that the Custodian shall have no responsibility for any trading of securities forming part of the Property, nor shall the Custodian have any responsibility for the investment management of the Property or for the investment decisions except for carrying out Directions.

The Client may designate one or more Investment Managers to manage the investment of some or all of the Property in respect of one or any of the Funds and to provide Directions to the Custodian with regard to such Property. Such appointment and designation of such Property must be made to the Custodian by the Client by way of Directions. The Custodian may assume that the designation of an Investment Manager continues in force until it receives written notice to the contrary from the Client by way of Directions.

## **SECTION 2 DIRECTIONS AND COMMUNICATIONS**

### **2.1 Directions**

All Directions shall be given in one of the methods authorized by Section 2.3 below and shall be given by an Authorized Individual (as defined below).

The Client and each Investment Manager shall, from time to time, provide to the Custodian a certificate, substantially in the form set out in Schedule "E" hereto, signed by the President, a Vice-President or the Secretary of the Client or the Investment Manager, as the case may be, stating the name(s) and title(s) of the authorized officer(s), person(s) or representative(s) authorized to act on behalf of the Client or the Investment Manager, as the case may be, together with specimen signatures of all such authorized officers, persons or representatives ("**Authorized Individuals**"). The Client and each Investment Manager shall keep the Custodian informed as to any changes in its authorized signatories, and the Custodian shall be entitled to rely upon the identification of such persons as specified in each such certificate as the persons entitled to act on behalf of the Client and such Investment Manager for the purposes of this Agreement until a later certificate respecting the same is delivered to the Custodian.

Without limiting the foregoing, in the case of Directions sent through one of the Custodian's secured access channels, including RBC Dexia Online, or sent directly between electromechanical or electronic terminals (including, subject to Section 2.7, the internet or unsecured lines of communication), the parties acknowledge that it may not be possible for such Directions to be executed; however, the Custodian shall nevertheless be protected in relying on such Directions as if they were written Directions from the Client or the Investment Manager, as the case may be, executed by an authorized signatory of the Client or the Investment Manager, as the case may be. The Custodian shall be entitled, without further inquiry or investigation, to assume that such Directions have been duly and properly issued by the Client or the Investment

Manager, as the case may be, and that the sender(s) is/are duly authorized to act, and to provide Directions, on behalf of the Client and the Investment Manager, as case the may be.

Without limitation, the Custodian shall:

- (a) be fully protected in acting upon any Direction believed by it to be genuine, acting in good faith, and presented by an Authorized Individual(s); and
- (b) be under no duty to make any investigation or inquiry as to any statement contained in any such Direction but may accept such statement as conclusive evidence of the truth and accuracy of such statement.

## **2.2 Limitations in respect of Directions**

The Custodian shall act in accordance with Directions given by an Authorized Individual in accordance with this Section 2, and shall be fully protected and absolved from any liability arising therefrom provided that the Custodian has implemented such Directions in accordance with the standard of care described in section 4.1 herein. Further, notwithstanding anything else in this Agreement, the Custodian shall not be required to comply with Directions to settle the purchase of any securities on behalf of a Fund unless there is sufficient cash in a Fund at the time, nor shall the Custodian be required to comply with Directions to settle the sale of any securities on behalf of a Fund unless such securities are in deliverable form. If the Custodian is not provided with Directions when required hereunder, then the Custodian shall be fully protected and absolved from any liability arising from the failure to act in the absence of Directions.

## **2.3 Methods of Communication**

All communications hereunder (including, for greater certainty, Directions) must be given by one of the following methods of communication:

- personal or courier delivery;
- prepaid ordinary mail;
- authenticated telex;
- facsimile;
- S.W.I.F.T.;
- one of the Custodian's secured client access channels, including RBC Dexia Online;
- directly between electromechanical or electronic terminals (including, subject to Section 2.7, the internet or unsecured lines of communication); or
- telephone (subject to Section 2.5).

Communications should be addressed, as applicable, as follows:

- (a) in the case of the Custodian:

RBC Dexia Investor Services Trust  
 155 Wellington Street West, 5<sup>th</sup> Floor  
 P.O. Box 7500, Station "A"  
 Toronto, Ontario  
 M5W 1P9

Attention: Head of Funds

Telephone: (416) 974-5273

Facsimile: (416) 955-1240

(b) in the case of the Client:

RBC Global Asset Management Inc.  
 155 Wellington Street West  
 RBC Centre, 23<sup>rd</sup> Floor  
 Toronto, Ontario  
 M5V 3K7

Attention: Mr. Frank Lippa, Chief Operating Officer

Telephone: (416) 974-0609

Facsimile: (416) 974-1412

or at such other address and number as the party to whom such communication is to be given shall have last notified to the party giving the same in the manner provided in this Section.

## **2.4 Deemed Delivery**

Any communication delivered personally shall be deemed to have been given and received on the day it is so delivered (or if that day is not a Business Day, on the next succeeding Business Day). Subject to disruptions in the postal service, any communication sent by prepaid ordinary mail shall be deemed to have been given and received on the fifth Business Day following the date of mailing. Any communications given by authenticated telex, facsimile, S.W.I.F.T., one of the Custodian's secured client access channels or directly between electromechanical or electronic terminals (including, subject to Section 2.7, the internet or unsecured lines of communication) shall be deemed to have been given and received on the Business Day it is transmitted provided that such transmission was received (i) in the case of standard day-to-day Directions relating to the trading, settlement, entitlements or other transactions affecting the Property in the Account, on or before such time (Toronto time) as agreed upon by the Sub-custodian and the Custodian, from time to time, for the type of transmission to be used for the relevant transaction(s) and, if received after such agreed upon time, it shall be deemed to have been given and received on the Business Day following the day of such transmission, or (ii) in the case of non-standard Directions affecting the status of the Account, including, but not limited to, notices of termination or mergers, changes of authorized signing officers or standing instructions or such other non-standard Directions as agreed upon by the parties, from time to

time, on or before 3:00 p.m. (Toronto time), and, if received after 3:00 p.m. (Toronto time), it shall be deemed to have been given and received on the Business Day following the day of such transmission, provided that in each case, as above, that confirmation of transmission is available from the party giving the communication.

Nothing in this Agreement shall create an obligation for the Custodian to constantly monitor its electronic communication equipment, provided that regular monitoring is performed within business hours of the Custodian where communications are sent and the Custodian will not be held liable for an omission to act from not receiving electronically transmitted communications (including, without limitation, Directions). In the event of any disagreement as to whether electronic communications (including, without limitation, Directions) have been received by the Custodian, the sender will have the onus of proving that such electronic communications have been so received.

## **2.5 Telephone Directions**

With respect to telephone Directions, the Client shall endeavor to forward written Directions confirming such telephone Directions on the same day that such verbal Directions are given to the Custodian. The fact that such confirming written Directions are not received or that contrary Directions are received by the Custodian shall in no way affect the validity of any transactions effected by the Custodian on the basis of the telephone Directions.

## **2.6 Recording of Telephone Communications**

The Client acknowledges and agrees that some or all telephone communications between the parties, including, without limitation, Directions, may be recorded by the Custodian. In the event of any disagreement as to the content of any communication given by telephone, the Custodian's recording will be conclusive and determinative of the contents of such communication.

## **2.7 Internet**

The Client agrees and confirms, in connection with the services provided by the Custodian to the Funds listed in Schedules "A", "B", "C" and "D" attached hereto, that the Custodian may forward reports and information to the Client and/or to the Client's authorized agents, and may receive and act upon communications and instructions (including without limitation, Directions) received from the Client and/or the Client's authorized agents, through use of the internet or any other electronic means of communication which is not secure.

The Client agrees and acknowledges that the internet is not a secure or confidential means of communication, and that accordingly, there are certain risks inherent in its use. The Client therefore agrees that the Custodian shall bear no responsibility or liability whatsoever for any errors and omissions, or direct, indirect or consequential losses or damages that are directly attributable to the use of the internet as a means of communication, including any losses or damages arising from viruses or worms, or the interception, tampering or breach of

confidentiality of data or information transmitted which is not encrypted and authenticated in accordance with the Custodian's encryption standards.

The Client also agrees that the Custodian may rely and act upon any email instructions or Directions given by an Authorized Person believed by it to be genuine, acting in good faith, received via the internet from the Client, without the Custodian having to take any further actions of any kind to verify or otherwise ascertain the validity of such instructions or Directions, and any such instructions or Directions shall be binding on the Client on whose behalf the e-mail instructions or Directions shall have been given and that the Client shall not make any claim or take any action or proceedings against the Custodian for any losses or damages whatsoever suffered by reason of the Custodian accepting and acting upon such instructions or Directions provided that the Custodian has implemented such Directions or instructions in accordance with the Standard of Care.

### **SECTION 3**

#### **FEES, EXPENSES, SECURITY INTEREST AND RIGHT OF SET-OFF**

##### **Section 3.1 Fees**

In consideration of the services provided by the Custodian hereunder, the Custodian shall be paid such compensation as may from time to time be agreed upon in writing between the Client and the Custodian (hereinafter referred to as the "**Fee Schedule**"). In addition and as set out in such Fee Schedule, the Custodian shall be reimbursed for any reasonable out of pocket disbursements and expenses incurred in the performance of its duties hereunder.

##### **Section 3.2 Statements**

The Custodian shall send to the Client itemized statements setting out the amount of all compensation, disbursements and expenses provided for in Section 3.1, and such amounts shall be due and payable within thirty (30) days after the date on which such invoice was sent by the Custodian to the Client.

##### **Section 3.3 Right to Withhold Services Pending Payment**

Notwithstanding any other provision of this Agreement, the Custodian, acting reasonably, shall not be obliged to act upon any Directions in respect of a Fund (including the delivery of any Property of that Fund to any person) until all the amounts due and owing to the Custodian in connection with that Fund under this Agreement have been paid in full. With respect to the foregoing, the Custodian shall give the Client and/or any Investment Manager at least ten (10) Business Days prior notice of its decision not to act in any such circumstances provided that such notice period shall not preclude the Custodian's right at any time to discontinue any overdraft facility provided by it in accordance with Section 1.9 B. (e) hereof.



### **Section 3.4 Security Interest to Secure Obligations**

The Client, on behalf of each Fund, hereby assigns, conveys, mortgages, pledges, hypothecates, and charges in favour of, and grants a security interest to the Custodian in all of the Fund's right, title and interest in and to all Property now owned or hereafter acquired by the Fund and held in custody by the Custodian pursuant to this Agreement and all proceeds thereof, as continuing collateral security for the due payment and performance of the obligations, liabilities and indebtedness of the Client to the Custodian in respect of that Fund from time to time, whether present or future, absolute or contingent, liquidated or unliquidated, in any currency or otherwise, arising pursuant to this Agreement in respect of unpaid fees, disbursements, expenses, and overdraft amounts for the purpose of executing and settling trades and in connection with foreign exchange transactions, all in respect of that Fund (collectively, the "**Obligations**").

The Client and the Custodian agree that it is their intention that the security interests hereby created shall attach immediately to any Property in which the relevant Fund has any interest on the date hereof, and, with respect to after-acquired Property, forthwith at the time the relevant Fund acquires an interest therein, all in accordance with the terms hereof.

The Client acknowledges and agrees that for purposes of the STA, the Custodian is acting in the capacity as Securities Intermediary for the Client's Funds, and the Custodian shall be under no obligation to waive, subordinate or discharge such security interest except upon the indefeasible payment and satisfaction in full of the Obligations.

### **Section 3.5 Right of Deduction and Set-off**

If and to the extent that at any time any Obligations in respect of a Fund owing to the Custodian hereunder are outstanding and unpaid, in addition to any right or remedy that the Custodian may otherwise have hereunder or under any Applicable Law, the Custodian is hereby authorized, in its discretion (upon reasonable notice in the circumstances to the Client on behalf of the applicable Fund and in accordance with Applicable Law), both before and after demand or judgment, and whether or not default has occurred hereunder:

- (a) to sell, as agent for the Client, such portion of the Property of the Fund (which, for the purposes of this Section shall include any account with any third party with whom cash has been deposited by the Custodian on behalf of the Fund) as may be required to satisfy any such unpaid Obligations, on such commercially reasonable terms as the Custodian thinks fit in its discretion, and
- (b) set-off against and deduct from the proceeds of any such sale owing to the Fund such amounts of such unpaid Obligations as the Custodian thinks fit in its discretion, and account for any surplus to the Account of such Fund;

it being agreed and understood by the Client that the exercise of the Custodian's rights under this Section 3.5 shall not be construed as the exercise of a right of realization in respect of the security interest created under Section 3.4 but a separate right of set-off.

**SECTION 4**  
**STANDARD OF CARE**

**Section 4.1**    **Standard of Care**

The Custodian, in carrying out its duties under this Agreement shall exercise:

- (i) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; or
- (ii) at least the same degree of care diligence and skill that it exercises with respect to its own property of a similar kind, if this is a higher degree of care than the degree of care referred to in paragraph (i).

**Section 4.2**    **Liability of the Custodian**

Except to the extent that the Custodian has not complied with Section 4.1, the Custodian shall not be liable for any act or omission in the course of, or connected to, rendering services hereunder or for loss to, or diminution of, the Property. In no event shall the Custodian be liable for any consequential or special damages, including but not limited to loss of reputation, goodwill or business.

**Section 4.3**    **Limitation of Responsibility**

For greater certainty, and except to the extent that the Custodian has breached the standard of care set out in Section 4.1 of this Agreement, the Custodian shall not be responsible for:

- (a) the authenticity or validity of title to any Property which the Custodian did not arrange itself to have appropriately registered;
- (b) any act or omission required or demanded by any governmental, taxing, regulatory or other competent authority in any country in which all or part of the Property is held or which has jurisdiction over the Custodian, the Funds or the Client;
- (c) any loss resulting from official action (including nationalisation and expropriation), currency restrictions or devaluations, acts or threat of war or terrorism, insurrection, revolution or civil disturbance, acts of God, strikes or work stoppages, inability of any Depository or other settlement system to settle transactions, interruptions in postal, telephone, telex and/or other communication systems or in power supply, the failure of any third party appointed by the Client to fulfil its obligations hereunder, or any other event or factor beyond the reasonable control of the Custodian;

- (d) any failure to act on Directions, if the Custodian reasonably believed that to do so might result in breach of any Applicable Law or regulation (whether or not having the force of law) or the terms of this Agreement (but no duty of the Custodian to comply with any such law or regulation, or in respect of this Agreement, shall be implied from the foregoing); or,
- (e) any Property which it does not hold or which is not directly controlled by it, its Affiliates or its appointed Agents (including sub-custodians).

#### **Section 4.4 Indemnification of the Custodian**

To the extent permitted by NI 81-102 and Applicable Law, the Custodian, its directors, officers and employees (each a “**Custodian Indemnified Party**” or collectively, the “**Custodian Indemnified Parties**”, as the context herein shall require), shall at all times be indemnified and saved harmless by the applicable Fund(s) on a several basis and, to the extent that the Property of a Fund is not sufficient for such purpose, by the Client, from and against all legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by the Custodian Indemnified Party (collectively, “**Losses**”), in respect of anything done or omitted to be done in connection with this Agreement, except to the extent occasioned by the negligence, wilful misconduct, fraud or lack of good faith of any Custodian Indemnified Party or a failure of a Custodian Indemnified Party to meet the standard of care described in Section 4.1. For the avoidance of doubt with respect to this Section 4.4, the Losses of a Fund shall be applicable to that Fund or the Client in respect of that Fund and no recourse for the Losses of that Fund shall apply to any other Fund or the Client in respect of any other Fund. For greater certainty, the foregoing does not make the commencement of formal legal proceedings a precondition for indemnification hereunder. If, at the Client’s request, any Custodian Indemnified Party should agree to appear in, prosecute, defend or otherwise act in relation to any process or proceeding, either in its own name or in the name of its nominee, that Custodian Indemnified Party shall first be indemnified to its satisfaction.

#### **Section 4.5 Indemnification of the Funds**

The Custodian shall indemnify and hold the Funds harmless from and against all legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by the applicable Fund(s) that arise directly out of the negligence, willful misconduct, fraud, lack of good faith or breach of the standard of care set out in Section 4.1 by the Custodian (collectively referred to as “**Fund Losses**”); provided, however, that this indemnity shall not apply in respect of any Fund Losses to the extent that such Fund Losses relate to or arise from any investments in real estate or mortgages held by any Fund or Funds. For greater certainty, the exclusion against consequential or special damages contained in Section 4.2 herein shall apply without limitation to this subsection.

#### **Section 4.6 Exclusion of Liability of Unitholders**

No holder of units of the Funds and no annuitant or beneficiary under a registered retirement savings plan, registered retirement income fund, registered education savings plan, deferred

profit sharing plan or tax free savings plan of which any holder of units of a Fund is a trustee or carrier shall be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with Property or obligations or the affairs of a Fund and all such persons shall look solely to the Property for satisfaction of claims of any nature arising out of or in connection therewith and the Property only shall be subject to levy or execution.

## **SECTION 5** **AGENTS AND THIRD PARTIES**

### **Section 5.1 Agents**

The Custodian may appoint Agents (which may be affiliated with or otherwise connected to the Custodian or any subcustodian) to conduct any of the services to be performed by the Custodian as required under the Agreement provided that the appointment of one or more agents shall not relieve the Custodian from its obligations under this Agreement.

### **Section 5.2 Selection and Monitoring for Agents, Subcustodians and Nominees**

The Custodian shall act in accordance with its standard of care set out in Section 4.1 of this Agreement in the selection and monitoring of such Agents and subcustodians.

### **Section 5.3 Liability for Subcustodians, Nominees, Agents and Depositories**

Subject to Sections 5.5 and 5.6 below, if a Fund suffers a loss as a result of any act or omission of a sub-custodian or its nominee, or of any other Agent appointed by the Custodian (rather than appointed by the Client) and if such loss is directly attributable to the failure of such sub-custodian or its nominee or such other Agent appointed by the Custodian to exercise reasonable care (whether by reason of negligence, wilful misconduct or lack of good faith, breach of its standard of care in its market or a failure to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances), in the provision of any service to be provided by it under this Agreement, then the Custodian shall assume liability for such loss directly, and shall reimburse the Fund accordingly. Other than as stated above, the Custodian shall be fully protected and absolved from liability howsoever arising from any acts or omissions of sub-custodians or their nominees, or other Agents appointed by the Custodian or appointed by the Client.

### **Section 5.4 Rights of Agents, Subcustodians and Nominees**

For greater certainty, any rights, powers, authorities, benefits, and limitations on liability or responsibility whatsoever granted to the Custodian under this Agreement or conferred upon the Custodian otherwise at law shall be deemed to have been granted to any and all nominees, Agents and subcustodians duly appointed by the Custodian, and in furtherance thereof, any references to “the Custodian” herein shall be construed as references to such nominees, Agents or subcustodians, as the context requires.

**Section 5.5 Loss from Agent/Subcustodian Insolvency**

For greater certainty, the Custodian shall not be responsible for any loss or diminution in respect of any or all Property resulting from the bankruptcy or insolvency of any such Agent of the Custodian, except to the extent that the Custodian fails to meet its standard of care set out in Section 4.1 with respect to the selection and monitoring of such Agent.

**Section 5.6 Designated Markets**

In order to provide services to the Client pursuant to this Agreement, the Custodian is required to engage subcustodians in certain markets, which have been identified as being high risk and designated as “Designated Markets” in Schedule “F” to this Agreement. A Designated Market is a market where the risks of engaging a subcustodian or Agent are significantly greater than they would be in more established markets. Accordingly, notwithstanding any other provision of this Agreement, where the Custodian is providing custodial services in Designated Markets (whether directly or through a subcustodian) in respect of a Fund, the Custodian may not be able to accept some of the liabilities for the acts of its subcustodians and Agents which are otherwise contemplated by this Agreement.

Where the Custodian engages a subcustodian or Agent in a Designated Market, the Client acknowledges and agrees that any negligence, wilful misconduct, or lack of good faith of a subcustodian or Agent will not constitute a breach of the standard of care or negligence of the Custodian for purposes of this Agreement. However, for greater certainty, nothing is intended to limit the responsibility of the Custodian under this Agreement for the selection and ongoing monitoring of its Agents and subcustodians.

As necessary from time to time, the Custodian will advise the Client through written notice of any additions or deletions to Schedule “F” and any such additional market shall be deemed to be a Designated Market for all purposes of this Agreement sixty days following such notification.

The Client also acknowledges that the Client and/or its other managers of, or advisors to, the Funds have responsibility for apprising themselves of the specific risks to the Funds involved in the investment and reinvestment of the Funds’ Property in all markets in which the Funds’ Property is located from time to time.

**Section 5.7 Experts**

The Custodian may rely and act upon any statement, report or opinion prepared by or any advice received from the auditor of the Funds as appointed by the Client from time to time, or from solicitors or other professional advisors of the Funds and shall not be responsible nor held liable for any loss or damage resulting from so relying or acting if the advice was within the area of professional competence of the person from whom it was received, the Custodian acted in good faith in relying thereon and the professional advisor was aware that the Custodian was receiving the advice in its capacity as custodian of the Property and the Custodian acted in good faith in relying thereon.

**SECTION 6**  
**REPRESENTATIONS AND WARRANTIES**

**Section 6.1 Client's Representations and Warranties**

The Client hereby represents and warrants that it has full power and authority to enter into this Agreement, and to perform all of its obligations hereunder, and more specifically and without limitation:

- (a) to grant to the Custodian the powers, authorities, rights and interests granted to it pursuant to this Agreement, including all powers, authorities, rights and interests in respect of each of the Funds and any Property credited thereto;
- (b) to authorize the Custodian to establish one or more bank accounts in the name of each of the Funds with the Custodian;
- (c) to give Directions in relation to the safekeeping and custody of the Property, and to authorize others to do so where applicable, all in accordance with Section 2; and
- (d) that it has obtained all of the necessary authorizations, including, if applicable, authorization by each of the Funds to enter into this Agreement on each Fund's behalf.

**Section 6.2 Custodian's Representations and Warranties**

The Custodian hereby represents and warrants that it has full power and authority to enter into this Agreement, and to perform all of its obligations hereunder, and more specifically and without limitation:

- (a) is qualified to act as a Custodian having regard to the requirements applicable to Custodians described in NI 81-102 and any applicable guidelines and undertakes to notify the Client forthwith if at any time such status changes;
- (b) has the power and authority under Applicable Law and its constating documents to enter into and perform its obligations under this Agreement, this Agreement has been duly executed and delivered by the Custodian and this Agreement constitutes a legal, valid and binding obligation of the Custodian, enforceable against the Custodian in accordance with its terms; and
- (c) has in place business continuity plans as determined by the Custodian for ensuring the continuation of its business-related services as a whole, including the custody services and obligations under this Agreement, and that provide for the processing of its customers' transactions on a priority basis as determined by the Custodian, in its discretion and acting reasonably, in the event of problems affecting the Custodian's operation, including systems breakdown and natural disaster (the "**Continuity Program**"), and such Continuity Program is tested by the Custodian in a commercially reasonable manner.

**SECTION 7**  
**AMENDMENT AND TERMINATION OF AGREEMENT**

**Section 7.1 Amendments**

This Agreement may be amended at any time and from time to time, in whole or in part, by written agreement of the Client and the Custodian.

**Section 7.2 Termination**

**A. Rights of Termination by the Client**

The Client may terminate this Agreement without penalty:

- (a) immediately without notice if the Custodian has ceased to be qualified to act as a custodian of the Property under the provisions of Applicable Law or if the Custodian has committed an Act of Insolvency;
- (b) in the event that there is a breach of the standard of care described in Section 4.1 or there is a breach of, or a failure to observe or perform, any other material term or condition of this Agreement on the part of the Custodian, which breach or failure is not remedied within 30 days after written notice from the Client requiring the same to be remedied is delivered to the Custodian;
- (c) on 90 days' prior written notice to the Custodian; and
- (d) in the event that all Funds are terminated.

With respect to the foregoing paragraph (c), consolidation of a Fund with one or more Funds or the termination of a Fund on 30 days' notice or as otherwise agreed upon, shall not require the termination of this Agreement except as provided herein.

**B. Rights of Termination by the Custodian**

The Custodian may terminate this Agreement without penalty:

- (a) immediately without notice if the Client has committed an Act of Insolvency;
- (b) on 90 days' prior written notice to the Client.

**Section 7.3 Delivery of Property on Termination**

- (a) Except as otherwise provided herein, the Custodian hereby agrees upon termination of this Agreement to deliver to or to the order of the Client all Property and copies of all books, records, documents, papers and electronic data which are in the possession of the Custodian, the Custodian's sub-custodians and their respective agents which would

reasonably be expected to be necessary in order for a successor custodian to provide custodial services relating to the Property within a timeframe that is in accordance with industry standards. In the case of Securities held in bearer form or registered in the name of a nominee, the Client hereby agrees to accept delivery of any securities of the same class and denomination in place of those delivered to or acquired by the Funds.

- (b) For greater certainty hereunder, where the Custodian receives a Direction to transfer all of the Property of a Fund or Funds to another custodian on termination of the Custodian or on termination of this Agreement, the parties acknowledge and agree that, notwithstanding such Direction, the provisions of Section 3.3, 3.4 or 3.5 shall apply as required in the circumstances, prior to any such transfer.

## **SECTION 8**

### **CONFIDENTIALITY AND SHARING OF INFORMATION**

#### **Section 8.1 Confidentiality**

Subject to Section 9.3(a)(vii) of this Agreement, each party shall hold in confidence all information relating to the Property and this Agreement (collectively, the “**Confidential Information**”) and may only release such information to others where required by law, where such information was within such party’s possession on a non-confidential basis prior to it being provided to such party, where such information is or becomes available to the public, pursuant to Directions (if applicable), or as otherwise agreed between the parties. Confidential Information includes, but is not limited to, information disclosed to a party or information that a party becomes aware of in the course of providing the services contemplated herein which by its nature could reasonably be determined to be confidential or which is identified as being confidential. The parties acknowledge and agree that this Agreement and all amendments and restatements must be filed with applicable regulators and will be publicly available on the System for Electronic Document Analysis and Retrieval. If the Custodian becomes compelled under the requirements of Applicable Law, including but not limited to an order of a court or administrative tribunal of competent jurisdiction, or is required, on demonstration of a legitimate need to know in order to provide the services hereunder, to disclose Confidential Information of the Client or the Funds, the Custodian will provide the Client with prompt written notice of such requirement and such disclosure shall be limited to only such Confidential Information as is reasonably required under the particular circumstances, and any recipients of such Confidential Information shall be apprised of its confidential nature, and shall be requested, or, where reasonably practicable, shall be required, to take reasonable steps to maintain its confidentiality. The provisions of this Section 8.1 shall survive the termination of this Agreement.

#### **Section 8.2 Sharing of Information**

Without limiting Section 8.1, above, the Client agrees that the Custodian may share, on a need to know basis, with its Agents, service providers, Affiliates, related companies, subsidiaries, parent companies and their respective parent company’s Affiliates, related companies and subsidiaries,



the Client's or a Fund's information, including Confidential Information, together with other information for marketing, administration, client services, to prevent fraud, to verify the Client's identity and to prevent money laundering, provided that any such disclosure shall be limited to only such Confidential Information as is reasonably required under the particular circumstances, and any recipients of such Confidential Information shall be apprised of its confidential nature, and shall be required to take reasonable steps to maintain its confidentiality. For the avoidance of doubt, the foregoing use of the Client's confidential information for purposes of "marketing" shall be on a no name basis and subject to Section 8.1 and shall form part of the collective internal client data base used by the Custodian on an ongoing basis to assess and change how it promotes and performs its services to its clients.

### **Section 8.3 Information Held Outside Canada**

In the event that the Custodian is required by the Client to engage any sub-custodian in the global market, the Client acknowledges that the Custodian may from time-to-time be required to transfer, store and process client information, including Confidential Information, outside Canada. The Client further acknowledges and agrees that the contractual or other measures that the Custodian may use to protect such information are subject to the legal requirements of the jurisdiction where such information may be transferred, stored or processed, and that the Custodian may be required by law to disclose client information, including Confidential Information, to the lawful authorities operating within that jurisdiction. The Client further agrees and acknowledges that the Custodian shall in no way be liable or responsible in any way for any damages, costs or expenses whatsoever that the Client may face as a result of the Custodian being legally obligated to disclose any such Client information.

### **Section 8.4 Privacy**

The Custodian shall comply with all Applicable Laws in performance of its duties hereunder including, without limitation, applicable privacy laws in respect of any personal information it has access to in connection with the performance of its duties hereunder.

## **SECTION 9 MISCELLANEOUS**

### **Section 9.1 Payment out of Property**

The Custodian shall pay out of the Property of the relevant Fund all taxes and other assessments levied or assessed under Applicable Law in connection with such Property or such Fund, and shall withhold from payments out of such Property, all taxes and other assessments required to be so withheld.

## **Section 9.2 Records, Access and Insurance**

### **A. Records**

The Custodian shall maintain custodial accounts, books and records with respect to the Property in compliance with Applicable Law and in accordance with commercially accepted standards. The Custodian will provide written or, if agreed by the parties, electronic, copies of such accounts, books and records for storage on the Client's premises, as the Client shall reasonably request in order for the Client to comply with its obligations under Applicable Law. The Custodian shall not, without the prior written consent of the Client, dispose of or destroy any such accounts, books and records until the expiration of seven (7) years after completion of the matters in respect of which the accounts, books or records relate.

### **B. Access**

The Custodian shall, on reasonable notice and during normal business hours, make available to and permit the officers, employees and agents of the Client, the Client's auditors of the Funds (so long as they are retained by the Client in that capacity) and such regulatory authorities as may have lawful jurisdiction over the Funds or the Client to inspect and make copies of all accounts, books and records maintained by the Custodian in connection with its duties under this Agreement, provided such persons comply with the Custodian's reasonable requirements as to confidentiality. The Custodian agrees to assist the Client with reasonable requests to assist with audit requirements with respect to the Property.

### **C. Insurance**

The Custodian agrees and acknowledges that it shall maintain commercial insurance coverages that it determines to be relevant for its business-related services as a whole, including the custody services being provided herein, in amounts that are, in the Custodian's discretion, reasonable and adequate in light of the nature and size of such business. The Custodian acknowledges that it has disclosed to the Client the extent of its insurance coverage.

## **Section 9.3 Self-Dealing**

The Custodian's services to the Client are not exclusive and, subject to the limitations otherwise provided in this Agreement on the power and authorities of the Custodian, the Custodian may for any purpose, and is hereby expressly authorized from time to time in its discretion to, appoint, employ, invest in, contract or deal with any individual, firm, partnership, association, trust or body corporate, including without limitation, itself and any partnership, trust or body corporate with which it may directly or indirectly be affiliated or in which it may be directly or indirectly interested, whether on its own account or for the account of another (in a fiduciary capacity or otherwise), without being liable to account therefor and without being in breach of this Agreement.

Without limiting the generality of the foregoing, the Client hereby authorizes the Custodian to act hereunder notwithstanding that the Custodian or any of its divisions, branches or Affiliates may:

- (a) have a material interest in the transaction or that circumstances are such that the Custodian may have a potential conflict of duty or interest including the fact that the Custodian or any of its Affiliates may:
- (i) purchase, hold, sell, invest in or otherwise deal with securities or other property of the same class and nature as may be held in a Fund, whether on its own account or for the account of another (in a fiduciary capacity or otherwise);
  - (ii) act as a market maker in the securities that form part of the Property to which Directions relate;
  - (iii) provide brokerage services to other clients;
  - (iv) act as financial adviser to the issuer of such securities;
  - (v) act in the same transaction as Agent for more than one client;
  - (vi) have a material interest in the issue of securities that form part of the Property;
  - (vii) use in other capacities knowledge gained in its capacity as custodian hereunder;  
and
- (b) earn profits from any of the activities listed herein,

without being liable to account therefor and without being in breach of this Agreement provided that the Custodian complies with Sections 8.1 and 4.1 hereof.

#### **Section 9.4 Assignment**

Subject to Section 9.5, neither this Agreement nor any of the rights or obligations either party hereunder may be assigned to any other person without the prior written consent of the other party, which consent shall not be unreasonably withheld.

#### **Section 9.5 Successors**

##### **A. Successor to Custodian**

Any trust company resulting from the merger or amalgamation of the Custodian with one or more trust companies and any trust company which succeeds to substantially all of the custody business of the Custodian shall thereupon become the successor to the Custodian hereunder without further act or formality provided that the Custodian gives written notice to the Client and the Fund within a reasonable period of time after the fact.

**B. Successors to Client**

Any entity resulting from any consolidation, merger, amalgamation, arrangement, reorganization or other business combination to which the Client may be a party, or an entity to which all or substantially all of the business and assets of the Client may be transferred, shall be the successor to the Client hereunder, without the execution or filing of any instrument or performance of any further act or formality, provided that the Client gives prior written notice to the Custodian.

**Section 9.6 Survival**

The provisions of Sections 3, 4, 7.3, 8, 9.2 and 9.8 of this Agreement shall survive the termination of this Agreement.

**Section 9.7 Independent Report**

The Custodian shall, at its expense, complete an annual Section 5970 audit and provide the Client a copy of its annual Section 5970 report as such report is completed and made available in final form by the Custodian's auditors.

**Section 9.8 Governing Laws**

This Agreement shall be governed by and interpreted in accordance with the laws of Ontario and the laws of Canada applicable therein.

**Section 9.9 Annual Compliance Certificate**

The Custodian agrees that it shall, upon the request of the Client, such request to be made no more than once per annum, complete a compliance certificate reasonably required by the Client, advising whether or not any significant, material changes have been made in the Continuity Program as set out in Section 6.2 (c) and the Custodian's insurance coverage under Section 9.2 (C).

**Section 9.10 Entire Agreement**

This Agreement and any schedules or exhibits hereto shall constitute the whole and entire agreement between the parties with respect to the subject matter hereof and shall cancel and supersede any prior written or verbal agreements including undertakings, declarations or representations made with respect thereto.

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**Section 9.11 Counterparts**

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which when, taken together, shall constitute one and the same instrument.

**IN WITNESS WHEREOF** the parties hereto have caused this Agreement to be executed as of the day and year first written above.

**RBC GLOBAL ASSET MANAGEMENT INC.**

By: “Frank Lippa”  
Authorized Signatory  
Name: Frank Lippa  
Title: Chief Financial Officer and Chief  
Operating Officer

By: “George Molnar”  
Authorized Signatory  
Name: George Molnar  
Title: Vice President

**RBC DEXIA INVESTOR SERVICES TRUST**

By: “John Lockbaum”  
Authorized Signatory  
Name: John Lockbaum  
Title: Managing Director, Canada

By: “Kim Clark”  
Authorized Signatory  
Name: Kim Clark  
Title: Head, Market Risk Management and  
Risk Management Americas