

**FROM:** Mike FitzGerald  
**LOCATION:** Treasury Services  
**EXTENSION:** 5901  
**DATE:** 6<sup>th</sup> October 2003  
**REFERENCE:** Y3155  
**SUBJECT:** ROYAL TRUST CANADIAN DOLLAR PTF ACCOUNTS  
**SUBJECT AREA(S):**  
**ATTACHMENTS:** CUSTODIAN AGREEMENT  
SCHEDULE A (COAS)  
**ACTION POINTS:** **Return signed Custodian Agreement to Treasury Services  
within prescribed deadline**  
**DEADLINE:** **31<sup>st</sup> October 2003**

The purpose of this Market Bulletin is to inform Managing Agents of revised documentary requirements in relation to Canadian dollar PTF (non-regulated) accounts held at Royal Trust and to request that the Managing Agent's Trustees of the Managing Agent's Sub Funds of the Premium Trust Funds of underwriting members of syndicates, as well as the Managing Agents sign and return the attached Canadian dollar PTF Custody Agreement to Treasury Services Department at Lloyd's prior to the prescribed deadline.

**Background**

Canadian dollar PTF (non-regulated) bank accounts were established by syndicates with Royal Trust in early 2001 as part of revised Canadian regulatory requirements agreed between the Office of the Superintendent of Financial Institutions (OSFI) and Lloyd's. During June 2001, these accounts ceased to be regulated by OSFI and fell under the direct control of the Managing Agent's Trustees of the Premium Trust Funds.

These custody accounts were established in order to exclude from the Lloyd's Canadian Trust Funds ("LCTF") those Canadian dollar premiums and claims settlements which did not fall within the revised definition of "Member's Canadian Business".

The reasons for establishing the custody accounts along side regulated LCTF accounts held at Royal Trust include:

- the cost benefits achieved from economies of scale in negotiating bank charges in tandem with LCTF fees;
- the use of existing settlement procedures established for the LCTF;
- the simplification of the LCTF quarterly funding process which involves the transfer of funds between LCTF and PTF (non-regulated) accounts, and simultaneously between the PTF accounts and the Lloyd's Canadian Margin Fund (also held at Royal Trust); and
- minimising the cost of wire transfers to other banks during the quarterly funding process

### **Current Developments**

The existing central oversight of the Canadian dollar PTF accounts was designed as an interim measure which will shortly be superseded by Managing Agents and the Managing Agent's Trustees entering into separate custody agreements with Royal Trust. This will be similar in nature to the individual agreements in place with Citibank NA in respect of LDTF accounts.

The form of the Custody Agreement has been negotiated by Legal Services, Treasury Services and Settlements & Trust Fund Operations with a view to maintaining the existing level of services and processes provided by Royal Trust.

In addition syndicates will in future be able to invest in Canadian dollar Eurobonds settling via Cedel and Euroclear. Settlement of both Euroclear and Cedel securities is handled through RBC Global Services Euroclear A/c # 92282, which should be quoted with all Eurobond trades placed.

For settlement purposes, Managing Agents and Investment Managers should contact either Vito Pedota or Mahesh Balram on 001-(416)-955-2690.

The contact telephone numbers for Brokers with whom Euroclear/Cedel trades are placed are +001-(416)-955-3111 and +001-(416)-955-8188.

### **Return of Signed Custody Agreements to Treasury Services**

Managing Agents and Managing Agent's Trustees should complete pages 1,6 and Schedules A and B of the agreement prior to executing it. (Schedule C is not required to be completed.)

The Custody Agreement and Schedule A have been attached in PDF format. A Word format of this document is available on email request to Keith Coutinho to enable Managing Agents to electronically fill in the pages referred to above. Please note that no other part of the Agreement should be altered in any way. Schedule A (COAS) has been provided separately and should be substituted for page 13 of the Agreement.

Copies of each agreement signed by Royal Trust will be available for Managing Agents to collect from the Gallery 5 reception desk at the Lloyd's Building in late November. Managing Agents will be notified of the date for collection around mid-November.

### Schedule A

Schedule A to the Agreement is required to be signed by an officer of the Managing Agent stating the name(s) and title(s) of the authorised officers of the Managing Agent to act on behalf of the Managing Agent. The first line of the schedule has been pre-populated by "Representatives of the Agents" to confirm the function which Settlement & Trust Fund Operations carries out in issuing cash credit/debit instructions to Royal Trust in respect of Central Settlement.

### Schedule B

A list of syndicates to which the Custody Agreement applies is required to be submitted with the Custody Agreement.

Only in cases where the same Trustees of the Premium Trust Funds act as Trustees of more than one syndicate can a single agreement be submitted in respect of more than one syndicate. In such cases, Royal Trust has expressed a preference for receiving a single agreement from each group of Managing Agent's Trustees listing all relevant syndicate numbers in Schedule B. Whilst it is not mandatory that a single agreement be supplied in cases where the same Managing Agent's Trustees act on behalf of more than one syndicate, it would be administratively convenient and is left to the discretion of the Trustees of the PTFs.

### Contacts

If you have any questions relating to this bulletin please contact the appropriate person below:

- |                      |                 |                   |
|----------------------|-----------------|-------------------|
| • General matters    | Keith Coutinho  | Lloyd's Ext. 5762 |
| • General matters    | Mike FitzGerald | Lloyd's Ext. 5901 |
| • Settlement matters | Ian Wootten     | Lloyd's Ext. 2098 |
| • Legal issues       | Susan Mackenzie | Lloyd's Ext. 6361 |

This bulletin is being sent to all Managing Agents.

Mike FitzGerald  
Treasury Services

**CUSTODIAN AGREEMENT**

**THIS AGREEMENT** made as of the \_\_\_\_ day of \_\_\_\_\_, 2003.

**BETWEEN:**

The Managing Agent's Trustees of the Managing Agent's Sub-Funds of underwriting members (or former underwriting members) of each of the Syndicates listed in Schedule B hereof (as amended from time to time), as respectively defined in the premiums trust deed for general business of each such member applicable to that Syndicate ("the Trustees")

OF THE FIRST PART

- and -

\_\_\_\_\_, the Relevant Managing Agent of each of the Syndicates listed in Schedule B hereof (as amended from time to time), as defined in each of the aforesaid premiums trust deeds ("the Managing Agent") and

OF THE SECOND PART

- and -

**ROYAL TRUST CORPORATION OF CANADA**, a trust company incorporated under the laws of Canada (hereinafter called "Royal Trust")

OF THE THIRD PART

**WITNESSETH THAT:**

**WHEREAS** any assets and property (including, for the avoidance of doubt, cash) of the Trustees paid or delivered to Royal Trust from time to time together with any additions thereto, substitutions therefor, proceeds therefrom and earnings and profits thereon are hereinafter collectively referred to as the "Fund";

**AND WHEREAS** the Managing Agent desires to retain Royal Trust to act as custodian for the Fund and to provide safekeeping and custodial services in respect of the Fund;

**AND WHEREAS** Royal Trust has agreed to act as custodian for the Fund and to provide safekeeping and custodian services in respect of the Fund;

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

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

- 1.01 The Managing Agent hereby appoints Royal Trust as the custodian of the Fund with responsibility for the safekeeping of all assets and property of the Fund. In this respect, it is understood and agreed that the responsibility of Royal Trust for the safekeeping of or dealing with such property and assets pursuant to the terms of this Agreement shall be limited to the exercising of the same degree of care which it gives to its own property of a similar kind under its own custody.
- 1.02 All securities or other property of the Fund shall be held by Royal Trust in its own name or in the names of subcustodians or their respective nominees or in bearer form. Royal Trust may appoint subcustodians and enter into subcustodian agreements on such terms and conditions as it may in its sole discretion determine.
- 1.03 Royal Trust is hereby expressly empowered to keep the property and assets of the Fund, wholly or partly, in its principal office or in any one or more of its branches in any Province of Canada or at the office of any subcustodian including itself or its affiliates which may be appointed by Royal Trust, to hold securities through the facilities of The Canadian Depository for Securities Limited or the Depository Trust Company, or any other domestic or foreign depository or clearing agency which is duly authorized to operate a book-based system (including a transnational book-based system) in the country, province, state or other political subdivision of any country in which such depository or clearing agency is located; all as Royal Trust may determine so long as the securities and other property of the Fund at all times are kept distinct from its own assets and those of its subcustodians, nominees, or any other person in the registers and other books of account kept by Royal Trust.
- 1.04 Royal Trust shall account for all property of the Fund received by it, receive and account for the income received therefrom, disburse or retain such income and/or capital from time to time pursuant to instructions given in accordance with Section 2 hereof and provide monthly statements of account in such format as may be agreed to by the parties hereto. Additional statements as required to satisfy the requirements of any regulatory or administrative agencies will also be provided as requested by, and at the expense of, the Managing Agent.
- 1.05 All property of the Fund held by Royal Trust shall be surrendered only in accordance with instructions given pursuant to Section 2 hereof. Notwithstanding the foregoing and any other provision of this Agreement, Royal Trust may dispose of any assets of the Fund on

such terms as Royal Trust may determine in order to pay any obligations imposed on the Fund or repay any loan authorized by this Agreement.

1.06 Subject to the terms of this Agreement, Royal Trust is specifically authorized and empowered, but only to the extent required to fulfill its obligations hereunder:

- (a) to settle on behalf of the Fund the purchase and sale of securities, currencies or other property (including, for the avoidance of doubt, cash) pursuant to directions from the Managing Agent or a duly authorized Investment Manager or Representative of the Agent;
- (b) to take all reasonable steps to collect and receive all income, principal, dividends and other payments and distributions when due in respect of any property of the Fund in its custody and promptly credit all cash receipts received by it for the account of the Fund;
- (c) to enter into and settle foreign exchange transactions on behalf of the Fund for purposes of facilitating settlement of trades of securities or other property of the Fund, and any such transactions may be entered into with such counterparties as Royal Trust may choose in its sole discretion including its affiliates;
- (d) to process on behalf of the Fund such ownership and other documents as may be required to obtain payment of income, principal, dividends or other distributions with respect to the property of the Fund in its custody;
- (e) unless and until instructed otherwise by the Managing Agent, to exercise all voting and other rights appurtenant to or available in respect of any securities or other property forming part of the Fund;
- (f) to borrow (including the right to borrow from itself or any of its affiliates) money against the assets of the Fund, on such terms and conditions as Royal Trust may determine, provided that the principal of and interest charged on such borrowing shall be paid out of the Fund and shall constitute a charge against the Fund until paid;
- (g) on instructions from the Managing Agent to purchase, hold, sell or exercise call or put options on securities, indices of shares or other securities, financial and stock index futures contracts, securities or currency futures or forward contracts or other financial or derivative instruments, all whether or not any such options, indices, contracts or instruments are traded on a regular exchange;
- (h) in consultation with the Managing Agent, to employ such counsel, auditors, advisors, agents or other persons (who may be employed by the Managing Agent) as Royal Trust may deem necessary from time to time for the purpose of discharging its duties hereunder and to pay out of the Fund their reasonable expenses and compensation;

- (i) as directed in writing by the Managing Agent, to participate in its capacity as custodian on behalf of the Fund in a securities lending program administered separately by Royal Trust in its capacity as a service provider (the "Program") and, in connection therewith and on direction from the Managing Agent, to release and deliver securities and return collateral received as security for the return of securities on loan in accordance with the provisions of such Program; and
- (j) to do all such acts, take all such proceedings and exercise all such rights and privileges, although not specifically mentioned herein, as Royal Trust may deem necessary to carry out its powers and obligations under this Agreement.

1.07 For greater certainty, it is hereby confirmed that Royal Trust shall have no responsibility for the investment management of the securities or other property of the Fund or for any investment decisions save and except for carrying out the instructions given to it pursuant to Section 2 of this Agreement. If, at the Managing Agent's request, Royal Trust should agree to appear in, prosecute or defend any legal or equitable proceeding, either in its own name or in the name of its nominee, Royal Trust shall first be indemnified to its satisfaction.

1.08 Royal Trust shall, in jurisdictions where settlement practices permit, credit the Fund, in connection with the receipt by the Fund of interest or dividends or the sale or redemption of any security held by the Fund, and debit the Fund, in connection with the purchase of any security by the Fund, on the Contract Date (as defined below) with respect thereto, whether or not such funds have been received, or payment made, by the Contract Date; provided, however, that if after a reasonable time (as determined by Royal Trust) following the Contract Date any such payment or receipt shall fail to take place for any reason other than the failure of Royal Trust to make payment against delivery or delivery against payment, all related credits and debits shall be reversed or adjusted to reflect the failure of the transaction to take place.

For the purposes of this section, "Contract Date" means:

- (a) with respect to the purchase or sale of any bond or stock, the contractual settlement dates, or three business days after Royal Trust receives notice in writing of the trade, whichever is the later;
- (b) with respect to the purchase or sale of any short term money market investments, the date specified by the Board at the time at which it gave instructions to Royal Trust;
- (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 2**  
**DIRECTIONS**

- 2.01 All directions, orders, requests, instructions and objections (collectively "communications") of the Managing Agent given to Royal Trust hereunder shall be in writing and signed by an authorized officer, person or other representative of the Managing Agent. The Managing Agent shall from time to time furnish Royal Trust with a certificate substantially in the form set out in Schedule A hereto, signed by an officer of the Managing Agent stating the name(s) and title(s) of the authorized officer(s) of the Managing Agent and of any other person(s) or representative(s) so authorized to act on behalf of the Managing Agent, and the name(s) and title(s) of the Managing Agent's Trustees and of persons or representatives authorized to act on their behalf, at the time specified in such certificate, together with specimen signatures of all such officers, persons or representatives, and Royal Trust shall be entitled to rely upon the identification of such persons as specified in such certificate as the persons entitled to act on behalf of the Managing Agent or the Managing Agent's Trustees for the purposes of this Agreement until a later certificate respecting the same is delivered to Royal Trust. In addition to the foregoing, communications may also be given, in an agreed upon code if code is requested by the Managing Agent, by telefax or letter, or one of Royal Trust's secured client access channels, or directly between electro-mechanical or electronic terminals or devices or by internet (subject to Section 2.09 herein) or by telephone (verbal) confirmed forthwith by telefax or letter and, when so given, shall be deemed to have been effectively and sufficiently given in accordance with the terms of this Agreement.
- 2.02 The Managing Agent may designate a person or persons as an investment manager ("Investment Manager") and/or may appoint individuals at Lloyd's (as defined in the aforesaid premiums trust deeds) to act as representatives of the Managing Agent ("Representatives of the Agent") and shall advise Royal Trust of any such designation. Any instructions from an Investment Manager or Representative of the Agent so designated for the purposes hereof shall be deemed to be instructions of the Managing Agent and shall be governed by the foregoing provisions.
- 2.03 Royal Trust shall act in accordance with communications given in accordance with Section 2.01 and 2.02 and shall, in acting in accordance with same, be fully protected and absolved from any and all liability howsoever arising.
- 2.04 The Managing Agent further acknowledges that it has the sole responsibility to ensure that any additions to, deletions from or changes in the information set forth in Schedule B hereof relating to the Syndicates (the "Changes") is provided in writing in a timely manner to Royal Trust to allow Royal Trust to produce an amended version of Schedule B to reflect such Changes.
- 2.05 All communications required or permitted hereunder shall be validly given if delivered personally, or if sent by prepaid ordinary mail or if transmitted by telefax or telephone as follows:



- (a) in the case of Royal Trust:

Royal Trust Corporation of Canada  
Royal Trust Tower, 12th Floor  
77 King Street West  
P.O. Box 7500, Station "A"  
Toronto, Ontario  
M5W 1P9

**Attention:** Vice President, Institutional and Investor Services

Telephone: (416) 955-3560

Telefax: (416) 955-6554

- (b) in the case of the Managing Agent:

**Attention:**

Telephone:

Telefax:

- (c) in the case of the Trustees:

**Attention:**

Telephone:

Telefax:

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

- 2.06 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 mailed shall be deemed to have been given and received on the fifth Business Day following the date of mailing. Any communication given by telefax, one of Royal Trust's secured client access channels or directly between electromechanical or

electronic terminals (other than 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 it was received before 3:00 p.m. Eastern Standard time, and, if received after 3:00 p.m. Eastern Standard time, it shall be deemed to have been given and received on the business day following the day of transmission provided in each case that confirmation of transmission is available from the party giving the communication.

- 2.07 With respect to telephone communications, the Managing Agent shall endeavor to forward directions (other than by telephone) confirming such telephone communications on the same day that such verbal communications are given to Royal Trust. The fact that such confirming directions are not received or that contrary communications are received by Royal Trust shall in no way affect the validity of transactions effected by Royal Trust on the basis of the telephone communications.
- 2.08 The Managing Agent agrees that some or all telephone conversations between the parties hereto, including communications given by telephone, may be recorded by Royal Trust and that, in the event of any disagreement as to the content of any communications given by telephone, such recording will be conclusive and determinative of the contents of the such communications.
- 2.09 The Managing Agent agrees that communications given through the internet or, subject to prior agreement between the parties hereto, any other electronic means of communication which is not secure may only be validly given hereunder if the Managing Agent has first provided Royal Trust with a letter of acknowledgement of the risk related thereto satisfactory to Royal Trust.

### **SECTION 3** **FEES**

- 3.01 In consideration of the services provided by RoyalTrust hereunder, Royal Trust shall be entitled to such compensation as may from time to time be agreed upon in writing between Lloyd's (acting on behalf of the Managing Agent) and Royal Trust.
- 3.02 In addition, Royal Trust shall be reimbursed for any disbursements and expenses incurred in the performance of its duties hereunder. All charges under this Agreement, including compensation to Royal Trust and reimbursement for expenses and disbursements shall be charged to and paid out of the Fund unless prior payment is made by the Managing Agent, and provided that Royal Trust shall send to the Managing Agent itemized statements setting out charges provided for in this Section 3.

**SECTION 4**  
**GENERAL**

- 4.01 Subject to the provisions of Section 1.01 hereof, Royal Trust shall not be liable for any act or omission in the course of or connected with rendering services hereunder or for any loss to, or diminution in the assets of, the Fund, except only that Royal Trust shall be subject to liability for its own negligence, willful misconduct or lack of good faith and the negligence, willful misconduct or lack of good faith of any of its directors, officers or employees or agents (including sub-custodians, but excluding depositories or clearing agents) in the rendering of services hereunder. In no event shall Royal Trust be liable for special, indirect or consequential damages.
- 4.02 Royal Trust shall not be liable or responsible for loss or damage of any nature whatsoever resulting from official action, war or threat of war, insurrection or civil disturbances, interruptions in postal, telephone and other electromechanical communication systems or power supply, or the failure of any third party to fulfill its obligations under any agreement with the Trustees or the Managing Agent, or any other factor beyond Royal Trust's control which obstructs, affects, prohibits or delays Royal Trust in its ability to carry out its responsibilities under this Agreement in whole or in part.
- 4.03 The Managing Agent shall indemnify and agrees to hold Royal Trust, harmless from and against any and all taxes, duties, charges, costs, expenses, damages, claims, actions, demands and liabilities to which Royal Trust, may become subject, including legal costs, for or in respect of anything done or omitted to be done in connection with this Agreement, except such as may arise from the negligence, willful misconduct or lack of good faith of Royal Trust, its directors, officers, employees or agents.
- 4.04 The Managing Agent hereby represents and warrants that:
- (a) it has the full power and authority to grant to Royal Trust the powers and authorities granted to it pursuant to this Agreement with respect to the Fund; and
  - (b) the grant to Royal Trust of the powers and authorities under this Agreement is permitted by and within the scope of the powers pursuant to the constitutional documents of the Fund.
- 4.05 Subject to the limitations otherwise provided in this Agreement on the power and authorities of Royal Trust, Royal Trust may, 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, whether on its own account or for the account of another (in a fiduciary capacity or otherwise) and, without limiting the generality of the foregoing, Royal Trust may:

- (a) purchase, hold, sell, invest in or otherwise deal with securities or other property of the same class and nature as may be held in the Fund, whether on its own account or for the account of another (in a fiduciary capacity or otherwise); and
- (b) use in other capacities knowledge gained in its capacity as custodian hereunder, provided that such use does not adversely affect the interest of the Fund;

without being liable to account therefor and without being in breach of this Agreement.

- 4.06 Notwithstanding any other provision of this Agreement, in certain designated markets where Royal Trust is providing custodial services (whether directly or through a sub-custodian) in respect of the parties hereto, Royal Trust may not be able to accept some of the liabilities for the acts of its agents which are otherwise contemplated by this Agreement. Accordingly, Royal Trust will, through a side letter or side letters substantially in the form set out in Schedule "C" hereto, specify the specific responsibilities of Royal Trust which apply to the designated market or markets in question. The terms of such side letter as agreed to in writing by the parties hereto will amend the related provisions of this Agreement.

## **SECTION 5**

### **AMENDMENT AND TERMINATION OF AGREEMENT**

- 5.01 This Agreement may be amended at any time and from time to time, in whole or in part, by an instrument in writing executed by the Managing Agent and Royal Trust.
- 5.02 Either party may at any time terminate this Agreement without any penalty by giving at least thirty (30) days' notice (or such other period of notice as may be mutually agreed) to the other party of such termination.
- 5.03 Royal Trust hereby agrees upon termination of this Agreement to deliver to the Trustees or to the order of the Managing Agent or of the Trustees the cash and securities or the property of the Fund.
- 5.04 Royal Trust is specifically authorized and empowered to reserve from such assignment, transfer and payment over of the Fund, such sums as Royal Trust acting reasonably may deem advisable for the payment of its charges, including compensation for services provided hereunder, disbursements and expenses incurred to the date of termination, or such later date as is mutually agreed upon, and any taxes which in the reasonable opinion of Royal Trust may be exigible against the Fund, including but not limited to taxes which may be exigible upon the assignment, transfer and payment over of the Fund or any portion thereof.

**SECTION 6**  
**MISCELLANEOUS**

- 6.01 Royal Trust shall pay out of the Fund on behalf of the Fund all brokerage commissions, taxes (including any applicable value added tax) and other assessments levied or assessed under applicable existing or future laws against the Fund and shall withhold from payments out of the Fund all taxes and other assessments required by any applicable law to be so withheld; provided that Royal Trust shall review all tax levies and assessments with a view to determining the applicability and correctness thereof and, in cases where there is any doubt, shall forthwith notify the Managing Agent so that, so far as practicable, there will be sufficient time for discussion and, where appropriate, appeal of any questionable levy or assessment.
- 6.02 Neither this Agreement nor any of the rights or obligations of Royal Trust hereunder may be assigned to any other person without the express prior consent of the Managing Agent.
- 6.03 Notwithstanding the foregoing, any trust company resulting from the merger or amalgamation of Royal Trust with one or more trust companies and any trust company that succeeds to substantially all of the trust business of Royal Trust shall thereupon become the successor to Royal Trust hereunder without further act or formality.

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

**IN WITNESS WHEREOF** the parties hereto have caused this Agreement to be executed by their respective officers, thereunto duly authorized, as of the day and year first above written.

The Managing Agent's Trustees of the Managing Agent's Sub-Funds of underwriting members (or former underwriting members) of each of the Syndicates listed in Schedule B hereof as respectively defined in the premiums trust deed for general business of each such member applicable to each such Syndicate

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_, the Relevant Managing Agent of each of the Syndicates listed in Schedule B hereof as defined in each of the aforesaid premiums trust deeds

\_\_\_\_\_  
\_\_\_\_\_

**ROYAL TRUST CORPORATION OF CANADA**

\_\_\_\_\_  
\_\_\_\_\_

**SCHEDULE "A"**

**CERTIFICATE OF AUTHORIZED SIGNATORIES ("COAS")**

**INSERT C.O.A.S. HERE**



**SCHEDULE "B"**

**LIST OF SYNDICATES OF MANAGING AGENT**

**Name and Titles of Managing Agents Trustees:**

**List of Syndicates Dealing With the Managing Agents Trustees Named Above**

This Schedule B shall be updated from time to time in respect of any additions, deletions or changes in the information contained herein (the "Changes"). The Managing Agent shall have the sole responsibility to notify Royal Trust in writing in a timely manner of any such Changes. In such case, Royal Trust shall provide an updated version of Schedule B reflecting such Changes and the parties agree that such Changes will be effected without the need for any amendment or other revision to the Agreement.

**Date of Issue of Schedule B:** \_\_\_\_\_

**SCHEDULE "C"****DESIGNATED MARKETS SIDE LETTER**

DATE: \_\_\_\_\_

**SIDE LETTER**

We refer to the custodian agreement (the "Custodian Agreement") dated \_\_\_\_\_ between \_\_\_\_\_ (the "Trustees") and \_\_\_\_\_ (the "Managing Agent") and Royal Trust Corporation of Canada ("Royal Trust") in relation to Fund (as defined therein) on behalf of which the Managing Agent acts or is authorized to act (the "Fund"). You have requested that Royal Trust make available under the Custodian Agreement subcustodial arrangements in certain jurisdictions and/or markets where the risks arising out of those arrangements are significantly greater than they would be in relation to more established markets. These higher risk jurisdictions and/or markets, identified to you by Royal Trust as provided below, are referred to in this letter agreement as "Designated Markets."

Due to the higher risk of subcustodial arrangements in any Designated Market, Royal Trust is not able to accept some of the responsibilities which may be contemplated in connection with the Custodian Agreement, which assumes services are provided in more established markets. This letter agreement sets out the agreement of the Managing Agent and Royal Trust as to the limitations on Royal Trust's responsibilities.

Specifically, to the extent that Royal Trust employs agents to perform in the Designated Markets any of its obligations under the Custodian Agreement, it is agreed that Royal Trust will not be responsible for any act, omission or default of any such agent in its performance, and for greater certainty, any negligence, wilful misconduct or lack of good faith of such an agent will not constitute a breach of the standard of care of Royal Trust for purposes of the Custodian Agreement. However, for greater certainty, nothing in this letter agreement is intended to limit the responsibility of Royal Trust under the Custodian Agreement for the selection and on-going monitoring of such agents.

In connection with the foregoing, the attachment to this letter agreement identifies the Designated Markets in which your securities are or are about to be held in custody. From time to time, Royal Trust, acting reasonably, will advise you through written notice of any additions or other changes to the attached list of Designated Markets. Any such additional markets shall be deemed to be Designated Markets for all purposes of this letter agreement, effective within sixty days of such notification.

Finally, you acknowledge that you (and/or other managers of or advisors to the Fund) are of course responsible for apprising yourselves of the specific risks to the Fund involved in the investment and reinvestment of the Fund's property in all jurisdictions and/or markets in which the Fund's property is located from time to time, and it is agreed that Royal Trust does not bear any of that responsibility.

Please countersign and return to us the attached copy of this letter, as indicated below.

Sincerely,

Royal Trust Corporation of Canada

By \_\_\_\_\_

By \_\_\_\_\_

By its authorized countersignature below, the Managing Agent confirms that it agrees to the provisions of this letter agreement with respect to the liability of Royal Trust as its custodian in respect of assets held for the Fund in any Designated Market, which, it specifically acknowledges and agrees (for good and valuable consideration, the receipt of which is hereby also acknowledged), to that extent amend the Custodian Agreement.

\_\_\_\_\_ the Relevant Managing  
Agent of each of the Syndicates listed in Schedule B hereof  
(as amended from time to time), as defined in each  
of the aforesaid premiums trust deeds

By \_\_\_\_\_

By \_\_\_\_\_

**APPENDIX I**

LIST OF DESIGNATED MARKETS

Argentina

Russian Federation

Date: \_\_\_\_\_

**CERTIFICATE OF AUTHORIZED SIGNATORIES**

**CLIENT NAME:** \_\_\_\_\_

**ACCOUNT PLAN/NUMBER:** \_\_\_\_\_

The Undersigned hereby authorizes the following person(s) (herein called "**Authorized Person(s)**") to direct Royal Trust Corporation of Canada and/or The Royal Trust Company ("Royal Trust") with respect to certain categories (Column E) of activities requiring authorization for said Account (see Category Guide on page 2 for list of categories of activities requiring authorization or Direction).

A. NAME	B. TITLE	C. SPECIMEN SIGNATURE	D. IS PERSON IN (A) AN EMPLOYEE OF UNDERSIGNED?		IF "NO", NAME OF COMPANY / ORGANIZATION and RELATIONSHIP TO UNDERSIGNED	E. CATEGORY (SEE GUIDE ON PAGE 2)
			YES	NO		
Lisat issued to Royal Trust by Lloyd's	Representative of the Agent			No	Corporation of Lloyd's	4 (Per STFO Procedures)

All authorizations and Directions provided to Royal Trust must be signed by the appropriate number of Authorized Persons indicated in the Category Guide. The Undersigned hereby confirms that Royal Trust is fully protected in acting upon any instrument, certificate, direction or other writing (whether in written form or given by electronic transmission) presented to it by Authorized Persons (whether or not such person is an employee of the Undersigned). The Undersigned also hereby assumes responsibility to amend this Certificate from time to time as required and to provide Royal Trust with a copy of the amended Certificate. Unless Royal Trust has received an amended Certificate, the Undersigned acknowledges and agrees that Royal Trust may rely conclusively on the last Certificate filed with them.

This Certificate replaces and supersedes any previously filed Certificate and becomes effective on the date Royal Trust receives it. This Certificate shall remain in full force and effect until the Undersigned provides Royal Trust with a Certificate to amend and replace it.

Signed in the City of \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_.

CERTIFIED ON BEHALF OF \_\_\_\_\_  
 NAME OF THE COMPANY/ORGANIZATION/PLAN SPONSOR (the "Undersigned")

I hereby declare that I am duly authorized to provide this Certificate on behalf of the Undersigned.

\_\_\_\_\_  
 DATE RECEIVED BY ROYAL TRUST

\_\_\_\_\_  
 AUTHORIZED SIGNATOR

\_\_\_\_\_  
 PRINT NAME

\_\_\_\_\_  
 TITLE

\_\_\_\_\_  
 TITLE

## CATEGORY GUIDE

In Column E of the Certificate, enter the Category(ies) in which each Authorized Person is entitled to sign.

CATEGORY GUIDE	CATEGORY FUNCTION	NO. OF REQUIRED SIGNATORIES
1.	To sign legal documentation to bind the Company/Organization/Fund Sponsor (Note: Category "1" designation may be given <b>ONLY</b> to direct employees of the Company/Organization/Fund Sponsor). This Category should be used only to bind the Fund Sponsor.	
2.	To direct Royal Trust to settle security transactions and make disposition of Fund assets and to advise Royal Trust of corporate action decisions	
3.	To direct Royal Trust to pay fees, charges and expenses from the Fund (including, but not limited to, out-of-pocket expenses, payments to consultants, lawyers, investment managers, Royal Trust as trustee, Royal Trust as custodian, Royal Trust in any other capacity acting for the Fund, to any other custodian)	
4.	To issue cash credit/debit instructions to Royal Trust	
5.	To provide notification to Royal Trust of the appointment of Investment Managers and other agents; to provide notification of the termination of an Investment Manager and direction as to any change in the management of Fund assets	
6.	All of the above (1-5) inclusive	
7.	Other:	