
CUSTODIAL AGREEMENT

between

**CIBC MELLON TRUST COMPANY,
as trustee on behalf of
CANADA HOUSING TRUST™ NO. 1,
the Trust,**

and

[NAME OF CUSTODIAN]

as Custodian

Dated as of [●]

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This **CUSTODIAL AGREEMENT** dated as of [●] (this "**Custodial Agreement**"), between **CIBC Mellon Trust Company**, as trustee (the "**Trustee**") on behalf of **Canada Housing Trust™ No. 1**, a trust formed under the laws of Ontario (the "**Trust**"), and [NAME OF CUSTODIAN], as custodian, a [●] formed under the laws of [●] (the "**Custodian**").

RECITALS:

WHEREAS the Trust is a party to a Commitment to Guarantee Obligations Agreement, dated as of April 9, 2001, (the "**Commitment Agreement**") between the Trustee on behalf of the Trust and Canada Mortgage and Housing Corporation, as Guarantor, and has agreed therein to purchase Eligible Housing Loans, which acquisitions are funded by the issuance of Obligations guaranteed by the Guarantor.

WHEREAS the Trustee has represented that the Commitment Agreement requires that all documents evidencing Eligible Housing Loans purchased by the Trust be lodged with a custodian in accordance with the terms and conditions set out herein.

WHEREAS the Trustee has represented that the Commitment Agreement requires that any Custodian of documents evidencing Eligible Housing Loans purchased by the Trust provide certification that such documents meet the requirements set out in the Commitment Agreement.

WHEREAS the Custodian wishes to act as custodian for the Trust and to provide the certifications required by the Commitment Agreement.

NOW THEREFORE in consideration of the premises and of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS, RULES OF USAGE

1.1 Definition, Rules of Usage. Capitalized terms used and not defined herein shall have the meanings assigned thereto in Appendix A - Definitions and Rules of Usage to the CMB Program Definitions dated as of April 30, 2010 (as amended, supplemented, restated or replaced from time to time, the "**CMB Program Definitions**") and the rules of usage set forth therein shall apply hereto.

2. APPOINTMENT OF CUSTODIAN

2.1 Appointment. The Trust hereby appoints the Custodian as Custodian to maintain custody of the Operative Documents on behalf of the Trust and to perform the Custodial Services described in this Custodial Agreement, and the Custodian hereby agrees to act in such capacity and to provide or cause to be provided the Custodial Services described in this Custodial Agreement upon the terms and conditions herein set forth.

3. DUTIES OF CUSTODIAN

3.1 Custodial Services. The Custodian shall, in its capacity as Custodian of the Trust, during the term of this Custodial Agreement and any renewal thereof and pursuant to any written instructions of the Trustee to the contrary:

- (a) maintain segregated, continuous custody and control of the Operative Documents to which the Custodian is a party and the other Operative Documents that the Custodian is required to possess pursuant to this Custodial Agreement, in secure and fireproof facilities, in accordance with its customary standards for such storage, except to the extent that they are held by another Person acting as a custodian for the benefit of the Trust or the Guarantor;
- (b) maintain computer systems that can accept electronic versions of Eligible Housing Loans and investment details regarding any Trust Permitted Investments, and are able to transmit such data to the Guarantor, the Financial Services Advisor, and the CPA in a form that is readable by the Guarantor's, the Financial Services Advisor's and the CPA's computer systems;
- (c) maintain, in current electronic form, records and files relating to the Operative Documents;
- (d) perform Certifications;
- (e) release the Operative Documents in its possession pursuant to this Custodial Agreement in accordance with the Commitment Agreement and the Master General Security Agreement at the times and in the manner required;
- (f) prepare or cause to be prepared such documents and take steps to make such registrations as are required by the Trust to enforce the Trust's rights under the Trust Permitted Investments purchased by the Trust and comply with such directions as are made by the Trust, the Guarantor or a Seller to facilitate any rights, payments and obligations of the Trust under or in connection with such Trust Permitted Investments;
- (g) within forty-eight (48) hours after receipt of any principal and interest payment by a Counterparty from the CPA, receive any and all documents evidencing the Trust's ownership of Trust Permitted Investments purchased by such Counterparty and if such evidence is not received, notify the Administrator and the Financial Services Advisor of the lack of receipt thereof;
- (h) ensure that all Trust Permitted Investments are and cause all Trust Permitted Investments to be registered or transferred into and be held in the name of the Trust in the systems maintained by a Clearing Agency;
- (i) notify the Trust, with a copy of such notice to the Guarantor, upon the occurrence of a significant event under or in connection with the Custodial Services or this Custodial Agreement of which it has Actual Knowledge;

- (j) notify the Trust and the Trustee, with a copy of such notice to the Guarantor, in the event that the Custodian is unable to perform any of its duties or where there is a Custodial Event of Default under this Custodial Agreement;
- (k) provide to the Trust on an annual basis an Officer's Certificate certifying that the Custodian has performed all duties required of it under this Custodial Agreement; and
- (l) ensure appropriate security and data confidentiality protections and policies are in place, in accordance with such reasonable standards as a prudent trust company would exercise in comparable circumstances (the "**Protection Policies**"), which Protection Policies shall be disclosed to the Trust and Guarantor upon request from either such party, including in connection with Section 3.8 hereof.

3.2 Procedures. The Custodian shall perform the Custodial Services described in Section 3.1 as well as any additional services set out in Schedule A - Custodial Services in accordance with the procedures set out therein.

3.3 Location of Services. The Custodial Services shall be provided from the Custodian's offices in Toronto, Ontario or such other location or locations in Canada as may be designated by the Custodian by written notice to the Trust in accordance with Section 11.1 hereof.

3.4 Safekeeping of Documents. The Custodian agrees that all documentation delivered to it by a Seller or Counterparty will be held in safekeeping on behalf of the Trust in accordance with the provisions of this Custodial Agreement.

3.5 Release. The Custodian shall release the documents evidencing the Trust's ownership of Trust Permitted Investments when the Custodian is notified that such Trust Permitted Investments are liquidated or matured. Prior to releasing the documents for purposes other than liquidation or maturity, the Custodian must receive a written request from the Person requesting such release. All such requests are to be retained by the Custodian. The Custodian shall release appropriate documents in the manner and in the circumstances described in Schedule B - Release Provisions.

3.6 Access. At any reasonable time, the Custodian shall make available for examination by representatives of the Trust or the Guarantor all documents in its custody as Custodian, as well as the accounts and records pertaining to any particular Package of Eligible Housing Loans.

3.7 Review. Upon making prior arrangements with the Custodian, during normal business hours, the Trust's auditors or employees may make routine reviews of the Custodian's premises while the Operative Documents are under the control of the Custodian.

3.8 Monitoring and Oversight Requirements.

- (a) Rights Relating to Audit. On reasonable prior notice to the Custodian, the Trust and/or the Guarantor, the Office of the Superintendent of Financial Institutions ("**OSFI**") (the Trust and/or the Guarantor and OSFI, as applicable, and whether acting independently or jointly with the other party, the "**Requesting Party**") or an independent auditor appointed by the applicable Requesting Party, shall have the

right once during each calendar year during the term of this Custodial Agreement (and/or any renewal thereof in accordance with Section 11.29) and any time following the occurrence of a Custodial Event of Default hereunder, to audit and evaluate the Custodian's operations as they relate to the Custodial Services. This right shall include but not be limited to a review of the Custodian's control environment as it relates to the Custodial Services. Upon receiving notice from a Requesting Party delivered pursuant to Section 11.1 hereof, the Custodian shall provide all necessary cooperation to facilitate any such audit. In addition to Section 3.8(b) below, but subject to receiving consent from the Custodian's external auditor and the Requesting Party agreeing to sign appropriate confidentiality documentation in form and substance satisfactory to the Custodian and the independent auditor (acting reasonably), the Custodian shall provide all necessary cooperation such that any Requesting Party may have access to the findings in any external audit of the Custodian that relate to any of the Custodial Services, and shall provide, to the extent the Requesting Party is acting reasonably, access to and copies of documents and other materials prepared by or for the Custodian with respect to the Custodial Services and/or other information or documentation with respect to the Custodial Services that may be requested by any Requesting Party or its independent auditor, including in connection with inquiries from any regulator.

- (b) Specified Procedures and Report. Once during each calendar year during the term of this Custodial Agreement (and/or any renewal thereof in accordance with Section 11.29) and any time following the occurrence of a Custodial Event of Default, the Administrator shall have the right to request that the Custodian retain the services of an external auditor, acceptable to the Administrator, to examine its accounting processes and financial controls as they relate to the Custodial Services and its compliance with CMHC CMB Program policies, which examination shall include such specified procedures as may be stipulated by the Administrator and/or the Guarantor. The external auditor shall prepare a specified procedures report in accordance with Section 9100 of the Other Canadian Standards issued by the CPA Canada Handbook – Assurance (as may be amended, supplemented, replaced, or restated) and shall deliver a copy of such report to each of the Administrator, Trust, Financial Services Advisor and the Guarantor by the date and upon such other terms as are specified by the Administrator. The Custodian shall provide all necessary cooperation to facilitate such examination and report.
- (c) Costs and Expenses of Monitoring and Oversight. Provided that no Custodial Event of Default has occurred, all reasonable third party costs and expenses, and extraordinary or unusual internal direct expenses such as staff overtime, incurred by the Custodian in connection with an audit, examination or report conducted pursuant to Section 3.8 hereof shall be for the account of the Trust. Such costs and expenses shall be verified by the Administrator in accordance with prudent accounting practices. For greater certainty, any costs and expenses incurred by the Custodian that constitute ordinary and usual operating or overhead expenses of the Custodian shall not be payable by the Trust. In the event a Custodial Event of Default has occurred, all costs and expenses incurred by the Custodian in

connection with an audit, examination or report conducted pursuant to Section 3.8 hereof shall be for the account of the Custodian.

3.9 Default By Seller or Counterparty in respect of a Package.

- (a) Direction. Upon representation to the Custodian by the Trust that a default has occurred under any of the Operative Documents between a Seller or a Counterparty and the Trust, the Custodian shall comply with such directions received by or on behalf of the Trust which may include the delivery to the Trust of the documents related to the Packages in default. The Custodian shall prepare and provide the Trust and the Guarantor with status reports as may be required in connection with such default.
- (b) Continued Custodial Arrangement. If, following a default by a Seller or Counterparty under any of the Operative Documents to which it is a party, the Trust elects to assume or transfer to another Person the duties and obligations of the applicable Seller or Counterparty under such Operative Documents and elects to continue this custodial arrangement, the Custodian agrees to continue its obligations herein to the Trust for the term hereof on the same terms and conditions as set forth herein.

3.10 Permitted Activities. The Trust acknowledges that this appointment is non-exclusive and that the Custodian may act as a manager and/or custodian of any Person and may take any action or do anything in relation to such services so long as the Custodian is performing its obligations under this Custodial Agreement. Subject to Section 11.15, no such performance of other services or the taking of any such action or the doing of any such thing by the Custodian shall be in any manner restricted or otherwise affected by any aspect of the relationship of the Custodian to or with the Trust nor shall it be deemed to violate or give rise to any duty or obligation of the Custodian to the Trust except that the Custodian shall not use any Confidential Information other than to perform the Custodial Services and any other use of Confidential Information shall be a violation of and a default under this Custodial Agreement. Notwithstanding the foregoing, during the term of this Custodial Agreement, the Custodian shall be able to act as Seller, Counterparty and Underwriter and shall establish ethical walls to protect and prevent the misuse of Confidential Information of the Trust and avoid or prevent other conflicts of interest and shall put in place safeguards between the employees performing the functions and duties of the Custodian ("**Custodian Employees**") and the employees performing the functions and duties as a Seller ("**Seller Employees**"), the employees performing the functions and duties as an Underwriter ("**Underwriter Employees**") and the employees performing the functions and duties as a Counterparty ("**Counterparty Employees**"), such that at a minimum, no Custodian Employee shall report to the same immediate supervisor as any Seller Employees, Underwriter Employees or Counterparty Employees, and there shall at all times be separate accountability frameworks between the Custodian Employees and the Seller Employees, Underwriter Employees and Counterparty Employees. All Custodian Employees shall logically isolate and keep confidential from any other Person all Confidential Information related to the CMHC CMB Program, including under adverse conditions.

3.11 Compliance with Applicable Law and Directions. The Custodian agrees to comply with the requirements of this Custodial Agreement and Applicable Law and the requirements of any Governmental Authority having jurisdiction over the Custodian, in relation to its position as Custodian or its obligations hereunder. In addition, the Custodian shall carry out all reasonable written directions with regard to this Custodial Agreement given to it by the Trust.

3.12 Independent Contractor. This Custodial Agreement is not intended to be and shall not be treated as anything other than a general custodial agreement relating to the conduct and operation of the Trust Activities, with the rights of the parties hereto being none other than the rights ascribed to them hereunder. The Custodian shall act as an independent custodian for the purposes of the Custodial Agreement. It and its employees, officers, agents and custodians are not engaged as employees of the Trust or the Guarantor. The Custodian agrees to so advise its employees, officers, agents and custodians. Without limiting the generality of the foregoing, the Custodian shall retain complete control of and accountability for its employees, agents and any approved service providers. The Custodian shall prepare and process the payroll for its employees directly, and shall withhold and/or pay all applicable employment taxes and statutory payroll deductions required in respect of its employees. Without limitation, this Custodial Agreement (and the corresponding relationship between the Trust and the Custodian provided for hereby) is not a general partnership, limited partnership, joint venture, syndicate, association, corporation, company or joint stock company nor shall the Custodian be deemed or construed to be a general agent of the Trust except as the powers of the Custodian are specifically provided herein.

3.13 Performance Measures. To the extent not expressly provided in this Custodial Agreement, the parties shall agree on and establish performance measures to enable the Trust and the Guarantor to determine whether the Custodian's commitments contained in this Custodial Agreement are being fulfilled. Such performance measures shall include, at a minimum, those performance measures described in Schedule F – Performance Measures (the "**Performance Measures**"). The Custodian shall provide a report to the Trust and the Guarantor no less frequently than annually (or at such more frequent intervals as the Trust or Guarantor may request but not exceeding twice in any calendar year) including information that illustrates how such performance measures have been satisfied.

3.14 Delivery Notification. The Custodian shall promptly notify the Trust of any events that have the potential to materially affect or have a significant negative impact on the delivery of any Custodial Services in accordance with Section 11.1 hereof.

3.15 Special Provisions. This Custodial Agreement shall be subject to the Special Provisions set out in Schedule C - Special Provisions.

4. INTELLECTUAL PROPERTY

In this Section 4, the following terms shall have the following meanings:

"**Confidential Information**" has the meaning set out in Section 4.5.

"**Custodian Material**" means the systems, programs, and software, templated forms, processes, methodologies, reports, evaluations, manuals, algorithms, analyses and protocols, provided by the Custodian for use in the provision of the Custodial Services which are owned, or originated by the

Custodian (i) prior to the earlier of (1) the entering into of this Custodial Agreement or any agreement substantially similar to this Custodial Agreement previously entered into by the Custodian and the Trust, (2) the provision by the Custodian of the Custodial Services to the Trust, and (3) the disclosure to the Custodian by the Trust of any information respecting the CMHC CMB Program, or (ii) for the purposes of its other business activities that are not related to the provision of the Custodial Services;

"Custodian Modifications" means systems, programs, software, processes, methodologies or protocols and any and all improvements, enhancements or modifications to the Custodian Material and any manuals specifically related thereto, which are developed, prepared, conceived, made or suggested by the Custodian at the Custodian's cost to enable the Custodian to provide the Custodial Services, including all such developments as are originated or conceived during the provision of the Custodial Services but are completed or reduced to writing thereafter;

"Guarantor Material" means any and all systems, programs, software, templated forms, processes, methodologies, reports, evaluations, manuals, algorithms, analyses, and protocols owned by and/or provided by the Guarantor;

"Trust Material" means any and all systems, programs, software, templated forms, processes, methodologies, reports, evaluations, manuals, algorithms, analyses, and protocols which are not Guarantor Material, Custodian Material or Custodian Modifications and which are owned or originated by or for the Trust (including Confidential Information); and

"Work Product" means any and all analyses, evaluations, reports, memoranda, letters and notices which are developed, prepared, conceived, made or suggested by any Person other than the Custodian, the Trust or the Guarantor to enable the Custodian to provide the Custodial Services, including all such developments as are originated or conceived during the provision of the Custodial Services but are completed or reduced to writing thereafter, and any improvements, enhancements or modifications thereof, but specifically excluding any Trust Material or Guarantor Material.

4.1 Ownership of Custodian Material, Trust Material, Learned Information and Work Product.

- (a) Material Owned by Custodian. The Custodian Material and the Custodian Modifications including the intellectual property rights therein will be and will remain the exclusive property of the Custodian. To the extent any Custodian Material or Custodian Modification is required by the Trust in order to access information, data, files and reports of the Trust, and if the Custodian fails to provide any such information, data, files or reports in a timely manner, or upon a Custodial Event of Default, then the Custodian hereby grants to the Trust a non-exclusive, royalty free, irrevocable license to use such Custodian Material and/or Custodian Modifications during the term of this Custodial Agreement for the sole purpose of provision of the Custodial Services.
- (b) Material Owned by the Trust. The Trust Material will be and will remain the exclusive property of the Trust. To the extent any Trust Material is required by the Custodian to enable it to perform the Custodial Services, the Trust hereby grants

the Custodian a non-exclusive licence to use the Trust Material during the term of this Custodial Agreement for the sole purpose of provision of the Custodial Services.

- (c) Information. Any and all information, data, files and reports provided under or in connection with the CMHC CMB Program, which were not produced principally for another purpose, regardless of the media, which have been communicated to or learned by the Trust in connection with the provision by the Custodian of the Custodial Services (the "**Learned Information**") will be and remain the exclusive property of the Trust.

4.2 Third Party Work Product. Work Product will be the exclusive property of the Person who provides such Work Product to or for the Trust, or the Custodian, as the case may be, provided, as reasonably determined by the Custodian, the Custodian shall cause such Person to enter into an agreement with the Custodian containing provisions of like tenor and effect as contained in this Section 4, including, but not limited to (a) granting the Trust the perpetual, irrevocable right to use such Work Product free of charge, (b) providing copies of any materials to the Trust upon written request of the Trust, (c) agreeing that any Trust Material and any improvements, enhancements, summaries or modifications thereof set forth in the Work Product will be and remain the exclusive property of the Trust and shall be deemed to be Trust Material, and (d) assigning any improvements, enhancements, summaries and modifications of Trust Material to the Trust.

4.3 Material from the Guarantor. To the extent that the Guarantor provides Guarantor Material to the Trust or to the Custodian to assist with respect to the provision of Custodial Services, it shall do so without charge and each of the Trust and the Custodian shall be granted a non-exclusive licence to use such Guarantor Material for the provision of such Custodial Services. Should any other Person need to use such Guarantor Material to provide Custodial Services hereunder, the Guarantor shall consent to the Custodian granting to such Person a sub-licence to use such Guarantor Material for the sole purpose of provision of the Custodial Services. In the event that CMHC ceases to be the Guarantor, the Trust and the Custodian and each Person to whom a sub-licence has been granted shall continue to have said licence for so long as it is required to ensure provision of Custodial Services hereunder, and is used solely in relation to the CMHC CMB Program at which time all such licences shall terminate and any material belonging to the Guarantor shall be returned to it.

4.4 Use of Materials. To the extent requested by the Trust, and to the extent that the Custodian does not incur significant costs in relation thereto, the Custodian shall exclusively use and shall cause any Person involved in the provision of Custodial Services and/or development of Custodian Modifications or Trust Material to exclusively use, such forms, processes, methods, programs, software and manuals provided and/or mandated (providing the mandated form, process, method, program, software and/or manual is available) by the Trust and to the extent that the use of any such forms, processes, methods, programs, software and manuals does not materially adversely affect the provision of Custodial Services.

4.5 Confidentiality. Any and all information or data of a confidential nature that is transferred, directly or indirectly, to the Custodian or for which access is provided to the Custodian including all Personal Information (as defined in Section 11.12, below), by the Trustee or the Guarantor, and

is managed, accessed, collected, used, disclosed, retained, received, created or disposed of in relation to the provision of the Custodial Services, whether or not it is marked as confidential, including all of the templated forms, ideas, processes, methods, programs, software and manuals and any improvements, enhancements or modifications thereof and thereto and any other material and all oral, written or documentary information, if any, provided by and/or belonging to the Trust, regardless of its medium, designated as confidential, is disclosed in circumstances of confidence or would be understood by the Custodian or any Person providing Work Product, exercising reasonable business judgment, to be confidential and includes information which is obtained by performing the Custodial Services or by developing Work Product, and information which is derived or prepared using any of the foregoing, shall constitute confidential information within the meaning of this Custodial Agreement ("**Confidential Information**"). For greater certainty, Confidential Information shall include, but not be limited to, business plans, marketing and financial data and research, strategies, client lists, sales volumes, operating costs, fixed costs and pricing information; and any and all copyright, trade-mark, trade dress, patent and industrial design rights associated with or derived from any and all of the foregoing; any special advantages, know-how, of the Trust or Trustee, that cannot be commonly acquired and known by competitors generally through commercial intelligence.

4.6 Return of Material Upon Termination. Upon termination of this Custodial Agreement or where the current Custodian no longer acts as Custodian to the Trust, the Custodian shall forthwith deliver to the Trust or the successor Custodian, as directed by the Trustee, all copies of all Trust Material and Work Product of a Person other than the Custodian and Guarantor Material which are in the possession or under the control of the Custodian, and the Trustee shall forthwith deliver to the Custodian, all copies of all Custodian Material and Custodian Modifications which are in the possession or control of the Trust or Trustee.

5. REPRESENTATIONS AND WARRANTIES

5.1 Representations of the Trust. The Trust represents and warrants to the Custodian that the execution, delivery and performance by the Trust of this Custodial Agreement are within the powers of the Trust and have been duly authorized by all necessary action on the part of the Trust and do not contravene Applicable Law, the Declaration of Trust or any contractual restriction binding on or affecting the Trust or the Trust Property.

5.2 Representations of the Custodian. The Custodian represents and warrants to the Trust that:

- (a) its employees are knowledgeable in, and possess the requisite skills and experience to handle the Housing Loan documents and perform the obligations and duties of the Custodian hereunder, including the Custodial Services listed in Section 3.1 and in Schedule A - Custodial Services, which Custodial Services will be performed in a professional manner and in accordance with accepted industry standards;
- (b) it is a [●] authorized to act in a fiduciary capacity with respect to valuable documents with a Net Worth in excess of \$100,000,000, determined in accordance with International Financial Reporting Standards ("**IFRS**"), or, if it does not have a Net Worth in excess of \$100,000,000, during the term of this Custodial Agreement and for the purpose of this Custodial Agreement, it maintains a

long-term committed line of credit with a Schedule I Bank under the *Bank Act* (Canada) the available amount of which when added to its Net Worth as determined above exceeds \$100,000,000;

- (c) it is equipped with secure, fireproof storage facilities with adequate controls on access to assure the safety and security of the documents, in accordance with customary standards for such storage facilities;
- (d) it maintains a professional liability insurance policy and a financial bond to cover the potential risks under this Custodial Agreement and that is reasonably required under normal prudent business practices of a trust company that provides custodial services;
- (e) it deals at arm's length with each Seller;
- (f) it has computer systems such that it can accept electronic versions of Eligible Housing Loan details, and can transmit such data to the Trust, the Guarantor, any Acceptable Private Mortgage Insurer, and the CPA in a form readable (and synchronizable) by each of their computer systems;
- (g) all Trust Property that it holds in accounts maintained by a third party financial institution is held in segregated trust accounts of such financial institution; and
- (h) the Custodian makes the additional representations and warranties set out in Schedule D – Custodian Representations and Warranties.

5.3 Survival of Representations and Warranties. The representations and warranties made in this Custodial Agreement and in Schedule D – Custodian Representations and Warranties shall survive the execution of this Custodial Agreement and all other Operative Documents.

6. COVENANTS

6.1 Covenants of the Custodian. During the term of this Custodial Agreement, the Custodian hereby covenants that:

- (a) in carrying out its obligations hereunder, the Custodian shall not take any action that is (i) contrary to the terms of any of the Operative Documents to which it is a party or (ii) would result in the Trust being in default under the terms of any of the Operative Documents except as required by Applicable Law;
- (b) the Custodian shall at all times be a trust company or an Affiliate of a financial institution, with a Net Worth in excess of \$100,000,000, determined in accordance with IFRS or, if does not have a Net Worth in excess of \$100,000,000, during the term of this Custodial Agreement and for the purpose of this Custodial Agreement, it shall at all times maintain a long-term committed line of credit with a Schedule I Bank under the *Bank Act* (Canada) the available amount of which at any one time when added to its Net Worth as determined above shall exceed \$100,000,000;

- (c) the Custodian shall not commingle its assets with the Trust Property;
- (d) the Custodian shall maintain its books and records relating to its other clients separate and apart from those of the Trust and shall ensure that all records of the Trust that it maintains are maintained in Canada, and the cost of such maintenance of the records of the Trust (including, without limitation, all costs associated with the acquisition, maintenance, repair and replacement from time to time, as may be required, of any dedicated server) shall be the sole responsibility of the Custodian;
- (e) the Custodian shall not permit any of the Custodial Services to be provided from a jurisdiction other than Canada;
- (f) the Custodian shall not hold itself out as able to bind the Trust;
- (g) the Custodian shall not cause the Trust to become indebted to any Person;
- (h) the Custodian shall not cause the Trust to pay or be liable to pay any fees or compensation to any Person;
- (i) the Custodian shall at all times hold itself out to the public as separate and distinct from any other Person, including without limitation, the Trust;
- (j) the Custodian shall at all times ensure that any and all Trust Property that it holds in accounts maintained with a third party financial institution shall be held in segregated trust accounts of such financial institution;
- (k) the Custodian shall at all times maintain insurance coverage, including professional liability insurance, that is reasonably required under normal prudent business practices of a trust company that provides custodial services, shall disclose the general terms and conditions of such coverage upon request from the Trust or the Guarantor, shall provide any document or other material evidencing that the Custodian has complied with such covenant at the request of any of such parties, and shall inform the Trust and Guarantor of any significant change in any insurance coverage in accordance with Section 11.1 hereof; and
- (l) upon a reasonable request from the Trust or the Guarantor to modify the Protection Policies (including additions thereto), the Custodian shall cooperate with the Trust or the Guarantor, as applicable, with respect to such request.

7. DEFAULT: RIGHTS OF THE TRUST

7.1 Custodial Events of Default. Each of the following events shall constitute a Custodial Event of Default under this Custodial Agreement:

- (a) Representations or Warranties Untrue. The Custodian makes a representation or warranty under any of the Operative Documents to which it is a party, including this Custodial Agreement, which is considered, in the sole and absolute discretion of the Trust to be materially incorrect or incomplete when made or deemed to be

made and if capable of cure (and if thereby eliminating any adverse effect to the Trust from the original incorrectness or incompleteness) shall not have been cured within five (5) Business Days of receipt by the Custodian of written notice thereof from the Trust; provided that if such incorrectness or incompleteness is capable of cure but cannot be reasonably cured within five (5) Business Days, no Custodial Event of Default shall exist so long as the Custodian is diligently attempting to cure such incorrectness or incompleteness and such incorrectness or incompleteness is cured within thirty (30) Business Days of such notice.

- (b) Payment Default. Provided that adequate monies have been made available to the Custodian from the Trust on a timely basis in immediately available funds, the Custodian fails to pay any amount in respect of its obligations hereunder when due, unless such payment is prohibited by Applicable Law.
- (c) Denied Obligations. The Custodian denies, to any extent, its obligations under any Operative Document to which the Custodian is a party or claims any Operative Document to which the Custodian is a party to be invalid or withdrawn in whole or in part; or any Operative Document to which it is a party is invalidated by any act, regulation or governmental action or is determined to be invalid or unenforceable by a court or other Governmental Authority.
- (d) Failure to Provide Reports. The Custodian fails to provide any report required under this Custodial Agreement when required to be provided and such failure shall continue for ten (10) Business Days after the earlier of (i) written notice thereof from the Trust, the Administrator, CPA, Financial Services Advisor, or the Guarantor, or (ii) the Custodian having Actual Knowledge of such failure.
- (e) Failure to meet Performance Measures. The Custodian fails to achieve the Performance Measures (as defined in Section 3.13 hereof), and the Custodian has not rectified, remediated or otherwise addressed such failure within ten (10) Business Days after the Trust and/or Guarantor has delivered notice thereof to the Custodian in accordance with Section 11.1.
- (f) Bankruptcy, Etc. The Custodian becomes a bankrupt (voluntarily or involuntarily) or becomes subject to any Bankruptcy Proceeding, or any judgment or order which (as determined by the Trust in its sole and absolute discretion) has or might have a material adverse effect on, any part or parts of its property.
- (g) Cease Carrying on Business/Insolvency. The Custodian ceases or threatens to cease to carry on its business, or admits its inability to or fails to pay its debts generally.
- (h) Cross Default. There occurs a material default by the Custodian in any capacity under (i) any other Operative Document to which it is a party; or (ii) any agreement under the CMHC MBS Program to which it is a party.

- (i) Possession of Property. Any Person takes possession of all or any substantial portion of the property of the Custodian by appointment of a receiver, receiver and manager, or otherwise.
- (j) Material Adverse Effect. There occurs any event or circumstance which has or is likely to have a material adverse effect on the Custodian or its ability to perform its obligations under this Custodial Agreement taken as a whole.
- (k) Judgments, Etc. A final judgment, writ of execution, garnishment or attachment or similar process is issued or levied against any substantial portion of the property of the Custodian which, taken as a whole, has or is likely to have a material adverse effect on the ability of the Custodian to perform its obligations under this Custodial Agreement.
- (l) Net Worth. The Custodian fails to meet its Net Worth covenant set out in Section 6.1(b).
- (m) Breach of Covenant. The Custodian fails to comply with any other covenant under this Custodial Agreement and such failure shall continue for thirty (30) Business Days after the earlier of (i) written notice thereof from the Trust, the Administrator, CPA, Financial Services Advisor or the Guarantor, as applicable or (ii) the Custodian having Actual Knowledge of such failure.
- (n) Mergers. If (i) the Custodian consolidates, merges with, is amalgamated with, or acquires substantially all the assets or liabilities of another Person, (ii) the Custodian disposes of a substantial portion of its assets or liabilities and/or (iii) there is a significant change in the management or control of the Custodian, without the prior written consent of the Trust.
- (o) Gross Misconduct and Compliance with Applicable Law. The Custodian commits gross misconduct, fraud or fails to comply with any Applicable Law.

7.2 Rights upon a Custodial Event of Default. If a Custodial Event of Default exists, the Trust shall have the right, if in its sole and absolute discretion it determines that it shall exercise such right, to be consulted by the Custodian as to any action to be taken by the Custodian in furtherance of its duties hereunder, to recommend action to be taken by the Custodian in furtherance of its duties hereunder, to give its prior written consent to and to veto any proposed actions by the Custodian in furtherance of its duties hereunder, to receive such information and reports as it requires from the Custodian in furtherance of its duties hereunder and the Custodian agrees to consult with and seek the guidance and consent of the Trust, in furtherance of its duties hereunder, in immediately rectifying and remedying any Custodial Event of Default.

If a Custodial Event of Default exists, the Trust shall also have the right, but not the obligation if in its sole and absolute discretion it determines that it shall exercise such right, to cure a Custodial Event of Default if it is capable of being cured by taking any action on behalf of the Custodian necessary to cure the Custodial Event of Default, including, but not limited to, (i) paying money on behalf of the Custodian to any other Person to satisfy any claim resulting from the Custodial Event of Default, (ii) providing notices to or making demands upon any Person,

(iii) receiving such information and reports as it requires from any Person, and, (iv) upon curing the Custodial Event of Default, the Trust shall be entitled to pursue any claims and enforce any remedies on behalf of the Custodian which the Custodian may have against any other Person resulting from the Custodial Event of Default and to pursue any claim against the Custodian for recovery from the Custodian.

7.3 Remedies. If a Custodial Event of Default exists, the Trust may exercise the following remedies:

- (a) Any of the Custodial Services provided under this Custodial Agreement by the Custodian may be contracted out or assigned to another Person for an appropriate period of time and any additional expense reasonably incurred in so doing shall be borne by the Custodian.
- (b) Where the Custodian holds or has authority over Trust Property or any assets of any Person under or in connection with provision of the Custodial Services, the Trust may require the Custodian to post cash or cash equivalent collateral with respect to such Trust Property or assets or to transfer or hold in segregated trust accounts for the Trust such Trust Property or assets on such terms and conditions as the Trust may require to safeguard such Trust Property or assets.
- (c) The Trust is hereby authorized to prepare, sign and deliver on behalf of and as attorney for the Custodian, assignments and transfers to the Trust of all rights and interests which the Custodian had in or under any of the documents or accounts relating to the Eligible Housing Loans comprising a Package.

If a Custodial Event of Default exists, any related agreement or Operative Document between the Trust, the Custodian and any other Person, or any of them, will continue in full force and effect unless and until terminated by the Trust, which termination may be effected without notice.

The Custodian acknowledges and agrees that (i) it shall be responsible for all costs, fines, damages and expenses resulting from a breach of its obligations under Sections 11.10 to 11.14 but only to the extent that such breach is attributable to the negligence and/or wilful misconduct of the Custodian and (ii) monetary damage will not be adequate if the Custodian breaches any of Sections 11.10 to 11.14 and that the Trust shall be entitled to seek injunctive or other affirmative relief or to terminate this Custodial Agreement, or both, without such constituting an election of remedies, the Trust being entitled to each and every remedy available under this Custodial Agreement, at law and in equity for a breach of any of Sections 11.10 to 11.14 by the Custodian.

7.4 Remedies Cumulative. The rights and remedies of the Trust under the Operative Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by the Trust of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect, or prejudice any other right or remedy or other rights or remedies to which the Trust may be lawfully entitled for the same default or breach. Any waiver by the Trust of the strict observance, performance or compliance with any term, covenant, condition or

agreement herein contained, and any indulgence granted by the Trust shall be deemed not to be a waiver of any subsequent default.

8. COMPENSATION

8.1 Compensation of the Custodian. As compensation for all services rendered by the Custodian pursuant to this Custodial Agreement, the Trust will pay to the Custodian the fees set out in the fee schedule attached as Schedule E - Fees. This shall include, without limitation, legal fees and expenses.

8.2 Additional Services. Except as otherwise provided in this Custodial Agreement, no payment for additional services shall be made unless such additional services and the price thereof have been authorized in writing by the Trustee. For clarity, the Trustee may require the Custodian to perform additional services at any time during the term of this Custodial Agreement outside the scope of the Custodial Services as defined herein. When additional services are required, the Trustee will provide the Custodian a written description of the additional services and the Custodian shall submit a firm price and time schedule for completing the additional services. The Custodian will not commence any additional services until the Trustee has secured required approvals for the amendment and issued an approved, written amendment agreement.

9. STANDARD OF CARE, LIMITATION OF LIABILITY AND RELATED MATTERS

9.1 Standard of Care. The Custodian shall exercise its powers and carry out its obligations hereunder as Custodian honestly, in good faith and in the best interests of the Trust and, in connection therewith, shall exercise that degree of care, diligence and skill that a prudent custodian would exercise in comparable circumstances.

9.2 Limitation of Liability of the Custodian. Subject to Sections 7.2 and 7.3, the Custodian shall not be subject to any liability whatsoever, in tort, contract or otherwise, in connection with the Custodial Services provided by the Custodian, to the Trust, to any Beneficiary, or to any other Person, for any action taken or permitted by it to be taken or for its failure to take any action including, without limitation, the failure to compel in any way any former or acting Custodian to redress any Custodial Event of Default in respect of the execution of the duties of its office or in respect of the Custodial Services provided by the Custodian, provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with the wilful misconduct by or negligence of the Custodian or failure by the Custodian to comply with the standard of care referred to in Section 9.1. The Custodian, in doing anything or permitting anything to be done in respect of the execution of the duties of its office or in respect of the Custodial Services provided by the Custodian is, and will be conclusively deemed to be, acting as Custodian to the Trust and not in any other capacity except where it is expressly provided in the Operative Documents or hereunder that the Custodian is acting in its personal capacity. Except as to the extent provided in this Section 9.2 and subject to Sections 7.2 and 7.3, the Custodian will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Custodial Agreement. Subject to Sections 7.2 and 7.3, no

property or assets of the Custodian, owned in its personal capacity, will be subject to levy, execution, or other enforcement procedure with regard to any obligation under this Custodial Agreement other than the obligations where there has been wilful misconduct or negligence of the Custodian referred to in this Section 9.2.

9.3 Delegation of Responsibilities. The Custodian shall not retain outside advisors or delegate or subcontract any of its powers or duties without the prior written consent of the Trust or the Guarantor on such terms and conditions as such consenting party may stipulate, which consent shall not be unreasonably withheld.

9.4 Reliance on Professionals. In carrying out its duties on behalf of the Trust, the Custodian may retain, rely and act upon any statement, report or opinion prepared by or any advice received from any professional advisor of the Custodian or the Trust and shall not be responsible or held liable for any loss or damage resulting from relying or acting thereon if (i) the advice was within the area of professional competence of the Person from whom it was received, (ii) the Custodian acted reasonably in relying thereon, and (iii) the professional advisor was aware that his advice would be relied on by the Custodian and the Trust. The Custodian may pay reasonable compensation to a professional advisor for providing the services described above and shall be reimbursed by the Trust for such compensation. The Custodian shall not be responsible for the negligent actions or misconduct of a professional advisor. The Custodian shall subrogate to the Trust its right to pursue any action against a professional advisor for the negligent actions or misconduct of such professional advisor.

9.5 No Obligation to Expend Funds. Except as provided in Sections 7.2 and 7.3, none of the provisions contained in this Custodial Agreement require the Custodian to expend, disburse or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The Custodian shall disburse monies hereunder only to the extent that monies have been made available to it.

9.6 Reliance on Certificates, Etc.. In carrying out its duties on behalf of the Trust, the Custodian may rely in acting upon any written notice, certificate, request, waiver, consent, receipt, statutory declaration or other paper or document provided to it by the Trust or the Guarantor not only as to its due execution and the validity and effectiveness of its provisions but also as to the truth and acceptability of any information therein contained which the Custodian in good faith believes to be genuine and what it purports to be.

10. INDEMNIFICATION

10.1 General Indemnity by the Trust. Whether or not any of the transactions contemplated by the Operative Documents shall be consummated, the Trust hereby agrees to indemnify, and does hereby indemnify, and hereby agrees to protect, defend, save and keep harmless, on an After-Tax Basis, out of the Trust Property, each "**Indemnitee**" (which term shall mean the Custodian and its Related Indemnitees) from and against any and all liabilities, obligations, losses, damages, penalties, settlements, claims, actions, suits or judicial or administrative proceedings of any kind and nature and any and all costs, expenses (including reasonable legal fees and disbursements, and any other reasonable disbursements of any kind and nature whatsoever) (each, an "**Indemnitee Claim**") which may be imposed on, incurred by or asserted against any such Indemnitee: (i) in

any way relating to or arising out of this Custodial Agreement or any of the other Operative Documents or the transactions contemplated hereby or thereby or resulting therefrom or the exercise of rights and remedies thereunder, or the enforcement of any of the terms of any thereof or lack of enforceability of any thereof, (ii) arising out of any violation of law with respect to the Eligible Housing Loans, any Hedge Document, the Obligation documents and the other Operative Documents or resulting from the transactions contemplated by the Operative Documents or the failure by the Trust (or any Person dealing with or on behalf of the Trust) to perform or observe any covenant, condition or agreement in or the falsity of any representation or warranty of the Trust made in or pursuant to any Operative Document or arising out of the negligence or wilful misconduct of the Trustee or any Person acting on behalf of or transacting with the Trust or the negligence or wilful misconduct of any Affiliate, agent, contractor, subtrust, franchisee or licensee of the Trust, in any such case relating to the Trust Activities or the Trust Property, (iii) arising out of the offer and sale of any interest in the Obligations, Eligible Housing Loans and other Trust Permitted Investments under the Operative Documents (but for greater certainty, excluding principal and interest on any such Obligations, Eligible Housing Loans and other Trust Permitted Investments) (all of the foregoing, "**Costs or Expenses**"); provided that the Trust shall not be required to indemnify for any Costs or Expenses:

- (a) imposed on or against an Indemnitee to the extent that such Costs or Expenses arise out of or are caused by (i) the negligence or wilful misconduct of such Indemnitee (other than any such negligence or wilful misconduct imputed to such Indemnitee solely by reason of its interest in the Trust Property) or (ii) any Indemnitee Claim that in whole or in part is attributed to an inaccuracy or breach of a representation, warranty, covenant or any undertaking contained in this Custodial Agreement or any other Operative Document to which such Indemnitee is a party unless caused by an inaccuracy or breach by the Trust or any other party to any Operative Document of any of its representations, warranties, covenants or undertakings;
- (b) to the extent attributable to acts or events which occur during any period after the expiration or earlier termination of this Custodial Agreement and the payment by the Trust of all amounts due and owing under the Operative Documents and the satisfaction by the Custodian of all of its obligations hereunder but in each such case only to the extent not fairly attributable to acts or events which occurred, or conditions which existed, prior to such expiration, earlier termination or satisfaction of this Custodial Agreement;
- (c) to the extent that such Costs or Expenses are Taxes attributable to the Indemnitee or Costs or Expenses of contesting such Taxes, other than as have been requested, consented to or acquiesced in by the Trust;
- (d) to the extent that such Costs or Expenses arise from a Lien attributable to the Indemnitee or Costs or Expenses of contesting such Lien, other than as have been requested, consented to or acquiesced in by the Trust;
- (e) to the extent that such Costs or Expenses constitute ordinary and usual operating or overhead expense of the Indemnitee;

- (f) to the extent that such Costs or Expenses arise in connection with a breach of confidentiality or security pursuant to Section 11.10;
- (g) to the extent such Costs or Expenses are attributable to any future amendments, supplements, waivers or consents with respect to this Custodial Agreement and the other Operative Documents or to the authorization or giving, or withholding thereof, by such Indemnitee of any thereof, other than such as have been requested, consented to or acquiesced in by the Trust;
- (h) to the extent that such Costs or Expenses are payable pursuant to any provision of this Custodial Agreement or any other Operative Document expressly without any right of reimbursement from the Trust or that are stated not to be paid by or be the responsibility of the Trust or are stated to be the sole cost and expense of such Person;
- (i) with respect to any Indemnitee, to the extent such Costs or Expenses are incurred or arise from or relate to compliance with the requirements of any Governmental Authority having jurisdiction over such Indemnitee under Applicable Law applicable to its business generally pursuant to proceedings which the Trust has not directly or indirectly initiated and in which the Trust has not participated in any way (except in either case at the specific request of such Indemnitee), provided that such Costs or Expenses are solely attributable to acts or omissions of the Indemnitee and are not in any way attributable to the Trust; and
- (j) to the extent attributable to goods and services provided by the Indemnitee to the Trust that are reimbursable as set out in Schedule E – Fees to be paid by the Trust to the Custodian unless such amounts have not been paid by the Trust to the Custodian.

To the extent that an Indemnitee Claim is attributable solely to a particular Package or to any Hedge Document or Obligation document reasonably related to that Package, the Trust will first exhaust its recourse against Trust Property relating to the particular Package and related rights. If such Package and related rights are insufficient to satisfy the indemnity set out in this Section 10.1, or if the Indemnitee Claim is not attributable to a particular Package, the Indemnitee Claim will be satisfied from the Trust Property on a *pro rata* basis among all the Eligible Housing Loans owned by the Trust. All Indemnitee Claims under all Operative Documents (other than by or on behalf of the Bondholders or the Guarantor) shall be paid out of the Trust Property amongst all of the Indemnitees that have such Indemnitee Claims on a *pari passu* basis.

This Custodial Agreement constitutes a separate agreement with respect to each Indemnitee and is enforceable directly by each such Indemnitee whether or not a claim for indemnification on behalf of such Indemnitee has been made hereunder.

If the Trust has Actual Knowledge of any Indemnitee Claim under this Section 10.1, it shall give prompt written notice thereof to the applicable Indemnitee and if any Indemnitee shall have Actual Knowledge of any Indemnitee Claim, it shall give prompt written notice thereof to the Trust (provided that failure to give such notice shall not affect the Trust's indemnity obligations

hereunder except that the Trust shall not be responsible for any increase in any amount otherwise payable by the Trust, which increase would not have accrued if notice had been given in a timely fashion or to the extent the failure to give timely notice precludes the Trust from contesting an Indemnitee Claim in a timely manner). The Trust shall have the right, at its sole cost and expense, to investigate, and the right in its sole discretion to defend or compromise (the assumption of such defense or the making of any such compromise constituting the Trust's acknowledgment of the Indemnitee's right to indemnification hereunder with respect to such Indemnitee Claim) any Indemnitee Claim for which indemnification is provided under this Section 10.1, and the Indemnitee shall cooperate, at the Trust's expense, with all reasonable requests of the Trust in connection therewith; provided, however, that the Trust may, if it reasonably believes that, on the basis of newly discovered facts, it is not obligated to indemnify such Indemnitee in respect of such proceeding at any time after the exercise of such right, notify the Indemnitee thereof in writing and withdraw, wholly or in part, from such defense (and, if so requested by such Indemnitee, cede the defense of such proceeding to such Indemnitee) and assert defenses to any indemnification obligation hereunder (provided that (i) the Trust shall have given the Indemnitee reasonable prior notice of its intention to withdraw from such defense and (ii) such withdrawal does not materially prejudice any defense to such claim available to the Indemnitee). In the event that the Trust shall cease to defend any Indemnitee Claim pursuant to the preceding sentence, the Trust shall indemnify each Indemnitee, without regard to any exclusion that might otherwise apply hereunder, to the extent that the actions of the Trust in defending such Indemnitee Claim or the manner or the time of the Trust's election to withdraw from the defense of such Indemnitee Claim shall have caused such Indemnitee to incur any loss, cost, liability or expense which such Indemnitee would not have incurred had the Trust not assumed the defense of such Indemnitee Claim and shall cooperate, at such Indemnitee's expense, with all reasonable requests of such Indemnitee in connection with its defense of such Indemnitee Claim. Where the Trust undertakes the defense of any Indemnitee with respect to an Indemnitee Claim, during such undertaking no additional legal fees or expenses of such Indemnitee in connection with the defense of such Indemnitee Claim other than reasonable fees of reviewing counsel shall be indemnified hereunder unless such fees or expenses were incurred at the request of the Trust. Notwithstanding the foregoing, if (i) in the reasonable opinion of such Indemnitee based on the written opinion of independent counsel to such Indemnitee an actual or potential material conflict of interest exists where it is advisable for such Indemnitee to be represented by separate counsel, (ii) in the reasonable opinion of such Indemnitee such action, suit or proceeding involves any potential imposition of criminal, quasi-criminal or material civil liability on such Indemnitee, or (iii) such proceedings could involve a material risk of the imminent sale, forfeiture or loss of, or the creation of a Lien (other than a Permitted Lien) prior to the rights of such Indemnitee on, any Trust Property or any material portion thereof or interest therein or the rights of such Indemnitee under the Operative Documents, unless the Trust shall have provided security for the Trust's obligations under this Section 10.1 with respect to such Indemnitee Claim reasonably satisfactory to the relevant Indemnitees with respect to such risk, and such Indemnitee informs the Trust that such Indemnitee desires to be represented by separate counsel, such Indemnitee shall have the right to control its own defense of such Indemnitee Claim and the Costs or Expenses in connection therewith (including the reasonable fees and expenses of such Indemnitee's counsel) shall be borne by the Trust. An Indemnitee may participate at its own expense in any judicial proceeding controlled by the Trust pursuant to the preceding provisions; provided, however, that such Indemnitee's participation does not, in the reasonable opinion of the independent counsel appointed by the Trust to conduct such

proceedings, interfere with such control; and provided further, however, that such participation shall not constitute a waiver of the right to receive the indemnification provided in this Section 10.1. Except in the case of a settlement or compromise that is at no cost or expense to the Indemnitee and does not admit liability on the part of the Indemnitee, the Trust shall not enter into any settlement or other compromise with respect to any Indemnitee Claim indemnified under this Section 10.1 without the prior written consent of the Indemnitee, which consent shall not be unreasonably withheld. With respect to any amount which the Trust is requested by an Indemnitee to pay by reason of this Section 10.1, the Indemnitee shall, if requested by the Trust and prior to any payment, submit such additional information to the Trust as the Trust may reasonably request to substantiate the requested payment if such information is available to the Indemnitee and the disclosure thereof would not violate Applicable Law or any confidentiality agreement to which the Indemnitee was subject prior to the request.

Each Indemnitee agrees that if an event, condition or circumstance exists, occurs or is anticipated to occur that could reasonably be expected to result in an Indemnitee Claim hereunder, such Indemnitee will use its reasonable efforts, at the Trust's expense, to comply with any reasonable written proposal by the Trust the effect of which is intended either to eliminate the need to make such claim or to mitigate such indemnity, or both, provided such proposal does not in the reasonable opinion of such Indemnitee create any additional unindemnified liability, obligation, cost, or expense for such Indemnitee. The Trust hereby agrees to make all payments due under this Section 10.1 to the relevant Indemnitee.

10.2 Survival of Indemnities; Effect of Other Indemnities. The indemnities and agreements of each of the parties provided for in Section 10.1 shall survive all payments by the Trust, removal or resignation of the Custodian and the expiration or other termination of each of the Operative Documents.

The Trust's obligations under the indemnities provided for in this Custodial Agreement shall be those of a primary obligation whether or not the Indemnitee shall also be indemnified by some other Person with respect to the same matter under the terms of this Custodial Agreement or any other Operative Document and the Indemnitee may proceed directly against the Trust without first seeking to enforce any other right of indemnification. Upon the payment in full by the Trust of any indemnity provided for under this Custodial Agreement, the Trust shall be, to the extent permitted by law, subrogated to any right of the Indemnitee.

10.3 Indemnification by Custodian. The Custodian agrees to indemnify, defend and hold harmless the Trust and the Trustee from and against any and all liabilities which may be imposed on, incurred by or assessed against the Trust or the Trustee as the result of any negligence or wilful misconduct or a breach of the standard of care by the Custodian under this Custodial Agreement provided that the Custodian will have the exclusive right to compromise or defend, through counsel selected and retained by the Custodian, any such liabilities or related claims at its own expense, which decision shall be binding upon the Trust and the Trustee. It is, however, expressly understood that the Custodian is not agreeing to indemnify or hold the Trust harmless with respect to any of the following:

- (a) any breach or failure to perform on the part of any other third party under any Operative Document to which it is a party;

- (b) any amount for which the Trust agrees to indemnify the Custodian hereunder; or
- (c) any liability of the Trustee or the Trust accruing after the termination of this Custodial Agreement unless attributable to the actions or omissions of the Custodian prior to such termination.

11. MISCELLANEOUS

11.1 Notices. Unless otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be in writing and shall be deemed to have been given (a) in the case of notice sent by e-mail, when receipt is confirmed upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), except that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, (b) in the case of notice by letter, the earlier of when delivered to the addressee by hand or courier if delivered on a Business Day and, if not delivered on a Business Day, the next Business Day thereafter or on the third Business Day after depositing the same in the mails, registered or certified mail, postage prepaid, return receipt requested, (c) in the case of notice by facsimile, when receipt is confirmed if delivered on a Business Day and, if not delivered on a Business Day, the next Business Day thereafter, in each case if addressed to any of the parties listed below at its address set forth below or, in the case of any such party, at such other address as such party may from time to time designate by written notice to each such other Person. The Trust may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, but approval of such procedures may be limited to particular notices or communications. Any party to this Custodial Agreement may change its address or telecopier number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

Notices shall be sent to:

If to the Trust or the Trustee:

CIBC Mellon Trust Company
c/o BNY Trust Company of Canada
1 York Street
6th Floor
Toronto, Ontario
M5J 0B6

Attention: Corporate Trust Administration
Fax: 416-360-1711

if to the Guarantor:

Canada Mortgage and Housing Corporation
700 Montreal Road
Ottawa, Ontario
K1A 0P7

Attention: [●]

Fax: [●]

email: [●]

with a copy to:

Canada Mortgage and Housing Corporation
70 York Street, Suite 1100
Toronto, Ontario, M5J 1S9

Attention: Director, Securitization Operations

Fax: 416-218-3312

e-mail: securitization@cmhc-schl.gc.ca

with a copy to:

Canada Mortgage and Housing Corporation
70 York Street, Suite 1100
Toronto, Ontario, M5J 1S9

Attention: Director, Securitization Operations

Fax: 416-218-3312

e-mail: securitization@cmhc-schl.gc.ca

if to the Administrator:

Canadian Imperial Bank of Commerce
Brookfield Place
161 Bay Street, 9th Floor
Toronto, Ontario
M5J 2S8

Attention: Manager, Securitization and Structured Products Administration Group

Fax: 416-956-6222

email: SecuritizationMailbox@cibc.ca

if to the Financial Services Advisor:

Canada Mortgage and Housing Corporation
700 Montreal Road
Ottawa, Ontario
K1A 0P7

Attention: [●]

Fax: [●]

email: [●]

with a copy to:

Canada Mortgage and Housing Corporation
70 York Street, Suite 1100
Toronto, Ontario, M5J 1S9

Attention: Director, Securitization Operations

Fax: 416-218-3312

e-mail: securitization@cmhc-schl.gc.ca

if to the Custodian:

[●]

[●]

[●]

[●]

[●]

Attention: [●]

Fax: [●]

email: [●]

if to the CPA:

[●]

[●]

[●]

[●]

[●]

Attention: [●]

Fax: [●]

email: [●]

11.2 Waivers of Notice. In any case where notice by mail or otherwise is provided herein, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event. Waivers of notice shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken thereon in reliance upon any such waiver.

11.3 Governing Law. This Custodial Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada, applicable therein, and all rights and remedies shall be governed by such laws without regard to principles of conflict of laws. Each of the parties hereunder hereby irrevocably attorns and submits to the non-exclusive jurisdiction of the Courts of the Province of Ontario in any suit, action or proceeding relating to this Custodial Agreement.

11.4 Directions. Unless specified otherwise herein or upon prior written notice issued by the Trust to the Custodian, any direction given to the Custodian by the Trust can be given to the Custodian by the Administrator on behalf of the Trust.

11.5 Severability. If any provision of this Custodial Agreement, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Custodial Agreement, or the application of such provision to Persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

11.6 Transfers, Successors and Assigns. Except as provided herein, the Custodial Services set out in this Custodian Agreement may not be sub-contracted, delegated, transferred or assigned, in whole or in part, without the written consent of each party hereto and the written consent of the Guarantor. This Custodial Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their permitted successors and assigns.

11.7 References to Acts of the Trust or the Trustee. For greater certainty, where any reference is made in this Custodial Agreement to an act to be performed by the Trust, such reference shall be construed for all purposes as if it referred to an act to be performed by the Trustee as trustee of the Trust and not in its personal capacity.

11.8 Directly or Indirectly. Where any provision in this Custodial Agreement refers to action to be taken by any Person, or where such Person is prohibited from taking such action, such provision shall be applicable whether such action is taken directly or indirectly by such Person, if so permitted by this Custodial Agreement.

11.9 Access to and Dissemination of Information. The Custodian agrees that the Trustee and the Guarantor shall at all times be entitled to have access to and to examine all records maintained by or on behalf of the Custodian and any Person providing Work Product, with respect to the Services provided by the Custodian under this Custodial Agreement. The Trust authorizes the Custodian to have access to information and material of the Trust that the Custodian requires to perform its Services hereunder or to confirm the calculation of any amount due to the Custodian.

11.10 Confidentiality and Non-Disclosure of the Confidential Information. For the purposes of this Section 11.10 and Sections 11.11 to 11.14, the term "Confidential Information" shall include Personal Information, as defined in Section 11.12.

- (a) The Custodian understands the sensitive nature of the Confidential Information (as defined in Section 4.5) and, unless otherwise specifically agreed to in writing by the Trust and Guarantor, agrees to treat all the Confidential Information as proprietary, confidential and sensitive, and to protect and maintain the confidentiality of the Confidential Information in a manner no less stringent than the Custodian uses to protect its own similar confidential information, which in any event shall not be less than a reasonable degree of care, during the term and following termination of this Custodial Agreement.
- (b) The Custodian and its employees shall not use the Confidential Information for any purpose other than to perform the Custodial Services.
- (c) The Custodian shall take all necessary precautions to restrict access to the Confidential Information in accordance with its Protection Policies.
- (d) The Custodian further agrees to restrict access to the Confidential Information to those Persons who have a need to know this information in order to perform the Custodial Services and who are bound by an obligation of confidentiality in form and substance satisfactory to the Trustee and Guarantor that is as strict as that contained in this Custodial Agreement provided such persons meet the appropriate security screening as per Government of Canada security screening classification prior to granting any such access.
- (e) In the event that the Custodian experiences a breach of confidentiality with respect to the Confidential Information, the Custodian will immediately notify the Trustee and Guarantor and co-operate with the Trustee and Guarantor to the extent required to remedy the breach.
- (f) The Custodian further acknowledges and understands that the Trust considers all the Confidential Information to be under its custody and control at all times, and that all Confidential Information is subject to federal laws on privacy and access to information. The Custodian and its employees shall comply with all requirements of any and all privacy or access to information legislation applicable to it under Applicable Law, including, without limitation, the *Privacy Act* (Canada) and the *Personal Information Protection and Electronic Documents Act* (Canada), and the use of any "personal information" (as defined in such Acts) that it may obtain under or in connection with the CMHC CMB Program.
- (g) The Custodian shall, at all times, ensure to transmit information between the Custodian and the Trust through secure means of transmission.
- (h) In addition, when the Confidential Information is stored, the Custodian and its employees will, at all times, use reasonable administrative, physical and technological security measures to ensure that the information remains confidential where applicable, and that the information is not lost or otherwise accessed without authority, as further described in Schedule G - Privacy and Security Requirements attached hereto. The Custodian will also implement information management and

governance tools and controls, as further described in Schedule G. Subject to Section 9.3, the Custodian shall ensure that the requirements of Schedule G will be binding on any approved third party to whom the Custodian outsources any of its IT or information management functions or who is managing such functions on behalf of the Custodian.

- (i) The Custodian shall execute any further actions to enhance the security controls as may be reasonably required by the Trustee or the Guarantor.
- (j) The Custodian shall conduct regular security assessments to ensure safeguards are working effectively.
- (k) The Custodian shall promptly notify the Trustee and the Guarantor of any material breach of its Protection Policies that could have an adverse effect on the Trust or on the Custodian's provision of the Custodial Services.
- (l) The Custodian shall ensure all the Confidential Information is encrypted while in transit and at rest at a minimum 128 bit encryption throughout the term of this Custodial Agreement or as otherwise specified by the Guarantor from time to time.
- (m) Any the Confidential Information provided to the Custodian in the performance of the Custodial Services shall be returned, uncopied to the Trust or destroyed by the Custodian immediately following the termination of this Custodial Agreement or upon the request of the Trustee or the Guarantor. For documents not returned to the Trust, the Custodian shall proceed to the destruction of such documents in accordance with the instruction by the Trustee acting reasonably. The Custodian shall provide specific proof of the destruction. Notwithstanding the foregoing, the Custodian shall be permitted to maintain copies of such documentation as it reasonably requires to comply with Applicable Law, provided that such retained documentation shall at all times remain subject to the other provisions of this Custodial Agreement.
- (n) The Custodian shall not and, subject to Section 9.3 shall ensure that any subcontractor, reseller, agent or any other entity engaged to perform any portion of the Custodial Services shall not, release, share or otherwise divulge the Confidential Information to any other entity including subsidiaries, branch offices, partners of the Custodian or subcontractors without the prior written consent of the Trustee and the Guarantor.
- (o) The Custodian may disclose the Confidential Information where required to do so pursuant to a lawful requirement or for the purposes of complying with a subpoena, warrant or other legal compulsion lawfully made by a court or other competent authority. When the Custodian discovers that it may potentially be required to disclose the Confidential Information for the reasons described in the immediately foregoing sentence, the Custodian shall: (a) notify the Trustee and Guarantor promptly so that each of the Trustee and Guarantor has the opportunity to seek a protective order or other appropriate remedy; (b) provide information and other

assistance in order for the Trustee and Guarantor to take appropriate legal action against disclosure; and (c) ensure that disclosure is strictly limited to the information lawfully requested.

- (p) Employees of the Custodian may be required to undergo a criminal records check or hold a valid personnel security screening at the level of "Enhanced Reliability" prior to commencement of any Custodial Services and must provide the results of the check to the Guarantor. The Trustee reserves the right to disallow any person to carry out work under the Custodial Agreement on the basis of the results of the criminal records check/security clearance. Each of the Custodian's proposed staff, who do not hold a valid clearance, will be required to complete a "Security Clearance Form" (67934) upon request from the Guarantor.

11.11 Information Security Requirements.

- (a) The Custodian shall, at all times, ensure to transmit information between the Custodian and the Trust through secure means of transmission. In addition, when the Confidential Information, including Personal Information (as defined in Section 11.12, below), is stored, the Custodian will, at all times, use reasonable administrative, physical and technological security measures to ensure that the information remains confidential where applicable, and that the information is not lost or otherwise accessed without authority, as further described in Schedule G to this Custodial Agreement. The Custodian will also implement information management and governance tools and controls, as further described in Schedule G. The requirements of Schedule G will be binding on any third party to whom the Custodian outsources any of its IT or information management functions or who is managing such functions on behalf of the Custodian.
- (b) The Custodian represents and warrants that it has the controls in place to meet Protected B data (as defined in Schedule G) safeguards based on ISO27001:2013, ITSG-33 or equivalent security framework.
- (c) The Custodian shall conduct regular security assessments, at a minimum on a yearly basis, to ensure safeguards are working effectively (e.g. Threat and Risk Assessments, Vulnerability Assessments, etc.). Upon request from the Trust, the Custodian shall provide proof that such assessments have been conducted.
- (d) The Custodian shall ensure that the Confidential Information shall remain in Canada and be accessed from/within Canada.

11.12 Privacy. The Custodian acknowledges and agrees that personal information shall mean information about an identifiable individual or other information managed, accessed, collected, used, disclosed, retained, received, or disposed of in relation to the provision of the Custodial Services that is subject to any Canadian privacy laws (collectively, "**Personal Information**") and that all such Personal Information collected or accessible to the Custodian in the course of providing the Custodial Services constitutes Confidential Information of the Trust to which the provisions of Section 11.10 apply, except to the extent such provisions are inconsistent with this

Section 11.12, which prevails with respect to Personal Information. In addition to the foregoing obligations, the Custodian will:

- (a) within five (5) Business Days from any request by the Trustee or the Guarantor, the Custodian will update, correct or delete Personal Information or modify the individual's choices with respect to the permitted use by the Trust of such Personal Information;
- (b) if the Custodian receives a request for access to Personal Information that is under the possession or control of the Custodian, it will immediately refer such request to the Trustee and Guarantor, and respond to any such request only by making reference to such referral. If the Trust is required by any Canadian privacy laws to provide Personal Information to an individual that is in the Custodian's possession or control, the Custodian shall provide such Personal Information to the Trustee or the Guarantor as requested by the Trustee or Guarantor, on or before the deadlines specified by the Trustee or Guarantor such that the Trust can comply with any deadlines applicable to it under such Canadian privacy laws;
- (c) if not legally prohibited from doing so, notify the Trustee and the Guarantor of any subpoena, warrant, order, demand, requirement or request (including any national security letter) made by a Governmental Authority for the disclosure of Personal Information, and, to the maximum extent permitted by Applicable Law, reasonably cooperate with the Trustee and Guarantor in the event of efforts by the Trustee or Guarantor to oppose, seek judicial relief of and appeal any such subpoena, warrant, order, demand, requirement or request;
- (d) immediately notify the Trustee and Guarantor if the Custodian receives notice from any Governmental Authority alleging that the Trust or the Custodian has failed to comply with Canadian privacy laws in connection with the performance of this Custodial Agreement, or if the Custodian otherwise becomes aware and reasonably believes that the Custodian or the Trust may have failed or may in the future fail to comply with Canadian privacy laws in connection with the performance of this Custodial Agreement;
- (e) at the Trustee or Guarantor's direction, cooperate and comply with any requests or instructions issued by any privacy or data protection authority, including any Governmental Authority applicable to the Trustee, the Guarantor or Personal Information;
- (f) provide reasonable assistance to the Trustee and Guarantor in responding to and addressing any complaint relating to the handling of Personal Information in the course of the performance of the Custodial Services; and
- (g) upon written request by the Trustee or Guarantor, provide an updated list of all Custodian personnel that have handled Personal Information.

11.13 Privacy Breach Notification.

- (a) Without limiting the generality of Section 11.10(k), upon becoming aware of the occurrence of any security breach or privacy breach, the Custodian will do the following, subject to Applicable Law:
- (i) immediately, but in any event not later than two (2) Business Days from the date the Custodian becomes aware of the occurrence of such security breach or privacy breach, notify the Trustee and Guarantor by telephone and in writing;
 - (ii) take all steps necessary to enforce against any Person that is or may be engaging in such unauthorized handling any rights that the Custodian has to require such person to comply with any obligation of confidence to the Custodian and to cease such unauthorized activities;
 - (iii) do all things, execute all documents and give all assistance reasonably required by the Trustee and the Guarantor to enable the Trust to enforce against any Person that is or may be engaging in such unauthorized handling any rights that the Trust has to require such person to comply with any obligation of confidence to the Trust and to cease such unauthorized activities; and
 - (iv) if the security breach involves Personal Information, then, if requested by the Trustee or Guarantor, reasonably cooperate with and assist the Trustee or Guarantor in any communication with the media, any affected persons (by press release, telephone, letter, call centre, website or any other method of communication) and any Governmental Authorities to explain the occurrence of the security breach and the remedial efforts being undertaken. The content and method of any such communications will be determined by the Trustee and the Guarantor. To the extent such communications refer to the Custodian, the content and method of such communications will also be determined by Custodian.
- (b) Additionally, the Custodian shall assist the Trustee or Guarantor in mitigating any potential damage and take such steps as are directed by the Trustee and Guarantor to assist in the investigation, mitigation and remediation of each such security breach.
- (c) As soon as reasonably practicable after any such security breach, the Custodian shall conduct a root cause analysis and, upon request, will share summaries of the results of its analysis and its remediation plan with the Trust. The Custodian shall provide updated information to the Trust should additional details be discovered regarding the cause, nature, consequences, or extent of the security breach.

11.14 Access to Information.

- (a) The Custodian acknowledges that the *Access to Information Act* applies to the Trust and may require the disclosure of information. The parties to this Custodial Agreement will comply with the provisions of the *Access to Information Act*,

including in connection with a request under the *Access to Information Act* by a third party for access to information ("**Access to Information Act Request**").

- (b) If an Access to Information Act Request is made to the Custodian (rather than to the Trust) for access to any the Confidential Information, the Custodian shall:
 - (i) not communicate with or respond to the person making the Access to Information Act Request, except as directed by the Trustee or Guarantor in writing;
 - (ii) promptly, but in any event within seven (7) days (or such other period of time as may be agreed by the parties hereto) of the receipt of such Access to Information Act Request, forward that Access to Information Act Request to the Guarantor; and
 - (iii) without detracting from the Trust's responsibilities and Custodian's rights under the *Access to Information Act*, reasonably cooperate with the Trust as necessary to enable the Trust to respond to each Access to Information Act Request or otherwise comply with the *Access to Information Act*.

11.15 Conflict of Interest. The Custodian acknowledges and agrees:

- (a) It shall and shall cause its principals, employees, agents and any approved delegates to avoid any real, potential or apparent conflict of interest during the term of this Custodial Agreement and shall declare any real, potential or apparent conflict of interest to the Trustee and Guarantor immediately upon becoming aware of the conflict. The Custodian shall, upon direction of the Trustee and the Guarantor, take steps to eliminate any conflict, potential conflict or perception that a conflict of interest exists.
- (b) In the event that a conflict of interest, real, potential or perceived, cannot be resolved to the satisfaction of the Trustee and Guarantor, the Trust and the Guarantor shall have the right to immediately terminate this Custodial Agreement. All Work Product that has been completed at the date of termination shall be forwarded to the Trust and the Trust shall be liable for payment to the Custodian of an amount which, in the sole opinion of the Trustee, constitutes reasonable payment for the partial performance of the Custodian's obligations under this Custodial Agreement. Upon such payment, the Trust shall have no further obligation of any nature or kind to the Custodian.
- (c) Any public office holder or former public office holder must be in compliance with the provisions of the *Conflict of Interest Act* (Canada) in order to derive a direct benefit from any agreement which may arise from this request for proposal.

11.16 Corporation Identification. The Custodian agrees that it will make no use whatsoever of the Guarantor's name, logo or initials without the express written consent of the Guarantor.

11.17 Official Languages. The Custodian acknowledges and understands that the Guarantor is governed by the *Official Languages Act* (Canada) and follows related Treasury Board policies. The Custodian agrees that it will co-operate with the Guarantor to take any measures necessary to ensure compliance with such Act. The Custodian further understands and agrees to provide all information, materials and services in relation to this Custodial Agreement in English or French,

whichever is the preference of the Person or organization requesting the information, materials or services, where a request for such information, materials or services in English or French is made to the Custodian. The Custodian must ensure that there is sufficient capacity to provide services that are comparable in terms of quality and timeliness in both official languages.

11.18 Limitation of Liability of the Trustee. This Custodial Agreement shall be deemed and construed for all purposes as if made by the Trustee in and only in its capacity as trustee of the Trust. Subject to the exceptions set out in Section 8.2 of the Declaration of Trust, (a) any liability, debt or obligation of the Trustee under this Custodial Agreement is non-recourse to the Trustee in its personal capacity and is limited solely to the Trust Property, (b) no other property or assets of the Trustee, whether owned by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with respect to any obligation under this Custodial Agreement; and (c) no recourse may be had or taken, directly or indirectly, against the Trustee in its personal capacity or against any incorporator, shareholder, director, officer, employee or agent of the Trustee or any predecessor or successor of the Trustee.

To the extent that a claim of the Custodian against the Trust or the Trustee (other than a claim for indemnification pursuant to Section 10) is attributable solely to a particular Package or to any Hedge Document or Obligation document reasonably related to that Package, the Custodian will first exhaust its recourse against the particular Package and related rights. If such Package and related rights are insufficient to satisfy a claim under this Section 11.18, or if the claim is not attributable to a particular Package, the claim will be satisfied from the Trust Property on a *pro rata* basis among all the Eligible Housing Loans owned by the Trust on a *pari passu* basis with all other unsecured creditors of the Trust.

11.19 Documents Comprising the Custodial Agreement.

- (a) The documents which comprise the entire agreement between the parties with respect to this matter consist of the following:
 - (i) the CMB Program Definitions;
 - (ii) this form of Custodial Agreement; and
 - (iii) the Schedules to this Custodial Agreement.

11.20 Scope of Agreement. This Custodial Agreement contains all of the agreements of the parties hereto and no other representations or warranties, verbal or otherwise, exist between the parties with respect to the subject matter herein.

11.21 Amendments. This Custodial Agreement may be amended from time to time with the mutual consent of the Trust and the Custodian and with the written consent of the Guarantor provided that any such amendment shall be in writing and signed by both parties hereto before the same shall be effective. The parties acknowledge and agree that any such amendment shall not be effective until the Trust obtains the written consent of the Guarantor to any such amendment in accordance with the Commitment Agreement. This Custodial Agreement supersedes any prior agreements between the parties hereto with respect to the provision of the management and distribution services described herein. The parties agree that they shall make any amendments to

this Custodial Agreement required from time to time in order to comply with Applicable Law including any Securities Legislation.

11.22 Further Assurances. Each of the parties hereto shall from time to time hereafter upon any reasonable request of the other do such further acts and execute such further deeds and documents as shall be reasonably required in order to perform and carry out the terms of this Custodial Agreement.

11.23 Acknowledgment of Guarantor's Rights. The parties acknowledge and agree that the Guarantor has the rights, powers and remedies set forth in Article 9 of the Commitment Agreement and that in the event that the Guarantor exercises any of its rights, powers or remedies under such Article, it may do so on behalf of the Trust (or pursuant to a power of attorney on behalf of the Trust) and the parties also agree for the purposes of this Custodial Agreement to accept the authority of the Guarantor while so acting, that copies of any and all notices, reports, or documents required to be given to the Trust by the Custodian shall also be given to the Guarantor and that the Guarantor may exercise any of the Trust's rights hereunder. It is acknowledged that the Guarantor will receive a copy of this Custodial Agreement and that it may rely on the provisions of this Section 11.23. The Custodian hereby acknowledges receipt of a copy of the Commitment Agreement and having read and familiarized itself with Article 9 thereof.

11.24 Force Majeure. Notwithstanding any provision to the contrary contained in this Custodial Agreement, the Custodian shall be excused from the consequences of any breach of this Custodial Agreement or any Custodial Event of Default hereunder if and to the extent that such breach or Custodial Event of Default was caused in whole or in part by Force Majeure, provided that the Custodian shall not be so excused if (a) the Custodian has in any material way caused or contributed to such breach, (b) such breach would have been prevented by reasonable and ordinary precautions, such as would be employed by a reasonably prudent provider of services similar to the Custodial Services, (c) such breach would not have occurred if the Custodian has been in compliance with Section 11.25. The Custodian shall make diligent efforts in the circumstances to give notice of the existence or occurrence of a Force Majeure event in accordance with Section 11.1 hereof. Force Majeure shall excuse a breach of this Custodial Agreement or Custodial Event of Default hereunder only for such period of time that the Force Majeure event remains in existence or remains the cause of the Custodian's continuing failure to perform or other continuance of the breach. In the event a Force Majeure event exists or occurs such that the Custodian is unable to provide any of the Custodial Services, the Trust shall have the right, in its sole discretion, to engage another Person to provide such Custodial Services, and the Custodian shall provide its full cooperation and shall take any and all action required by the Trust or the Guarantor to facilitate such engagement. The existence of a Force Majeure event which has caused in whole or in part a breach of this Custodial Agreement or a Custodial Event of Default hereunder shall not prevent the Trust from asserting and acting upon a breach of this Custodial Agreement or Custodial Event of Default hereunder which has not been caused in whole or in part by a Force Majeure event.

11.25 Business Recovery System. The Custodian shall at all times have, and regularly test in accordance with prevailing regulatory expectations, a business recovery system, including specific measures to ensure that reasonably adequate backup records and facilities are available, and other reasonable measures to provide reasonable assurance that the Custodial Services shall continue to

be provided in the event of problems or events that may affect the Custodian's operations, including systems breakdown and natural disaster, and other reasonably foreseeable events. The Custodian shall provide, upon request, the Administrator and the Guarantor with a summary of the test results and shall provide the Administrator and the Guarantor with notification of the occurrence of known circumstances that can have a serious impact on the provision of the Custodial Services in accordance with Section 11.1. In the event any test results identify any material deficiencies that could have an adverse effect on the Trust or on the Custodian's provision of the Custodial Services, the Custodian shall forthwith rectify such deficiencies.

11.26 Resolution of Differences. In the case of any difference or dispute between the parties, the Trust may, if it so elects, refer any dispute to mediation, arbitration, or such other dispute resolution methodology as it may determine. In the event the Trust does make such an election, the Trust shall also have the right, but not the obligation, to extend any cure period provided for in Section 7.1 hereof, as it determines in its sole discretion. The Custodian shall under all circumstances continue to provide the Custodial Services until the Custodial Agreement is terminated in accordance with the terms hereof.

11.27 Time of Essence. Time shall be of the essence of this Custodial Agreement.

11.28 Initial Term. The initial term of this Custodial Agreement shall be for a period of five (5) years commencing as of January 1, 2021 and terminating on December 31, 2025, unless terminated by CMHC in accordance with the provisions contained in this Custodial Agreement.

11.29 Extension/Renewal of CPA Agreement. After the initial term, this Custody Agreement shall be automatically renewed for successive one-year terms ending December 31 of each year, up to a maximum of three (3) additional consecutive terms of one (1) year each, unless it is terminated by either party giving prior written notice to the other party not less than one hundred and twenty (120) days prior to the end of any term.

11.30 Termination. This Custodial Agreement may be immediately terminated by the Trust (with the consent of the Guarantor) by notice in writing to the Custodian if:

- (i) the Custodian ceases to have the power and authority pursuant to Applicable Law or any other relevant law to provide the services hereunder;
- (ii) the Custodian shall cease to carry on business, become bankrupt or insolvent, resolve to wind up or liquidate or if a receiver of any of the assets of the other party is appointed;
- (iii) there is a Custodial Event of Default; or
- (iv) the Custodian shall commit any other material breach of the provisions hereof and shall not have remedied such breach within thirty (30) Business Days after written notice requiring the same to be remedied;

provided, however, that rights already accrued at the time of termination of this Custodial Agreement shall not be affected by such termination.

- (b) This Custodial Agreement shall terminate:
 - (i) upon the maturity or termination of all Eligible Housing Loans owned by the Trust and the Obligations issued by the Trust and following the release of all the Operative Documents held by the Custodian; or
 - (ii) subject to the prior written approval of the Guarantor and the Trust and on such terms and conditions as the Guarantor or the Trust may require, on mutual consent of the Trust, the Guarantor and the Custodian.

11.31 Obligations of Custodian upon Termination. In addition to and not in substitution for the obligations set out in Section 3.1, upon termination of this Custodial Agreement, the Custodian shall forthwith deliver to the Trust:

- (a) to the extent that it maintains records in electronic format, electronic versions of all such records not previously delivered prior to such termination in a format and version that would be reasonably accessible by a substitute Custodian whose normal business is similar to that of the retiring Custodian;
- (b) all records, documents and books of account of, or relating to the Trust;
- (c) all Work Product;
- (d) all materials and supplies for which the Custodian has been paid by the Trust; and
- (e) all Confidential Information, all tangible forms of Confidential Information, including any and all whole or partial copies thereof, and all electronic copies of Confidential Information;

which are in the possession or under the control of the Custodian and relate directly or indirectly to the performance by the Custodian of its obligations under this Custodial Agreement provided, however, that the Custodian may retain notarial or other copies of such records, documents and books of account and the Trust shall provide at its head office the originals of such records, documents and books of account whenever required to do so by the Custodian for the purpose of legal proceedings or dealings with any Governmental Authorities.

The Custodian agrees that upon termination of this Custodial Agreement and so long as the Trustee is diligently seeking a successor custodian for the Trust, the Custodian will continue to perform the Custodial Services set out in this Custodial Agreement until a successor custodian possessing the necessary qualifications required by the Operative Documents to act as Custodian has been approved by the Guarantor and has entered into a Custodial Agreement with the Trust, but in no event shall the Custodian be required to perform the Custodial Services for more than one hundred and eighty (180) days after the termination of this Custodial Agreement.

11.32 Termination Assistance. The Custodian shall make available qualified resources reasonably requested by the Trust to work with the Trust to develop a detailed transition plan for the transition from the Custodian of the Custodial Services to a successor Custodian (the "**Transition Plan**") and in connection therewith shall: (a) prepare and deliver to the Trust for the

Trust's approval: (i) this Custodial Agreement (including all Schedules thereto) and all other documentation relating to this Custodial Agreement or the Custodial Services; (ii) a consolidated, up-to-date description of the Custodial Services provided by the Custodian pursuant to this Custodial Agreement and the then-current Custodial Services levels; and (iii) such other information and documentation reasonably required by the Trust in order to develop the Transition Plan; and (b) update, make corrections to and provide additional detail relating to the records, documents, materials and information delivered pursuant to Section 11.31 to the extent reasonably requested by the Trust.

11.33 Survival of Terms. Any terms of this Custodial Agreement that by their nature extend beyond its termination remain in effect until fulfilled, and apply to respective heirs, executors, administrators, successors and assignees. Without limiting the foregoing, the Custodian's obligations under Section 4 (Intellectual Property Rights), Section 6.1(k) (Insurance), Section 10 (Indemnification), Section 11.10 (Confidentiality and Non-Disclosure of the Confidential Information) and Section 11.3 (Governing Law), ownership shall survive the expiry or termination of this Custodial Agreement regardless of the method or manner in which it is terminated.

11.34 Counterparts. This Custodial Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of this Custodial Agreement in electronic form, whether by facsimile, e-mail, or through an information system, and whether executed in counterparts or otherwise, shall be deemed to be valid execution and delivery of this Custodial Agreement. If the parties deliver scanned copies of a counterpart that has been executed by hand, the parties shall mail or otherwise physically deliver the executed counterpart to this Custodial Agreement to each other as soon as possible after delivering the facsimile or scanned and e-mailed copy, provided, for the avoidance of doubt, that this Custodial Agreement shall be fully binding and enforceable upon execution and delivery of counterparts in electronic form, and any failure by either or both parties to so deliver a manually signed counterpart shall not affect the validity and enforceability of this Custodial Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have duly executed this Custodial Agreement as of the day and year first written above.

**CIBC MELLON TRUST COMPANY,
as trustee on behalf of
CANADA HOUSING TRUST™ NO. 1**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

[NAME OF CUSTODIAN]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

**SCHEDULE A
CUSTODIAL SERVICES**

1. Counterparty Approval
 - (a) receive notice from Administrator of all approved Counterparties;
 - (b) establish electronic communication links with Counterparties; and
 - (c) receive and store all documents of the Trust required;
2. Prior to Issuance of Obligations
 - (a) establish electronic communications with Administrator, CPA and the Guarantor; and
 - (b) receive from CMHC the approved schedule of eligible MBS pools to be sold to the Trust.
3. Bond Issue
 - (a) receive and retain all documentation required for and related to guarantee approval for an Issuance of Obligations; and
 - (b) confirm to the Administrator that all documents required for a closing have been obtained.
4. Monthly Accounting and Reporting of Trust Property
 - (a) receive a copy of the receipts and disbursements report from the CPA; and
 - (b) report on a monthly basis as to the Eligible MBS purchased by the Trust pursuant to a Supplement.
5. Valuation and Hedge Accounting
 - (a) receive necessary ownership documentation for replacement assets other than MBS Certificate acquisitions; and
 - (b) release ownership documents relating to the liquidated assets.
6. Obligation Payment Month
 - (a) at the time of final MBS Certificate payment, release ownership documentation in respect of other Permitted Investments upon liquidation of assets by a Counterparty.

SCHEDULE B
RELEASE PROVISIONS

The Custodian shall release documents and any Security or Packages it holds or controls as Custodian in respect of Trust Permitted Investments only if:

- (a) there has been a Custodial Event of Default or an Event of Default under the Commitment Agreement; or
- (b) all Eligible Housing Loans underlying an issuance of Eligible MBS in a Package have been prepaid; or
- (c) the Eligible MBS in a Package or Trust Permitted Investments comprising a Purchased Investment have matured; and

all monies that are required to have been paid to a Person in connection with such Package have been paid.

SCHEDULE C
SPECIAL PROVISIONS

The following Special Provisions apply to this Custodial Agreement and this Custodial Agreement is hereby modified to the extent such provisions are inconsistent:

Nil.

SCHEDULE D
CUSTODIAN REPRESENTATIONS AND WARRANTIES

1. Due Organization Etc. The Custodian is a [●] duly organized, validly existing and in good standing under the laws of [●] and has the power and authority, under the laws of such jurisdiction, to enter into and perform its obligations under this Custodial Agreement and any other Operative Document to which it is or will be a party, to own its property and to carry on the business in which it is engaged.
2. Due Authorization. The entering into and the performance by it of this Custodial Agreement and the other Operative Documents to which it is or will be a party (i) have been duly authorized by all necessary corporate or other action on its part and (ii) do not and will not violate its Constating Documents, any Applicable Law or any material obligation to which it is a party.
3. Due Execution, Etc. This Custodial Agreement and the other Operative Documents to which it is or will be a party have been or will be duly executed and delivered by it and constitute legal, valid and binding obligations enforceable against it in accordance with their respective terms, subject to the availability of equitable remedies and the effect of bankruptcy, insolvency and similar laws affecting the rights of creditors generally.
4. Litigation. There are no litigation, arbitration or administrative proceedings outstanding, which taken as a whole, have or are likely to have a material adverse effect on the ability of the Custodian to perform its obligations under this Custodial Agreement, except as disclosed on Schedule D-1- Litigation.
5. Governmental Registrations, Approvals, Breach of Law.
 - (a) the execution, delivery and performance by the Custodian of this Custodial Agreement and each of the other Operative Documents to which it is or will be a party (i) are not in violation of its Constating Documents (ii) are not in violation of any Applicable Law the violation of which materially adversely affects or is reasonably likely to materially adversely affect the ability of the Custodian to perform any of its obligations under this Custodial Agreement or any of the other Operative Documents to which it is a party, and (iii) do not require any consent or approval of, or the giving of notice to, or the taking of any other action by the Custodian;
 - (b) neither the execution and delivery by the Custodian of this Custodial Agreement and each of the other Operative Documents to which it is or will be a party nor the consummation by the Custodian of any of the transactions contemplated hereby or thereby nor the performance by the Custodian of any of its obligations hereunder or thereunder requires the consent or approval of, the giving of notice to or registration with, or the taking of any other action in respect of, any Governmental Authority or agency of Canada, other than those (i) that have been or will have been obtained, taken or made, (ii) that are not required on the date hereof or (iii) for which the failure to obtain, take or make will not have a material adverse effect on

the ability of the Custodian to perform any of its obligations under this Custodial Agreement or under any of the other Operative Documents to which it is a party;

- (c) the Custodian is not in default under any mortgage, pledge, deed of trust, indenture or other instrument or agreement to which the Custodian is a party or by which it or any of its properties or assets may be bound, which default is reasonably likely to adversely affect the ability of the Custodian to perform any of its obligations under this Custodial Agreement or under any of the other Operative Documents to which it is a party, or in violation of any Applicable Law in Canada, which violation of Applicable Law materially adversely affects or is reasonably likely to materially adversely affect the ability of the Custodian to perform any of its obligations under this Custodial Agreement or under any of the other Operative Documents to which it is a party; and
 - (d) neither the Custodian nor any Person acting on its behalf has offered any interest in Eligible Housing Loans or any Obligations for sale to, or solicited any offers to buy any thereof from, or otherwise approached or negotiated in respect of any thereof with, any Person or Persons whomsoever or directly or indirectly taken any action that would subject the offering, issuance or sale of Eligible Housing Loans or Obligations to the requirements of the Securities Act or require the issuance or filing of a prospectus under the Securities Act except as contemplated by this Custodial Agreement or any of the other Operative Documents; and the Custodian agrees that it will not take any action that would subject such offering, issuance or sale to such requirements.
6. Liens. There are no Liens on the Trust Property attributable to the Custodian other than Permitted Liens.
 7. Chief Executive Office. Its chief executive office is located in [●].
 8. Remittances of Taxes. It has collected and remitted to the appropriate tax authority when due or required by law to do so all amounts collectible and remittal in respect of goods and services tax and similar provincial, state or local Taxes, and has paid all such amounts payable by it on account of sales Taxes including goods and services and value-added taxes, except for such Taxes for which provision has been made and the validity of which are being contested diligently and in good faith by appropriate proceedings by the Custodian.
 9. Securities Legislation. Neither the Custodian nor anyone authorized to act on its behalf has, directly or indirectly, in violation of the Securities Legislation, offered or sold any interest in Obligations, for purposes of the Securities Legislation or would be deemed to be part of the same offering as the offering of the aforementioned securities or solicited any offer to acquire any of the aforementioned securities other than as contemplated by this Custodial Agreement or any of the other Operative Documents.
 10. True Legal Name. Its true legal name is [●].

**SCHEDULE D-1
LITIGATION**

[•]

SCHEDULE E
FEES TO BE PAID BY THE TRUST TO THE CUSTODIAN

Initial Services Fees: Fees for the assumption by the Custodian of its responsibilities as Custodian and for all preliminary work relating thereto, including, among other things, examining and providing comments to counsel on the Custodial Agreement and other related documents, execution of the same in final approved form, acceptance of the responsibilities and duties of the appointment, attendance at closing, all telephone communications, correspondence, meetings, discussions and all other matters required in connection therewith:

\$[●] (up to 100 hours, thereafter at \$[●] per hour, per person)

Retainer Fee: (for each year or part thereof) for administration of the Custodial Agreement:

\$[●] (per annum or part thereof)

Package Fees: Fees for the custody and safekeeping of all documents required to be filed as required by the Trust, establishment of electronic communications links and performance of system checks, receipt from the Administrator of each Supplement or schedule of Eligible MBS to be sold to the Trust, receipt of all documentation relating to bond issuances and guarantee approval, confirmation to administrator of such receipt, receipt of monthly reports from CPA; performance of Certifications and safekeeping of all Trust Permitted Investments sold to, purchased by or registered in the name of the Trust:

\$[●] per Package

All of the above is exclusive of all applicable taxes.

SCHEDULE F PERFORMANCE MEASURES

The Custodian is expected to fulfill, at all times, its commitments and responsibilities as contained in Schedule A to this Custodial Agreement, which as the parties agree should include the following performance measures:

Counterparty Approvals

Perform all duties related to the Trust's existing and new Counterparties as required with the timeframes dictated by the CMB Guide;

Issuance of Obligations

- Perform all duties required under the terms of this Custodial Agreement, as directed by the Administrator, relating to the issuance of Obligations by the Trust, and provide confirmation to the Administrator that all documents required for closing have been obtained within the timeframe specified by the Administrator;

Monthly Reporting of Trust Assets

- Provide reports to the Administrator of the assets purchased by the Trust within the timeframes specified by the Administrator;
- As required, release ownership documents relating to liquidated assets within timeframes directed by Administrator; and

Operative Documents

- Maintain segregated, continuous custody and control of the Operative Documents pursuant to this Custodial Agreement, in secure and fireproof facilities, except to the extent that they are held by another Person acting as a custodian for the benefit of the Trust.

EXHIBIT A
FORM OF NOTICE FOR THE RELEASE OF DOCUMENTS

TO: CANADA HOUSING TRUST™ NO. 1

AND TO: CANADA MORTGAGE AND HOUSING CORPORATION, in its capacity
as Guarantor

The undersigned, [●], in its capacity as custodian (the "**Custodian**") under the Custodial Agreement (the "**Custodial Agreement**") dated as of [●] between the Custodian and CIBC Mellon Trust Company, as trustee on behalf of Canada Housing Trust™ No. 1 (the "**Trust**"), hereby certifies that all Operative Documents (as defined in the Custodial Agreement) and any other documents which are in the possession, care or control of the Custodian and relate directly or indirectly to the performance by the Custodian of its obligations under the Custodial Agreement have been released and delivered to [●], the successor Custodian, including, without limitation, the following documents:

- (a) to the extent that it maintains records in electronic format, electronic versions of all such records not previously delivered prior to such termination in a format and version that would be reasonably accessible by a substitute Custodian whose normal business is similar to that of the retiring Custodian;
- (b) all records, documents and books of account of, or relating to the Trust;
- (c) all Work Product;
- (d) all materials and supplies for which the Custodian has been paid by the Trust; and
- (e) all Confidential Information, all tangible forms of Confidential Information, including any and all whole or partial copies thereof, and all electronic copies of Confidential Information.

DATED [●].

[●]

By: _____

Name:

Title:

SCHEDULE G TRUST PRIVACY AND SECURITY REQUIREMENTS

Definitions for the purposes of this Schedule G, including any Exhibits

"**Authorized Person**" means officers, employees and contractors of the Custodian who have a need to know to the Confidential Information.

"**Data Custodian**" means the employee designated by the Custodian to perform the responsibilities set out in Exhibit 1 to this Schedule G of this Custodial Agreement.

"**Identified Person**" means an Authorized Person whose current work-related responsibilities require access to the Confidential Information.

"**Logical Access Controls**" means the process of enforcing proper identification, authentication and accountability with respect to access to a computer system, based on the latest information technology (IT) security guidance. These include:

- individual user accounts;
- complex passwords eight (8) characters minimum, lower and upper case, numbers, special characters;
- access-based on role (privileged vs. non-privileged); and
- auditing.

"**Portable Storage Devices (PSDs)**" means devices that are portable and contain storage or memory into which users can store information, including, but not limited to, laptops, CD-ROMs, flash memory sticks, backup media and removable hard disks.

"**Protected B**" means a security level assigned to information or assets that, if compromised, could cause serious injury to an individual, organization or government.

"**System**" means a single IT-related device, a component of such a device or a group of IT-related devices that may be used to receive, store, process or transmit information. This includes, but is not limited to, personal computers, servers, laptops, tablets, smart phones, virtual computers and cloud based virtual systems.

"**Visitor**" means an individual, other than an Authorized Person, who has been invited into the secure area by an Authorized Person, as permitted by the Custodian's access policies.

Privacy and Security Requirements

The parties to the Custodial Agreement are required to protect the Confidential Information in accordance with applicable direction and guidelines from the Treasury Board of Canada, or their equivalent in the case of the Custodian, with respect to the protection of "Protected B" data, including guidance from CSE (ITSG-33) which aligns with the ISO 27001 framework. Further as

a federal government institution, the Custodian acknowledges that the Trust is subject to the *Access to Information Act* (Canada) and the *Privacy Act* (Canada) and therefore the Custodian agrees to submit to whatever reasonable measures are necessary in order to ensure that the Trust can comply with these laws and their related regulations, policies, and directives ("**ATIP Legislation**").

As such, the Custodian agrees: (i) to protect any Personal Information that it may access through the course of providing Custodial Services under this Custodial Agreement in a manner that is compatible with provisions of ATIP Legislation; and (ii) that it has in place appropriate privacy protection measures to safeguard all the Confidential Information that it has access to under this Custodial Agreement. More specifically, the Custodian shall, as required by the provisions of Section 11.10 of this Custodial Agreement, comply with the security requirements described below at all times.

The Custodian is required to acquire industry-leading compliancy reports such as SOC 2 Type 2.

Physical Access:

1. The Confidential Information will be accessed within a secure location that allows unescorted access only to Authorized Persons. All Visitors to the secure location will be escorted by an Authorized Person at all times. The secure location can be within a series of buildings, one entire building, an entire floor within a building, or a single room. Once the perimeter of the secure location is defined, these requirements apply to all areas within the perimeter. Where a series of buildings is involved, a secure perimeter will be defined for each building. The Trust may approve other secure environments that provide a similar level of protection to the Confidential Information.
2. Access to the Confidential Information is limited to Identified Persons. The duties of the Data Custodian, as stated in Exhibit 1 to this Schedule G, include maintaining an auditable trail on access to the Confidential Information by Identified Persons. Under no circumstances may Visitors be permitted to access the Confidential Information.

IT Storage and Transmission:

3. The Custodian shall ensure that the Confidential Information remains in Canada and expressly agrees to segregate the Confidential Information (whether in electronic format or in hard copy) from any other information in a database or repository either logically segregated or physically independent from all other databases or repositories. All Systems with access to the Confidential Information will employ Logical Access Controls at the device and network level and will have functional and current antivirus software.
4. Where the Confidential Information is held on PSDs, complex passwords with encryption will be used. The encryption level will meet the commercially accepted standards for "Protected B" information which aligns with the ISO 27001 framework. This applies equally to backups of the Confidential Information stored on PSDs.
5. Servers storing and transmitting unencrypted data, where used, will be located in a secure, controlled-access area, preferably in the same area where the Confidential Information is accessed. If located in a separate area, controls will be in place to ensure that only Identified

Persons can access the server. Unless the Confidential Information is encrypted continuously while outside the secure area, a conduit will be used for all cabling and all cross-connect areas will be physically secured.

6. Network firewall rules will be in place such that no system processing the Confidential Information can communicate at the network layer with any system that can be accessed by non-Identified Persons.

Network firewall rules will also be in place such that no system processing the Confidential Information can be accessed at the network layer by a system outside of the secure area. The Confidential Information may be stored on and transmitted over networks not meeting these requirements, provided that it is encrypted, except when at rest and in use by an Identified Person. Alternatively, the Confidential Information may be stored on a stand-alone computer in a secure area with no external connections, or on a closed network within the secure area. When the network transmits information that leaves a secure area (for example, when a series of buildings house employees within a single organization), the Confidential Information will be encrypted whenever it is outside the secure area.

Physical Storage:

7. When not in use, PSDs containing the Confidential Information will be stored in secure containers. This applies equally to backups of the Confidential Information.
8. The Confidential Information will not be removed from the secure area (as described in point 1 above) in any format (e.g., printouts, PSDs, etc.), and in accordance with this Schedule G. When not in use, printed documents containing the Confidential Information will always be stored in secure containers.

Information Copying and Retention & Record Management:

9. Copies and extracts of the Confidential Information may only be made for the purposes of carrying out the permitted purposes as covered by this Custodial Agreement. When no longer needed, any such copies or extracts will be destroyed in a secure manner as required under Section 11.10 of this Custodial Agreement (as applicable).
10. Paper documents containing the Confidential Information will be destroyed (shredded) in a secure manner before disposal.
11. All electronic storage media used in the processing of the Confidential Information, including all back-up, PDSs, photocopiers and other electronic media where the Confidential Information has been electronically stored, will be sanitized or destroyed, in accordance with the latest communications security establishment standards for "Protected B" information when disposing of such media, or when return or destruction of the Confidential Information is required pursuant to Section 11.10 of this Custodial Agreement (as applicable).

These security requirements will be communicated to all Identified Persons prior to them accessing the Confidential Information and be available for reference, as required.

EXHIBIT 1 TO SCHEDULE G – RESPONSIBILITIES OF THE DATA CUSTODIAN

The Data Custodian designated by the Custodian will implement the following requirements:

1. Prepare a document for the use of the Custodian's employees and contractors engaged by the Custodian, outlining the terms and conditions governing the use of the Confidential Information, as well as the procedures to send, receive, handle and store the Confidential Information (hereinafter the "**Confidentiality Document**"). The Confidentiality Document will include the following terms and conditions of this Agreement:
 - (a) Confidentiality of the Confidential Information, as specified in the Custodial Agreement;
 - (b) Use of the Confidential Information, as specified in the Custodian Agreement;
 - (c) Access to the Confidential Information, as specified in the Custodian Agreement; and
 - (d) Security Requirements, as specified in the Custodian Agreement.
2. Prior to granting access, the Data Custodian will ensure that every employee and every contractor engaged by the Contractor who accesses the Confidential Information has acknowledged and agreed to comply with the terms of this Custodian Agreement and that they have read, understood and agree to comply with the terms and conditions of this Custodian Agreement as highlighted in the Confidentiality Document.

EXHIBIT 2 TO SCHEDULE G – SERVICE LOCATIONS AND IT SECURITY CONTROLS

Service Location (Name and Place)	Nature of Services	Data Type	Type of access (is access to CMHC Development or production environments required. Please specify)	Proponent Personnel and subcontractors have obtained and are compliant with the security screening requirements of Section 11.10	Controls proposed by Proponent