Execution Version

INTERCOMPANY LOAN AGREEMENT

between

FBOC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP

as the Guarantor

and

FAIRSTONE BANK OF CANADA
as the Issuer and as Cash Manager

September 14, 2026

TABLE OF CONTENTS

1. DEFINITIONS AND INTERPRETATION 1

2. THE INTERCOMPANY LOAN 2

3. PURPOSE AND NATURE OF INTERCOMPANY LOAN 2

4. CONDITIONS PRECEDENT 5

5. ADVANCES 5

6. INTEREST 7

7. REPAYMENT 8

8. TAXES 10

9. ILLEGALITY 10

10. MITIGATION 10

11. PAYMENTS 11

12. FURTHER PROVISIONS 13

SCHEDULE 1 ADVANCE REQUEST 1
SCHEDULE 2 CONTINGENT COLLATERAL NOTICE 1

INTERCOMPANY LOAN AGREEMENT

THIS INTERCOMPANY LOAN AGREEMENT (this "**Agreement**") is made as of this 14th day of September, 2026.

BETWEEN:

FBOC Covered Bond (Legislative) Guarantor Limited Partnership, a limited partnership existing under the law of the Province of Ontario, whose principal place of business is at 145 King Street West, Suite 2500, Toronto, Ontario M5H 1J8, acting by its managing general partner **FBOC Covered Bond (Legislative) GP Inc.** (referred to herein as the "**Guarantor**"); and

Fairstone Bank of Canada, a bank named in Schedule I to the Bank Act (Canada), whose head office is at 145 King Street West, Suite 2300, Toronto, Ontario M5H 1J8, as the Issuer (referred to herein as the "**Issuer**") and as the Cash Manager (hereinafter referred to as the "**Cash Manager**").

WHEREAS:

(A) From time to time, the Issuer will create, issue and sell Covered Bonds pursuant to the Programme.

(B) The Issuer has agreed that it will lend to the Guarantor, on an unsecured basis, an aggregate amount of CAD $2 billion (the "**Total Credit Commitment**") in respect of the Programme which amount may be amended from time to time in accordance with the terms of this Agreement.

(C) A portion of the Total Credit Commitment, such portion, the "**Initial Advance Commitment**", will be used by the Guarantor to acquire the Initial Covered Bond Portfolio in accordance with the terms and conditions of the Mortgage Sale Agreement.

(D) A portion of the undrawn Total Credit Commitment equal to the amount, if any, by which the Total Credit Commitment exceeds the amount of the Guarantee Loan on the immediately preceding Calculation Date (such amount, from time to time, the "**Revolving Commitment**") shall be made available by the Issuer on a revolving basis, to the Guarantor to be used by the Guarantor for the purposes permitted hereby.

(E) This Agreement sets out, among other things, the agreement between the Issuer and the Guarantor in relation to the lending of amounts to be used by the Guarantor for the purposes permitted by this Agreement.

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the foregoing and the mutual covenants and agreements contained in this Agreement (the receipt and adequacy of which are acknowledged), the parties hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 The master definitions and construction agreement made between the parties to the Transaction Documents on September 14, 2026 (as the same may be amended, restated,

varied or supplemented from time to time with the consent of the parties thereto) (the "**Master Definitions and Construction Agreement**") is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Agreement (as so amended, restated, varied or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in Article 2 of the Master Definitions and Construction Agreement.

1.2 For the purposes hereof, "this Agreement" has the same meaning as Intercompany Loan Agreement in the Master Definitions and Construction Agreement.

2. THE INTERCOMPANY LOAN

2.1 The Intercompany Loan

Subject to the terms of this Agreement, the Issuer agrees to make available to the Guarantor, on an unsecured basis, an Intercompany Loan (the "**Intercompany Loan**") in an aggregate amount equal to the Total Credit Commitment comprised of the Initial Advance Commitment and the Revolving Commitment. On any Canadian Business Day, the Guarantor may request that advances (each an "**Advance**" and collectively the "**Advances**") denominated in Canadian dollars under the Intercompany Loan be made available to it, subject to the terms of this Agreement, on such Canadian Business Day (each such date, a "**Drawdown Date**").

2.2 Total Credit Commitment

The Guarantor may from time to time request that the amount of the Total Credit Commitment be increased and upon written notice by the Issuer to the Guarantor, the amount of the Total Credit Commitment shall be increased to the amount as set out in such notice.

3. PURPOSE AND NATURE OF INTERCOMPANY LOAN

3.1 Application of Advances by Guarantor

(a) The Initial Advance Commitment hereunder may only be used to purchase the Initial Covered Bond Portfolio from the Seller in accordance with the terms of the Mortgage Sale Agreement.

(b) Each Advance other than the initial Advance hereunder may only be used by the Guarantor:

(i) to purchase New Loans and their Related Security pursuant to the terms of this Agreement and/or the Mortgage Sale Agreement; and/or

(ii) to invest in Substitute Assets (in an amount up to but not exceeding the limit prescribed in Section 9.8 of the Guarantor Agreement); and/or

(iii) subject to written confirmation from the Guarantor that the Asset Coverage Test is met on the relevant Drawdown Date (both before and immediately

following the making of the relevant Advance), to make a Capital Distribution to any Seller (in its capacity as Partner) by way of distribution of that Partner's equity in the Guarantor in an amount equal to the Advance or any part thereof, which shall be paid to the Partner on the relevant next Guarantor Payment Date by wire transfer or as otherwise directed by the Partner; and/or

(iv) to make a deposit of the proceeds in the Guarantor Accounts (including, without limitation, to fund the Reserve Fund to an amount not exceeding the limit prescribed in Section 6.1 of the Guarantor Agreement) or the Yield Supplement Fund; and/or

(v) to fund the Pre-Maturity Liquidity Ledger, as applicable.

3.2 Guarantee Loan and Demand Loan

The aggregate principal amount of Advances outstanding at any time shall be recorded in the Intercompany Loan Ledger in accordance with Section 5.4 and deemed to be comprised of:

(a) a guarantee loan (the "**Guarantee Loan**") portion in an amount equal to:

$$(X/Y) * Z + W$$

where,

X = the Adjusted Aggregate Asset Amount at such time, but where "A" in the calculation of such amount is equal to the aggregate Outstanding Principal Balance of the Loans in the Covered Bond Portfolio for the purposes of determining X;

Y = the maximum Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of Covered Bonds that could be issued by the Issuer without contravening the Asset Coverage Test at such time based on the assets of the Guarantor at such time;

Z = the actual Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds at such time; and

W = the sum of (i) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect at such time and delivered with respect to the Interest Rate Swap Agreement, plus (ii) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect at such time and delivered with respect to the Covered Bond Swap Agreement, in each case determined at such time,

and

(b) a demand loan (the "**Demand Loan**") portion in the amount, if any, by which the aggregate principal amount of the Advances outstanding at that time exceeds the amount of the Guarantee Loan at such time.

Notwithstanding the foregoing, the Demand Loan shall not have a positive balance at any time following the occurrence of a Demand Loan Repayment Event and the repayment in full of the then outstanding Demand Loan by the Guarantor in accordance with Section 7.2 (it being understood that, following such repayment, the principal balance of the Guarantee Loan shall be deemed to be equal to the full amount of the aggregate principal amount of Advances then outstanding and recorded in the Intercompany Loan Ledger in accordance with Section 5.4).

3.3 Revolving Intercompany Loan

Any amount under the Revolving Commitment repaid hereunder may be re-borrowed provided that (i) such re-borrowing is for the purposes set out in Section 3.1(b), (ii) each of the conditions set forth in Section 4.1 have been satisfied, (iii) such re-borrowing does not result in the Guarantor being unable to satisfy the Asset Coverage Test on a pro forma basis following such re-borrowing and the application of the proceeds thereof, (iv) such re-borrowing does not result in the Intercompany Loan exceeding the Total Credit Commitment, and (v) no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing.

Unless otherwise agreed by the Issuer and subject to satisfaction of the Rating Agency Condition, no further advances will be made to the Guarantor under the Intercompany Loan following the occurrence of a Demand Loan Repayment Event.

3.4 Maturity and Extension of Revolving Commitment

The Revolving Commitment shall expire and terminate, and all Advances together with accrued and unpaid interest thereon shall become immediately payable on, the date that is 364 days after the date of this Agreement (or 364 days after the effective date of the most recent extension pursuant to this Section 3.4) if (i) the Guarantor requests by notice in writing that the Issuer terminate its Revolving Commitment, or (ii) the Issuer notifies the Guarantor in writing that it intends to terminate its Revolving Commitment, in each case no less than five Canadian Business Days prior to such scheduled expiry and termination date, otherwise, the Revolving Commitment shall automatically renew for a further period of 364 days effective as of the date such commitment would otherwise expire and terminate. For certainty, the Revolving Commitment may be automatically renewed pursuant to this Section 3.4 one or more times.

3.5 No obligation to monitor

Without prejudice to the obligations of the Guarantor under this Article 3, neither the Issuer nor the Bond Trustee nor any of the Secured Creditors shall be obligated to concern themselves as to the application of amounts drawn by the Guarantor under this Agreement.

3.6 Contingent Collateral

(a) Upon the occurrence of (x) a Contingent Collateral Trigger Event, (y) an event of default (other than an insolvency event of default) or an additional termination event in respect of which the relevant Swap Provider is the defaulting party or the affected party, as applicable, or (z) a Downgrade Trigger Event, in each case, in respect of the Interest Rate Swap Agreement or the Covered Bond Swap

Agreement, as applicable, the relevant Swap Provider, in its capacity as (and provided it is) the lender under this Agreement, may deliver a notice substantially in the form attached as Schedule 2 hereto (each, a "**Contingent Collateral Notice**") to the Guarantor under which it elects to decrease the amount of the Demand Loan with a corresponding increase in the amount of the Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount(s). A Contingent Collateral Notice may only be delivered if the balance of the Demand Loan (determined in accordance with Section 3.2 without regard to the related Contingent Collateral Amount) at such time exceeds the related Contingent Collateral Amount.

(b) At any time that a Contingent Collateral Notice is in effect, the Guarantor (or the Cash Manager on its behalf) shall determine the Contingent Collateral Amount(s), the balance of the Guarantee Loan and the balance of the Demand Loan on each Canadian Business Day.

(c) If (i) the circumstances triggering the delivery of a particular Contingent Collateral Notice have been cured, or (ii) the relevant Swap Provider and the Guarantor mutually agree to terminate a particular Contingent Collateral Notice, such Contingent Collateral Notice will be automatically revoked and of no further effect and the related Contingent Collateral Amount shall no longer be applicable in the determination of "W" in accordance with Section 3.2.

4. CONDITIONS PRECEDENT

4.1 Conditions Precedent for Advances

Save as the Issuer and the Guarantor may otherwise agree, each Advance will not be available unless on the date of the proposed Advance:

(a) the Issuer shall have received on or prior to such date of the proposed Advance a copy of a resolution duly passed by the board of directors of the managing general partner of the Guarantor authorizing its execution, delivery and performance on behalf of the Guarantor of this Agreement, such copy to be certified by an officer of such managing general partner;

(b) the aggregate outstanding amount of Advances after giving effect to such Advance does not exceed the Total Credit Commitment;

(c) no Issuer Event of Default, Guarantor Event of Default or Managing GP Default Event has occurred; and

(d) unless agreed to by the Issuer and subject to satisfaction of the Rating Agency Condition, no Demand Loan Repayment Event has occurred.

5. ADVANCES

5.1 Giving of Advance Requests

Not later than 1:00 p.m. (Toronto Time) on each Drawdown Date (or such later time as may be agreed in writing between the Guarantor and the Issuer), the Guarantor shall give

to the Issuer a duly completed request for Advance in writing (each an "**Advance Request**") completed in the form attached hereto as Schedule 1 specifying whether such request is for (i) an Advance under the Initial Advance Commitment, or (ii) an Advance under the Revolving Commitment (each such Advance, a "**Revolving Advance**"). Each Advance Request is irrevocable and (subject to the terms of this Agreement) obliges the Guarantor to borrow the whole amount specified in the Advance Request on the relevant Drawdown Date upon the terms and subject to the conditions of this Agreement.

5.2 Advances

On receipt of an Advance Request from the Guarantor and if the conditions set out in Section 4.1 (Conditions Precedent for Advances) have been met, the Issuer shall make the Advances available to the Guarantor on the Drawdown Date.

5.3 Deemed Advances

If:

(a) there is any increase in the Outstanding Principal Balance of a Loan in the Covered Bond Portfolio due to the Seller making a Further Advance or Line of Credit Drawing to a Borrower, such increase shall be deemed to constitute a Revolving Advance if each of the Deemed Advance Preconditions set out below is satisfied at such time; or

(b) on any Calculation Date, there is an increase in the Outstanding Principal Balance of Loans in the Covered Bond Portfolio in the immediately preceding Calculation Period due to Capitalized Interest accruing on a Loan due to a Borrower taking a Payment Holiday, such increase shall be deemed from the date of such increase to constitute a Revolving Advance if each of the Deemed Advance Preconditions set out below are satisfied at such time.

The preconditions to a Deemed Advance are the following (collectively the "**Deemed Advance Preconditions**"):

(a) the aggregate amount of all Revolving Advances outstanding at such time after giving effect to such Deemed Advance does not exceed the Revolving Commitment; and

(b) such Deemed Advance does not result in the Guarantor being unable to satisfy the Asset Coverage Test on a pro forma basis following such Deemed Advance; and

(c) the aggregate outstanding amount of Advances after giving effect to such deemed Advance does not exceed the Total Credit Commitment; and

(d) no Issuer Event of Default, Guarantor Event of Default or Demand Loan Repayment Event has occurred.

5.4 Intercompany Loan Ledger

The Cash Manager shall ensure that each Advance (including each Deemed Advance), each repayment, all payments of interest and repayments of principal of each Advance

hereunder and the amount of the Guarantee Loan and Demand Loan at each Calculation Date are recorded in the Intercompany Loan Ledger at the appropriate time (which in the case of the amount of the Guarantee Loan and the Demand Loan at least two days prior to the Guarantor Payment Date following such Calculation Date).

6. INTEREST

6.1 Interest Periods

(a) Each loan interest period (each a "**Loan Interest Period**") will correspond to each Calculation Period and each date on which interest is payable hereunder (each a "**Loan Interest Payment Date**") will correspond to each Guarantor Payment Date, provided that the Loan Interest Period for any Advance made during a Calculation Period shall commence on the date of such Advance.

(b) Whenever it is necessary to compute an amount of interest in respect of an Advance for any period (including any Loan Interest Period), such interest shall be calculated on the basis of actual days elapsed in a 365 (or 366, as applicable) day year.

(c) Subject to the applicable Priority of Payments, interest payable in respect of an Advance shall be payable in respect of the preceding Loan Interest Period for such Advance on each Loan Interest Payment Date following the Drawdown Date of that Advance.

6.2 Interest Rate

(a) Subject to the applicable Priority of Payments, the rate of interest payable in respect of each Advance for each Loan Interest Period shall be the rate per annum notified in writing by the Issuer to the Guarantor from time to time.

(b) With respect to each Loan Interest Period, the Issuer shall, as soon as practicable following the relevant Loan Interest Period, determine and notify the Cash Manager, the Guarantor and the Bond Trustee of the Canadian dollar amount (the "**Intercompany Loan Interest Amount**"), in each case, payable in respect of such Loan Interest Period. In respect of each Advance, the Intercompany Loan Interest Amount shall be determined by applying the applicable rate of interest (determined in accordance with Section 6.2(a)) to the outstanding principal balance of the relevant Advance, multiplying the result of that calculation by the actual number of days in the applicable Loan Interest Period divided by 365 days and rounding the resultant figure to the nearest penny (half a penny or more being rounded upwards) provided that the amount of interest hereunder payable and the applicable rate of interest in respect of any Loan Interest Period shall not exceed the sum of (x) the amount received by the Guarantor pursuant to the Interest Rate Swap Agreement and (y) the interest income from the Covered Bond Portfolio remaining after payment of amounts owed by the Guarantor pursuant to the Interest Rate Swap Agreement, if any, less the sum of: (i) a minimum spread to be notified in writing by the Issuer to the Guarantor from time to time; and (ii) an amount equal to the amount of the Guarantor Expenses for the corresponding Guarantor Calculation Period.

(c) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Article 6, shall (in the absence of wilful default, bad faith or proven error) be binding on the Guarantor and the Cash Manager and (in such absence as aforesaid) no liability to the Guarantor shall attach to the Cash Manager or the Issuer in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

(d) Solely for the purposes of the *Interest Act* (Canada), whenever the amount of interest payable hereunder in respect of any Loan Interest Period is not the amount obtained by applying the applicable rate of interest to the outstanding principal balance of the relevant Advance and multiplying the result of that calculation by the actual number of days in the applicable Loan Interest Period divided by 365 days (or 366, as applicable), the annual rate of interest payable hereunder in respect of such Loan Interest Period is equivalent to the product obtained when (i) the amount of interest payable hereunder in respect of such Loan Interest Period is divided by the sum of the daily average aggregate amount of Advances outstanding hereunder and the result of such division is multiplied by (ii) 365 (or 366, as applicable) divided by the number of calendar days in such Loan Interest Period.

7. REPAYMENT

7.1 Repayment of Demand Loan on Demand

Subject to the applicable Priorities of Payments, the principal amount of the Demand Loan or any portion thereof for which demand is made by the Issuer in accordance with this Section (but in each case, other than any amount standing to the credit of the Pre-Maturity Liquidity Ledger) shall be due and payable by the Guarantor no later than the first Canadian Business Day following the date that is 60 days after the demand is made therefor by the Issuer by notice in writing to the Guarantor subject to:

(a) a Demand Loan Repayment Event having occurred (in which case payment shall be made in accordance with Section 7.2); and

(b) the Asset Coverage Test, as calculated by the Cash Manager, being satisfied on the repayment date after giving effect to such repayment.

7.2 Mandatory Repayment Upon Demand Loan Repayment Event

(a) Subject to the applicable Priorities of Payments and Section 7.2(b) below, the Guarantor shall repay the amount, if any, by which the Demand Loan exceeds the Demand Loan Contingent Amount on the first Guarantor Payment Date following 60 days after the earlier of the date on which:

(i) if the Issuer is the Interest Rate Swap Provider and is required to assign the Interest Rate Swap Agreement to a third party (due to a failure by the Issuer to meet the ratings levels specified in the Interest Rate Swap Agreement or otherwise);

(ii) a Notice to Pay has been served on the Guarantor; and

(iii) this Agreement is terminated or the Revolving Commitment hereunder is not renewed;

(each of (i), (ii) and (iii) above a "**Demand Loan Repayment Event**").

(b) Subject to the applicable Priorities of Payments, following a Demand Loan Repayment Event, the Guarantor shall repay the full amount of the then outstanding Demand Loan on the date on which the Asset Percentage is next calculated (whether or not such calculation is a scheduled calculation or a calculation made at the request of the Issuer) provided that the Asset Coverage Test, as calculated by the Cash Manager, is met on the date of repayment after giving effect to such repayment. For greater certainty, following an Issuer Event of Default, the Asset Coverage Test will be conducted and the Asset Percentage calculated, solely for the purpose of determining the amount of the Demand Loan repayable on the relevant repayment date and that the Asset Coverage Test will be met after giving effect to any such repayment. In calculating the Asset Coverage Test following an Issuer Event of Default for such purpose, the amount of any Excess Proceeds received by the Guarantor from the Bond Trustee will be deducted from the Adjusted Aggregate Asset Amount.

7.3 Payments under Guarantee discharge obligations of Guarantor under this Agreement

To the extent that the Guarantor makes, or there is made on its behalf, a payment under the Covered Bond Guarantee, the Issuer will on such payment being made become indebted to the Guarantor for an amount equal to such payment. Any amounts owing by the Issuer to the Guarantor in respect of amounts paid by the Guarantor under the Covered Bond Guarantee shall be set-off automatically (and without any action being required by the Guarantor, the Issuer or the Bond Trustee) against any amounts repayable by the Guarantor under the terms of this Agreement. The set-off amount shall be the Canadian Dollar Equivalent of the relevant payment made by the Guarantor under the Covered Bond Guarantee, which amount shall be applied to reduce amounts repayable under the Intercompany Loan in the following order of priority:

(a) *first*, to reduce and discharge any outstanding amounts due and payable by the Guarantor to the Issuer under this Agreement other than interest and principal;

(b) *second*, to reduce and discharge interest (including accrued interest) due and unpaid on the outstanding principal balance of the Advances; and

(c) *third*, to reduce and discharge the outstanding principal balance of the Advances.

7.4 Repayment of Guarantee Loan

The Guarantee Loan shall be repaid in accordance with the applicable Priority of Payments and is subordinated to the Demand Loan in accordance with such Priority of Payments. Such repayment will be made (a) using (i) funds being held for the account of the Guarantor by its service providers and/or funds in the Guarantor Accounts (other than any amounts in the Pre-Maturity Liquidity Ledger and in the Yield Supplement Ledger); and/or, (ii) proceeds from the sale of Substitute Assets; and/or (iii) proceeds from the sale, pursuant to the Guarantor Agreement, of Portfolio Assets to the Seller or to another person

subject to a right of pre-emption on the part of the Seller; and/or (b) by selling, transferring and assigning to the Seller all of the Guarantor's right, title and interest in and to Loans and their Related Security.

8. TAXES

8.1 No gross up

All payments by the Guarantor under this Agreement shall be made without any deduction, gross-up or withholding for or on account of and free and clear of, any Taxes, except to the extent that the Guarantor is required by law to make payment subject to any Taxes.

8.2 Not a Non-Resident

The Guarantor represents and warrants to the Issuer that it is, and covenants that it will at all times remain, a person that is not a Non-resident.

8.3 Tax receipts

All Taxes required by law to be deducted or withheld by the Guarantor from any amounts paid or payable under this Agreement shall be paid by the Guarantor when due and the Guarantor shall, within 90 days of the payment being made, deliver to the Issuer evidence satisfactory to the Issuer (including all relevant Tax receipts) that the payment has been duly remitted to the appropriate authority.

9. ILLEGALITY

If, at any time, it is unlawful for the Issuer to make, fund or allow to remain outstanding an Advance made or to be made by it under this Agreement, then the Issuer shall, promptly after becoming aware of the same, deliver to the Guarantor, the Bond Trustee and the Rating Agencies a legal opinion to that effect from reputable counsel and the Issuer may require the Guarantor to prepay, on any Guarantor Payment Date, having given not more than 60 days' and not less than 30 days' (or such shorter period as may be required by any relevant law) prior written notice to the Guarantor and the Bond Trustee, and while the relevant circumstances continue, the applicable Advance(s) without penalty or premium but subject to Article 6 (Exercise of Certain Rights) of the Security Agreement and Article 10 (Mitigation) of this Agreement.

10. MITIGATION

If circumstances arise in respect of the Issuer which would, or would upon the giving of notice, result in the prepayment of the Advances pursuant to Article 9 (Illegality), then, without in any way limiting, reducing or otherwise qualifying the obligations of the Guarantor under this Agreement, the Issuer shall:

(a) promptly upon becoming aware of the circumstances, notify the Bond Trustee, the Guarantor and the Rating Agencies; and

(b) upon written request from the Guarantor, take such steps as may be practical to mitigate the effects of those circumstances including (without limitation) the assignment of all its rights under this Agreement to, and assumption of all its

obligations under this Agreement by, another company satisfactory to the Bond Trustee, which is willing to participate in the relevant Advances in its place and which is not subject to any illegality as referred to in Article 9 (Illegality),

provided that no such assignment and assumption may be permitted unless the Rating Agency Condition has been satisfied in respect of such assignment and assumption and the Guarantor indemnifies (subject to Article 6 of the Security Agreement) the Issuer for any reasonable costs and expenses properly incurred by them as a result of such assignment and assumption.

11. PAYMENTS

11.1 Payment

(a) Subject to the applicable Priorities of Payments all amounts to be paid to the Issuer under this Agreement (other than repayments of the Demand Loan) shall be paid in Canadian dollars for value by the Guarantor to such account as is notified to the Guarantor by the Issuer for this purpose by not less than five Canadian Business Days' prior notice on each Guarantor Payment Date.

(b) Subject to the applicable Priorities of Payments, the Guarantor may elect, at its sole discretion, to repay the Demand Loan (or any portion thereof) pursuant to Section 7.1 or Section 7.2 in the following manner:

(i) in Canadian dollars for value by the Guarantor to such account as is notified to the Guarantor by the Issuer for this purpose, provided that any amount paid in Canadian dollars pursuant to this clause (i) shall not have been derived from the sale of any Loan and its Related Security by the Guarantor for less than the True Balance of such Loan at the time of such sale; or

(ii) by selling, transferring and assigning to the Issuer all of the Guarantor's right, title and interest in and to Loans and their Related Security and any Collections related to such Loans from and after the date of the Payment in Kind Notice in accordance with Section 11.1(c) and for the consideration of a reduction in the amount outstanding under the Demand Loan in accordance with Section 11.1(d) (a "**Payment in Kind**"); provided that any Loans and their Related Security applied towards a Payment in Kind will be selected in a manner that would not reasonably be expected to adversely affect the interests of the Covered Bondholders.

(c) If the Guarantor elects to make a Payment in Kind, the Guarantor will provide the Issuer with a notice (a "**Payment in Kind Notice**"), at least five Canadian Business Days and not more than 30 days in advance of the proposed date of such Payment in Kind (the "**Payment in Kind Date**"), setting out the following:

(i) the Payment in Kind Date;

(ii) the aggregate amount of the Demand Loan to be repaid as determined in accordance with Section 11.1(d); and

(iii) a listing of the Loans to be sold, transferred and assigned to the Issuer on the Payment in Kind Date, including:

(A) for each such Loan, the Eligible Loan Details;

(B) the aggregate number of Loans identified in the Payment in Kind Notice; and

(C) the aggregate Current Balance of such Loans as of the date of the Payment in Kind Notice.

(d) Upon any Payment in Kind, the outstanding amount of the Demand Loan will be reduced by the Fair Market Value of such Loans determined as of the Payment in Kind Date, less an amount equal to the Collections received by or on behalf of the Guarantor after the date of the Payment in Kind Notice and prior to the Payment in Kind Date in respect of the Loans listed in the Payment in Kind Notice. In addition, if the Payment in Kind occurs on or after a Covered Bond Guarantee Activation Event and the lender under this Agreement is the Limited Partner, the Limited Partner shall be deemed to have made a Capital Contribution to the Guarantor on the Payment in Kind Date in an amount equal to the excess, if any, of the True Balance of the Loans and their Related Security applied towards the Payment in Kind over the aggregate Fair Market Value of such Loans and their Related Security, and such Capital Contribution shall be deemed to have been applied by the Guarantor against the Demand Loan, such that the outstanding amount of the Demand Loan will be reduced by the greater of (i) the True Balance of such Loans, and (ii) the Fair Market Value of such Loans.

(e) If upon a Payment in Kind, the outstanding amount of the Demand Loan is reduced in accordance with Section 11.1(d), then upon such Payment in Kind (and notwithstanding the terms of the Interest Rate Swap Agreement):

(i) if the Interest Rate Swap Provider is the Issuer or an Affiliate of the Issuer, no termination payment will be payable in respect of such sale of Loans; and

(ii) if the Interest Rate Swap Provider is not the Issuer or an Affiliate of the Issuer, (A) the termination payment, if any, payable by the Guarantor to the Interest Rate Swap Provider in respect of such sale of Loans will be paid by the Issuer to the Interest Rate Swap Provider for and on behalf of the Guarantor, and (B) the Guarantor shall direct that the termination payment, if any, payable by the Interest Rate Swap Provider to the Guarantor in respect of such sale of Loans will be paid by the Interest Rate Swap Provider to the Issuer or as the Issuer may direct.

(f) Upon a Payment in Kind, all of the Guarantor's right, title and interest in and to each of the Loans listed in the Payment in Kind Notice and their Related Security from and after the Payment in Kind Date shall be sold, transferred and assigned to the Issuer without recourse, representation or warranty (whether express, implied, statutory or otherwise) to, against, by or on behalf of the Guarantor save and except that the Guarantor shall be deemed to represent and warrant to the Issuer that (x) such Loans and the proceeds thereof are free and clear of any

Adverse Claim created by the Guarantor, and (y) the Guarantor has the power and authority to sell, transfer and assign such Loans and their Related Security and the proceeds thereof as herein provided. In consideration of the foregoing, the outstanding amount of the Demand Loan shall be reduced in accordance with Section 11.1(d).

(g) The Guarantor will, at the expense of the Issuer (i) execute and deliver such assignments or other instruments of conveyance, (ii) make such filings (including filings of financing statements), and (iii) with respect to the Loan and Related Security Files or other documents relating to the Loans and their Related Security sold, transferred and assigned to the Issuer upon a Payment in Kind (A) to the extent held by the Issuer, confirm that the Issuer ceases to be under any further obligation to hold such documents to the order of the Guarantor or the Bond Trustee, or (B) to the extent not held by the Issuer, deliver or cause to be delivered to the Issuer or as the Issuer may direct all such documents that are in its possession or otherwise held to its order.

(h) Without limiting anything in this Agreement, each Payment in Kind shall constitute a discharge and release of the Issuer from any claims which the Guarantor or the Bond Trustee may have against the Issuer arising from the Loan Representations and Warranties in relation to the Loans and their Related Security sold, transferred and assigned to the Issuer on the related Payment in Kind Date.

11.2 Alternative payment arrangements

If, at any time, it shall become impracticable (by reason of any action of any governmental authority or any change in law, exchange control regulations or any similar event) for the Guarantor to make any payments under this Agreement in the manner specified in this Article 11 (Payments), then the Guarantor shall make such alternative arrangements for the payment directly to the Issuer of amounts due under this Agreement as are acceptable to the Issuer and the Bond Trustee (acting reasonably).

12. FURTHER PROVISIONS

12.1 No set-off by the Issuer

The Issuer agrees that it will advance the Advances to the Guarantor (subject to the terms of this Agreement, including without limitation, Articles 4 and 5) without set-off (including, without limitation, in respect of any amounts owed to it under any other Advance or in its capacity as a Partner in the Guarantor or in any other capacity under any of the Transaction Documents to which it is a party) or counterclaim.

12.2 Evidence of indebtedness

In any proceeding, action or claim relating to this Agreement a statement as to any amount due to the Issuer under this Agreement shall, unless otherwise provided in this Agreement, be prima facie evidence that such amount is in fact due and payable.

12.3 Rights cumulative, waivers

The respective rights of the Guarantor and the Issuer under this Agreement:

(a) may be exercised as often as necessary;

(b) are cumulative and not exclusive of its rights under applicable law; and

(c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

12.4 Severability

The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not in any way affect or impair:

(a) the validity or enforceability in that jurisdiction of any other provision of this Agreement; or

(b) the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

12.5 Notices

(a) Any notice, direction or other communication given under this Agreement shall be in writing and given by delivering it or sending it by prepaid first class mail to the registered office of such person set forth above unless an alternative address is provided below, in which case delivery shall be to the address provided below, or by electronic mail to the address provided below, as applicable:

in the case of the Guarantor, to:

FBOC Covered Bond (Legislative) Guarantor Limited Partnership
145 King Street West, Suite 2500
Toronto, Ontario
Canada M5H 1J8

Attention: Peter Walker, Senior VP and Treasurer
Ramana Kovvali, VP, Capital Markets
Email: [redacted]

with a copy to:

Attention: Heather Lee, Chief Legal Officer and Corporate Secretary
Email: [redacted]

in the case of the Issuer or the Cash Manager, to:

Fairstone Bank of Canada
145 King Street West, Suite 2500
Toronto, Ontario
Canada M5H 1J8

Attention: Peter Walker, Senior VP and Treasurer
Ramana Kovvali, VP, Capital Markets
Email: [redacted]

with a copy to:

Attention: Heather Lee, Chief Legal Officer and Corporate Secretary
Email: [redacted]

(b) Any such communication will be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Canadian Business Day and such delivery was made prior to 4:00 p.m. (local time in the place of delivery or receipt) and otherwise on the next Canadian Business Day, (ii) in the case of first class post, when it would be received in the ordinary course of the post, or (iii) if transmitted by electronic communication (email) on the Canadian Business Day following the date of transmission.

(c) Any party may change its address for notice, or electronic mail information, for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such party at its changed address, or electronic mail contact information, as applicable.

12.6 Assignment

None of the Issuer, the Guarantor nor the Cash Manager may assign or transfer any of its rights or obligations under this Agreement, except as provided for in the Transaction Documents, including the pledge of rights under the Security Agreement by the Guarantor, unless the Rating Agency Condition has been satisfied for any such assignment.

12.7 Amendments, Variation and Waiver

Subject to the terms of Section 8.02 of the Security Agreement, any amendments to this Agreement will be made only with the prior written consent of each party to this Agreement provided, for certainty, no such consent shall be required in connection with the amendment or other change to the rate of interest on Advances payable hereunder. No waiver of this Agreement shall be effective unless it is in writing and signed by (or by some person duly authorised by) each of the parties. Each proposed amendment or waiver of this Agreement that is considered by the Guarantor to be a material amendment or waiver shall be subject to satisfaction of the Rating Agency Condition and the Guarantor (or the Cash Manager on its behalf) shall deliver notice to the Rating Agencies of any amendment or waiver which does not require satisfaction of the Rating Agency Condition provided that failure to deliver such notice shall not constitute a breach of the obligations of the Guarantor under this Agreement. No single or partial exercise of, or failure or delay in exercising, any right under this Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.

12.8 Non-Petition

The Issuer and Cash Manager agree that they shall not institute or join any other Person or entity in instituting against, or with respect to, the Guarantor, or any of the general partners of the Guarantor, any bankruptcy or insolvency event so long as any Covered Bonds issued by the Issuer under the Programme shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any such Covered Bonds shall have been outstanding. The foregoing provision shall survive the termination of this Agreement by any of the parties hereto.

12.9 Counterparts and Electronic Execution

This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original and all of which taken together shall constitute one and the same Agreement. Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

12.10 Third Party Rights

This Agreement does not create any right which is enforceable by any person who is not a party to this Agreement.

12.11 Liability of Limited Partners

FBOC Covered Bond (Legislative) Guarantor Limited Partnership is a limited partnership formed under the *Limited Partnerships Act* (Ontario), a limited partner of which is, except as expressly required by law, only liable for any of its liabilities or any of its losses to the extent of the amount that the limited partner has contributed or agreed to contribute to its capital.

12.12 Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to conflict of law principles.

12.13 Submission to Jurisdiction

Each of the parties hereto irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario in any action or proceeding arising out of or relating to this Agreement, and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this Agreement hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the courts of the Province of Ontario are an inconvenient forum for the maintenance or hearing of such action or proceeding.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF the parties have caused this Agreement to be duly executed on the day and year appearing on Page 1.

FBOC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP acting by its managing general partner **FBOC COVERED BOND (LEGISLATIVE) GP INC.**

Per: *"Peter Walker"*
Name: Peter Walker
Title: Senior Vice President, Treasurer

Per: *"Ramana Kovvali"*
Name: Ramana Kovvali
Title: Vice President, Capital Markets

FAIRSTONE BANK OF CANADA

Per: *"Peter Walker"*
Name: Peter Walker
Title: SVP, Treasurer

Per: *"Ramana Kovvali"*
Name: Ramana Kovvali
Title: VP, Capital Markets

SCHEDULE 1

ADVANCE REQUEST

From: FBOC Covered Bond (Legislative) Guarantor Limited Partnership ("**Guarantor**")

To: Fairstone Bank of Canada (the "**Issuer**")

Date:

Dear Sirs/Mesdames,

We refer to the agreement between, ourselves and you (as from time to time amended, varied, novated or supplemented (the "**Intercompany Loan Agreement**")) dated September 14, 2026 whereby an Intercompany Loan was made available to us. Terms defined in the Intercompany Loan Agreement shall have the same meaning in this Advance Request.

We hereby give you notice that, pursuant to the Intercompany Loan Agreement and upon the terms and subject to the conditions contained therein, we wish the following Advances to be made available to us as follows:

(a) [*List Advances specifying type*]

(b) Aggregate Amount: [ ].

(c) Drawdown Date: [ ]

We confirm that as of the date hereof:

(i) the undersigned has delivered a copy of a resolution duly passed by the board of directors of the managing general partner of the Guarantor authorizing its execution, delivery and performance on behalf of Guarantor of the Intercompany Loan Agreement certified by an officer of the managing general partner;

(ii) the aggregate outstanding amount of the Advances after giving effect to the Advance requested herein does not exceed the Total Credit Commitment;

(iii) no Issuer Event of Default, Guarantor Event of Default or Managing GP Default Event has occurred and is continuing; and

(iv) unless agreed to by the Issuer and subject to satisfaction of the Rating Agency Condition, no Demand Loan Repayment Event has occurred and is continuing.

The net proceeds of this drawdown should be credited to our account numbered [ ] with the

[ ].

Yours faithfully,

FBOC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP, acting by its managing general partner **FBOC COVERED BOND (LEGISLATIVE) GP INC.**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE 2

CONTINGENT COLLATERAL NOTICE

To: **FBOC Covered Bond (Legislative) Guarantor Limited Partnership**

From: **Fairstone Bank of Canada**

Date:

Dear Sirs/Mesdames,

We refer to the agreement between, ourselves and you (as from time to time amended, varied, novated or supplemented (the "**Intercompany Loan Agreement**")) dated September 14, 2026 whereby an Intercompany Loan was made available to you. Terms defined in the Intercompany Loan Agreement, whether directly or by reference, shall have the same meaning in this Contingent Collateral Notice.

In our capacity as the **[Interest Rate Swap Provider/Covered Bond Swap Provider]**, we hereby give you notice that one of the following events has occurred under the **[Interest Rate Swap Agreement/Covered Bond Swap Agreement]**:

(a) a Contingent Collateral Trigger Event,

(b) an event of default (other than an insolvency event of default) or an additional termination event in respect of which the Swap Provider is the defaulting party or the affected party, as applicable, or

(c) a Downgrade Trigger Event.

As a result of the foregoing, in our capacity as lender under the Intercompany Loan Agreement, we hereby give you notice that we elect to decrease the amount of the Demand Loan with a corresponding increase in the amount of the Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount, which amount shall be determined on a daily basis for so long as this Contingent Collateral Notice continues to be in effect.

If and to the extent that (i) the foregoing event under the **[Interest Rate Swap Agreement/Covered Bond Swap Agreement]** is cured, or (ii) you and the undersigned shall otherwise mutually agree to terminate this Contingent Collateral Notice, this Contingent Collateral Notice shall be automatically revoked and of no further effect and the related Contingent Collateral Amount shall be deemed nil from the date of such cure or agreement to terminate, as applicable.

Yours faithfully,

FAIRSTONE BANK OF CANADA

Per: _____
Name:
Title:

Per: _____
Name:
Title: