Execution Version

MASTER DEFINITIONS AND CONSTRUCTION AGREEMENT

by and among

FAIRSTONE BANK OF CANADA

and

FBOC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP

and

COMPUTERSHARE TRUST COMPANY OF CANADA

and

FBOC COVERED BOND (LEGISLATIVE) LGP INC.

and

HOME TRUST COMPANY

and

HOME BANK

and

ROYAL BANK OF CANADA

and

FBOC COVERED BOND (LEGISLATIVE) GP INC.

and

ERNST & YOUNG LLP

September 14, 2026

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MASTER DEFINITIONS AND CONSTRUCTION AGREEMENT

THIS MASTER DEFINITIONS AND CONSTRUCTION AGREEMENT (this "**Agreement**") is made as of the 14th day of September, 2026.

BY AND AMONG

(1) **FAIRSTONE BANK OF CANADA**, a bank named in Schedule I to the *Bank Act* (Canada), whose executive office is at 145 King Street West, Suite 2300, Toronto, Ontario M5H 1J8, in its capacities as Issuer, Seller, Servicer and Cash Manager;

(2) **FBOC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario whose registered office is at 145 King Street West, Suite 2500, Toronto, Ontario M5H 1J8, by its general partner **FBOC COVERED BOND (LEGISLATIVE) GP INC**.;

(3) **COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company formed under the laws of Canada, whose registered office is at 320 Bay Street, 14th Floor, Toronto, Ontario, Canada M5H 4A6, in its capacities as Bond Trustee, Custodian and Corporate Services Provider;

(4) **FBOC COVERED BOND (LEGISLATIVE) GP INC**., a corporation incorporated under the laws of Canada whose registered office is at 145 King Street West, Suite 2500, Toronto, Ontario M5H 1J8;

(5) **FBOC COVERED BOND (LEGISLATIVE) LGP INC.**, a corporation incorporated under the laws of Canada whose registered office is at 320 Bay Street, 14th Floor, Toronto, Ontario, Canada M5H 4A6;

(6) **HOME TRUST COMPANY**, a federally regulated trust company under the *Trust and Loan Companies Act* (Canada), whose executive office is at 145 King Street West, Suite 2300, Toronto, Ontario M5H 1J8, in its capacities as initial Originator and Subservicer;

(7) **HOME BANK**, a bank named in Schedule I to the *Bank Act* (Canada), whose executive office is at 145 King Street West, Suite 2300, Toronto, Ontario M5H 1J8, in its capacity as initial Originator;

(8) **ROYAL BANK OF CANADA**, a bank named in Schedule I to the Bank Act (Canada), acting through its branch located at 200 Bay Street, Toronto, Ontario, Canada M5J 2J5, in its capacities as initial Interest Rate Swap Provider and initial Covered Bond Swap Provider;

(9) **ERNST & YOUNG LLP**, a limited liability partnership formed under the laws of the Province of Ontario, acting through its office located at 100 Adelaide Street, West, Toronto, Ontario M5H 0B3; and

(10) Each other Person who may from time to time become a party to this Agreement.

WHEREAS:

A. Each of the parties hereto is a party to one or more Transaction Documents (as defined herein) in respect of the Global Legislative Covered Bond Programme under which FBOC will, from time to time, create, issue and sell covered bonds; and

B. The parties desire to confirm that, except where the context otherwise requires and save where otherwise defined in the relevant Transaction Document, capitalized terms used in Transaction Documents shall have the meanings set forth herein and shall be construed in accordance with the interpretation provisions set out in this Agreement.

NOW THEREFORE IT IS HEREBY AGREED that in consideration of the mutual covenants and agreements herein set forth, the parties agree as follows:

1. DEFINITIONS

Except where the context otherwise requires and save where otherwise defined in the relevant Transaction Document, the following terms when used in the Transaction Documents shall have the following meanings:

"**24 hours**" (where referred to in Schedule 5 to the Trust Deed) has the meaning given to it in Schedule 5 to the Trust Deed;

"**30/360**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**360/360**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**30E/360**" or "**Eurobond Basis**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**30E/360 (ISDA)**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**48 hours**" (where referred to in Schedule 5 to the Trust Deed) has the meaning given to it in Schedule 5 to the Trust Deed;

"**Account Bank**" means the bank at which the Guarantor Accounts are maintained from time to time being, as at the Programme Date, the Bank of Montreal acting through its main branch situated at 100 King Street West, 1 First Canadian Place, Toronto, Ontario, Canada M5X 1A3, together with any successor Account Bank appointed in accordance with the terms of the Bank Account Agreement;

"**Account Bank Threshold Ratings**" means the threshold ratings A or R-1(low) (in respect of DBRS; provided that, for greater certainty, only one of such ratings from DBRS is required to be at or above such ratings) and A2 and P-1 (in respect of Moody's), as applicable, of the unsecured, unsubordinated and unguaranteed debt obligations rating (in the case of DBRS) or the deposit rating (in the case of Moody's), in each case, of the Account Bank or the GIC Provider, as applicable, by the Rating Agencies;

"**Accrued Interest**" means in respect of a Portfolio Asset as at any relevant date the aggregate of all interest accrued but not yet due and payable on the Portfolio Asset from (and including) the Monthly Payment Date immediately preceding the relevant date to (but excluding) the relevant date;

"**Actual/360**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Actual/365 (Fixed)**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Actual/Actual (ICMA)**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Actual/Actual (ISDA)**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Additional Loan Advance**" means a further drawing by a Borrower (including, but not limited to, Further Advances) in respect of Loans sold by the Seller to the Guarantor; provided that Additional Loan Advances in respect of a Loan shall not include any new advance created pursuant to a separate loan agreement on the same day as all previous advances under such Loan have been repurchased by the Seller pursuant to the Mortgage Sale Agreement;

"**Adjusted Aggregate Asset Amount**" has the meaning given to it in Schedule 2 of the Guarantor Agreement;

"**Adjusted Required Redemption Amount**" has the meaning given to it in Schedule 9 of the Guarantor Agreement;

"**Advance**" or "**Advances**" have the meaning given to such terms in Article 2 of the Intercompany Loan Agreement;

"**Adverse Claim**" means a Security Interest, ownership interest, right of set-off or other right or claim of any Person, but excluding any registered title to a Loan held by Computershare Trust Company of Canada as Custodian on behalf of the Guarantor;

"**Affiliate**" means any Person which is for the time being an affiliate (within the meaning of the *Trust and Loan Companies Act*, the *Bank Act* or the *Canada Business Corporations Act*, as applicable);

"**Agency Agreement**" means the agency agreement to be entered into on or after the Programme Date, and prior to the first issuance of a Tranche or Series of Covered Bonds, by and among the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent, and any other Paying Agents named therein, the Registrar and the Transfer Agents and any in relation to all or any Series of the Covered Bonds and any other agreement for the time being in force appointing further or other Paying Agents or another Issuing and Paying Agent in relation to all or any Series of the Covered Bonds, or in connection with their duties, the terms of which have previously been approved in writing by the Bond Trustee, together with any agreement for the time being in force amending or modifying with the prior written approval of the Bond Trustee any of the aforesaid agreements (as amended and/or supplemented and/or restated from time to time);

"**Agent**" means each Paying Agent, the Registrar, and the Transfer Agent;

"**Aggregate Purchase Price**" means, the single consideration for Portfolio Assets sold by the Seller to the Guarantor on a fully serviced basis, on a relevant Purchase Date, equal to the amount specified in the related Purchase Notice for such Portfolio Assets which amount shall be equal to the Fair Market Value for such Portfolio Assets as of the Cut-Off Date;

"**Alternative Clearing System**" means a clearing system approved by the Issuer, the Bond Trustee, and the Issuing and Paying Agent (not including Euroclear or Clearstream, Luxembourg);

"**Amortization Test**" has the meaning given to it in Schedule 3 of the Guarantor Agreement;

"**Amortization Test Aggregate Asset Amount**" has the meaning given to it Schedule 3 of the Guarantor Agreement;

"**Amortization Test True Balance**" has the meaning given to it in Schedule 3 of the Guarantor Agreement;

"**Amortization Yield**" means the rate defined by the relevant Final Terms;

"**Amortized Face Amount**" means the amount equal to the sum of:

(a) the Issue Price specified in the Final Terms; and

(b) the product of the Amortization Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the Final Terms to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable;

"**Annual Asset Monitor Report**" has the meaning given to it in Section 2.1 of the Asset Monitor Agreement;

"**Applicable Privacy Laws**" means, with respect to a relevant Person, PIPEDA and any similar Canadian federal or provincial legislation now in force or that may in the future come into force governing the protection of Personal Information that is applicable to such Person;

"**Appointee**" means any legal counsel, manager, agent, delegate, nominee, custodian or other person appointed by the Bond Trustee under the trust presents;

"**Arranger**" means RBC Europe Limited and any other entity appointed as an arranger for the establishment of the Programme or in respect of any particular Tranche or Series of Covered Bonds under the Programme but excluding any entity whose appointment has been terminated in accordance with the terms of the Dealership Agreement and notice of such termination has been given to the Issuing and Paying Agent and the Bond Trustee by the Issuer in accordance with the provisions of the Dealership Agreement and references in this Agreement to the "**Arranger**" shall be references to the relevant Arranger or, as the case may be, any of the Arrangers;

"**Arrears of Interest**" means as at any date in respect of any Portfolio Asset, interest (other than interest comprising Capitalized Arrears or Accrued Interest) on that Portfolio Asset which is currently due and payable and unpaid on that date;

"**Asset Coverage Test**" has the meaning given to it in Schedule 2 of the Guarantor Agreement;

"**Asset Coverage Test Breach Notice**" means the notice required to be served in accordance with Section 5.2 of the Guarantor Agreement if the Asset Coverage Test has not been met on two consecutive Calculation Dates;

"**Asset Monitor**" means Ernst & Young LLP, or such other person as may from time to time be appointed as asset monitor pursuant to the terms of the Asset Monitor Agreement;

"**Asset Monitor Agreement**" means the asset monitor agreement entered into on the Programme Date by and among the Asset Monitor, the Guarantor, the Cash Manager, the Issuer and the Bond Trustee (as amended and/or restated and/or supplemented from time to time);

"**Asset Monitor Fee**" has the meaning given to it in Section 6.1 of the Asset Monitor Agreement;

"**Asset Monitor Payment Date**" has the meaning given to it in Section 6.1 of the Asset Monitor Agreement;

"**Asset Percentage**" has the meaning specified in, and shall be determined in accordance with Schedule 2 to the Guarantor Agreement, and the "Asset Percentage" as determined at any time shall be less than or equal to the maximum asset percentage as disclosed in the current Investor Report at such time;

"**Asset Percentage Adjusted Loan Balance**" has the meaning given to it in Schedule 2 of the Guarantor Agreement;

"**Asset Value**" has the meaning given to it in Schedule 10 to the Guarantor Agreement;

"**Associate**" has the meaning specified in Section 1 of the *Securities Act* (Ontario) as in effect on the date of this Agreement;

"**Auditors**" means Ernst & Young LLP being the independent auditors for the time being of the Issuer or, as the case may be, the Guarantor or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of the Transaction Documents, such other firm of accountants as may be nominated or approved from time to time by the Bond Trustee in accordance with the Transaction Documents;

"**Authorized Signatory**" means:

(a) in relation to the Bank Account Agreement, any authorized signatory referred to in the Transaction Account Mandate or the GIC Account Mandate as applicable;

(b) in relation to the Standby Bank Account Agreement, any authorized signatory referred to in the Standby Transaction Account Mandate or the Standby GIC Mandate as applicable; and

(c) in all other cases, an officer of the Issuer, or the Guarantor, or such other person appointed by the Issuer or the Guarantor, as applicable, to act as an authorized signatory, in the case of the Issuer and the Guarantor, as specified in the list of authorized signatories (as amended from time to time) sent to the Bond Trustee pursuant to Clause 15(e) of the Trust Deed;

"**Authorized Underpayment**" means a Borrower making either no Monthly Payment under a Loan or a payment in an amount less than the Monthly Payment then due on the Loan, in each case, where the Servicer has authorized such underpayment or non-payment;

"**Available Principal Receipts**" means, on a relevant Calculation Date, an amount equal to the aggregate of (without double counting):

(a) the amount of Principal Receipts received during the immediately preceding Calculation Period and credited to the Principal Ledger (but, for the avoidance of doubt, excluding any Principal Receipts received in the Calculation Period commencing on (but excluding) the relevant Calculation Date);

(b) any other amount standing to the credit of the Principal Ledger including (i) the proceeds of any Advances under the Intercompany Loan Agreement (where such proceeds have not been applied to acquire additional Covered Bond Portfolios of Portfolio Assets, refinance an advance under the Intercompany Loan, invest in Substitute Assets, or, in the Guarantor's discretion, fund the Reserve Fund), (ii) any Cash Capital Contributions (where such contributions have not been applied or designated to be applied directly to the Yield Supplement Fund or, in the Guarantor's discretion, been applied directly to the Reserve Fund) and (iii) the proceeds from any sale of Portfolio Assets pursuant to the terms of the Guarantor Agreement or the Mortgage Sale Agreement but excluding any amounts received under the Covered Bond Swap Agreement in respect of principal (but, for the avoidance of doubt, excluding in each case any such amounts received in the Calculation Period commencing on (but excluding) the relevant Calculation Date); and

(c) following repayment of any Hard Bullet Covered Bonds by the Issuer and the Guarantor on the Final Maturity Date thereof, any amounts standing to the credit of the Pre-Maturity Liquidity Ledger in respect of such Series of Hard Bullet Covered Bonds (except where the Guarantor has elected to or is required to retain such amounts on the Pre-Maturity Liquidity Ledger);

"**Available Revenue Receipts**" means, on a relevant Calculation Date, an amount equal to the aggregate of:

(a) the amount of Revenue Receipts received during the previous Calculation Period and credited to the Revenue Ledger;

(b) other net income of the Guarantor including all amounts of interest received on the Guarantor Accounts, the Substitute Assets and in the previous Calculation Period but excluding amounts received by the Guarantor under the Interest Rate Swap Agreement and in respect of interest received by the Guarantor under the Covered Bond Swap Agreement;

(c) prior to the service of a Notice to Pay on the Guarantor amounts standing to the credit of the Reserve Fund in excess of the Reserve Fund Required Amount;

(d) amounts standing to the credit of the Yield Supplement Fund in excess of the Yield Supplement Required Amount for the Guarantor Payment Date immediately following such Calculation Date;

(e) the amount of any termination payment or premium received from a Swap Provider which is not applied to pay a replacement Swap Provider or to satisfy a termination payment due;

(f) any other Revenue Receipts not referred to in paragraphs (a) to (e) (inclusive) above received during the previous Calculation Period and standing to the credit of the Revenue Ledger; and

(g) following the service of a Notice to Pay on the Guarantor, amounts standing to the credit of the Reserve Fund;

less

(h) Third Party Amounts, which shall be paid on receipt in cleared funds to the Seller or the applicable Originator;

"**Average Fixed Rate Loan Balance**" means, in respect of a Guarantor Calculation Period, the average daily aggregate Outstanding Principal Balance of Fixed Rate Loans in the Covered Bond Portfolio during such Guarantor Calculation Period as determined by the Cash Manager and notified to the Calculation Agent in accordance with the Cash Management Agreement;

"**Bank Account Agreement**" means the bank account agreement entered into on the Programme Date by and among the Guarantor, the Account Bank, the Cash Manager and the Bond Trustee (as amended and/or restated and/or supplemented from time to time) and, if applicable, unless the context requires otherwise, the Standby Bank Account Agreement;

"**Bank Act**" means the *Bank Act* (Canada);

"**Banking Day**" means, in respect of any city and, as the context requires, the relevant parties to any relevant transaction, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in such city or in the case of relevant parties to a relevant transaction, the city or cities in which such parties have their executive or registered office and the city in which the relevant transaction is to take place;

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada);

"**block voting instruction**" has the meaning given to it in Schedule 5 to the Trust Deed;

"**Bond Basis**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Bond Trustee**" means Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada or such other person or person(s) for the time being acting as the bond trustee under the Trust Deed or as trustee under the Security Agreement, as the context requires;

"**Borrower**" means, in relation to a Loan, the person or persons specified as such in the relevant Mortgage together with the person or persons (if any) from time to time assuming an obligation thereunder to repay such Loan or any part of it and in relation to a Multiproduct Mortgage Loan or a Line of Credit Loan, the person or persons specified as such in the relevant Multiproduct Mortgage together with the person or persons (if any) from time to time assuming an obligation under such Multiproduct Mortgage Loan or a Line of Credit Loan to repay such Multiproduct Mortgage Loan or a Line of Credit Loan or any part of it;

"**Branch of Account**" has the meaning given to it in Condition 18.01 (*Branch of Account*);

"**Breakage Fee**" has the meaning given to it in the Interest Rate Swap Transactions;

"**Business Centre(s)**" means the business centre or centres specified in the applicable Final Terms;

"**Business Day**" means (i) in relation to Covered Bonds payable in any currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the relevant currency in the Business Centre(s) specified in the Final Terms, (ii) if T2 is specified in the Final Terms as a Business Centre, a T2 Business Day (as defined below) or (iii) in relation to Covered Bonds payable in Euro, a day which is a T2 Business Day and a day on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Centre(s) specified in the Final Terms;

"**Business Day Convention**" has the meaning specified in Condition 5.09 (*Definitions*);

"**Calculation Agent**" means, in relation to all or any Series of the Covered Bonds, the person initially appointed as calculation agent in relation to such Covered Bonds by the Issuer and the Guarantor pursuant to the Agency Agreement or, if applicable, any successor or separately appointed calculation agent in relation to all or any Series of the Covered Bonds;

"**Calculation Amount**" has the meaning given to it in the applicable Final Terms;

"**Calculation Date**" means the last Canadian Business Day of each month;

"**Calculation Period**" means, in respect of a Calculation Date for a month, the period from, but excluding, the Calculation Date of the previous month to, and including, the Calculation Date of the current month and, for greater certainty, references to the "**immediately preceding Calculation Period**" or the "**previous Calculation Period**" in respect of a Calculation Date are references to the Calculation Period ending on such Calculation Date, provided that the first Calculation Period begins on, but excludes, the Programme Date;

"**Call Option**" has the meaning given to it in the applicable Final Terms;

"**Call Option Date(s)**" has the meaning given to it in Condition 6.04 (*Call Option*);

"**Call Option Period**" has the meaning given to it in Condition 6.04 (*Call Option*);

"**Canadian Business Day**" means a day (other than Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Toronto;

"**Canadian Dollar Equivalent**" means, in relation to a Covered Bond which is denominated in (i) a currency other than Canadian dollars, the Canadian dollar equivalent of such amount ascertained using (x) the relevant Covered Bond FX Rate relating to such Covered Bond, or (y) for the purposes of the Amortization Test only, if the Covered Bond Swap Agreement relating to such Covered Bond is no longer in force by reason of termination or otherwise, the end of day spot foreign exchange rate determined by the Bank of Canada on the related date of determination, and (ii) Canadian dollars, the applicable amount in Canadian dollars;

"**Canadian GAAP**" means Canadian generally accepted accounting principles applicable to publicly accountable enterprises;

"**Canadian GAAS**" means Canadian generally accepted auditing standards;

"**Capital Account Ledger**" means the ledger maintained by the Managing GP (or the Cash Manager on its behalf) in respect of each Partner to record the balance of each Partner's Capital Contributions from time to time;

"**Capital Balance**" means, for a Loan at any date, the principal balance of that Loan to which the Servicer applies the relevant interest rate at which interest on that Loan accrues;

"**Capital Contribution**" means, in relation to each Partner, the aggregate of the capital contributed by or agreed to be contributed by that Partner to the Guarantor from time to time by way of Cash Capital Contributions and Capital Contributions in Kind as determined on each Calculation Date in accordance with the formula set out in the Guarantor Agreement;

"**Capital Contribution Balance**" means the balance of each Partner's Capital Contributions as recorded from time to time in the relevant Partner's Capital Account Ledger;

"**Capital Contributions in Kind**" means a contribution by a Partner to the Guarantor other than a Cash Capital Contribution, including contributions of Substitute Assets (up to the prescribed limit), and/or Loans and their Related Security on a fully-serviced basis to the Guarantor (which shall constitute a Capital Contribution equal to (a) the aggregate of the fair market value of those Loans as at the relevant Transfer Date, minus (b) any cash payment paid by the Guarantor for such Loans and their Related Security on that Transfer Date);

"**Capital Distribution**" means any return on a Partner's Capital Contribution in accordance with the terms of the Guarantor Agreement;

"**Capitalized Arrears**" means, for any Loan at any date, interest or other amounts which are overdue in respect of that Loan and which as at that date have been added to the Capital Balance of the Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower;

"**Capitalized Expenses**" means, in relation to a Loan, the amount of any expense, charge, fee, premium or payment (excluding, however, any Arrears of Interest) capitalized and added to the Capital Balance of that Loan in accordance with the relevant Mortgage Conditions;

"**Capitalized Interest**" means, for any Loan at any date, interest which is overdue in respect of that Loan and which as at that date has been added to the Capital Balance of the Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower, excluding for greater certainty, Capitalized Expenses or any other non-interest amounts that are part of Capitalized Arrears;

"**Cash Capital Contributions**" means a Capital Contribution made in cash;

"**Cash Flow Model Calculation Date**" has the meaning given to it in Schedule 2 of the Guarantor Agreement, with the first Cash Flow Model Calculation Date being the first Cash Flow Model Calculation Date following the Programme Date;

"**Cash Management Agreement**" means the cash management agreement entered into on the Programme Date**,** by and among the Guarantor, FBOC in its capacity as the Cash Manager and the Bond Trustee (as amended and/or restated and/or supplemented from time to time);

"**Cash Management Deposit Ratings**" means the threshold ratings of BBB(low) or R-2(middle) (in respect of DBRS; provided that, for greater certainty, only one of such ratings from DBRS is required to be at or above such ratings) and Baa2 and P-2 (in respect of Moody's), as applicable, of the unsecured, unsubordinated and unguaranteed debt obligations rating (in the case of DBRS) or the deposit rating (in the case of Moody's), in each case, of the Cash Manager by the applicable Rating Agencies;

"**Cash Management Services**" means the services provided by the Cash Manager set out in the Cash Management Agreement and the Schedules annexed thereto and forming part of the Cash Management Agreement;

"**Cash Manager**" means Fairstone Bank of Canada, in its capacity as cash manager under the Cash Management Agreement together with any successor cash manager appointed pursuant to the Cash Management Agreement from time to time;

"Cash Manager Required Ratings" means the threshold ratings BB(low) or R-2(middle) (in respect of DBRS; provided that, for greater certainty, only one of such ratings from DBRS is required to be at or above such ratings) and Ba3(cr) (in respect of Moody's), as applicable, of the unsecured, unsubordinated and unguaranteed debt obligations rating (in the case of DBRS) or the long-term counterparty risk assessment (in the case of Moody's), in each case, of the Cash Manager by the applicable Rating Agencies;

"**Cash Manager Termination Events**" has the meaning given to it in Section 14.1 of the Cash Management Agreement;

"**CBCA**" means the *Canada Business Corporations Act* (Canada);

"**CCAA**" means the *Companies' Creditors Arrangement Act* (Canada);

"**Central Bank**" means competent authority under the Directive 2003/71/EC, as amended, which includes the amendments made by Directive 2010/73/EU, which term includes any relevant implementing measures in Ireland;

"**Certificate of Title**" means a solicitor's or licensed conveyancer's report or certificate of title obtained by or on behalf of the Seller in respect of each Property substantially in the form of the pro-forma set out in the Standard Documentation;

"**Charged Property**" means the property charged by the Guarantor pursuant to the Security Agreement;

"**Clearing Systems**" means Euroclear and/or Clearstream, Luxembourg;

"**Clearstream, Luxembourg**" means Clearstream Banking, SA;

"**CMHC**" means Canada Mortgage and Housing Corporation, a Canadian federal Crown corporation and its successors responsible for administering the Covered Bond Legislative Framework;

"**CMHC Guide**" means the Canadian Registered Covered Bond Programs Guide published by CMHC, as the same may be amended, supplemented, restated or replaced from time to time;

"**Collateral**" means all the Guarantor's right, title and interest in and to all of the moveable property, personal property and undertaking of the Guarantor now owned or hereafter acquired, wherever situate;

"**Collateral Mortgage**" means a mortgage or hypothecary instrument that secures more than one loan, indebtedness or liability, including those that secure "all indebtedness". Each Loan secured by a collateral mortgage shall be treated as a separate and distinct loan;

"**Collections**" means with respect to any Loan, (a) all funds received after the relevant date in payment of any amounts due under or in respect of such Loan (including, without limitation, all scheduled payments, prepayments, Liquidation Proceeds, finance charges, interest, principal prepayment bonuses, indemnities or penalties and all other charges and all arrears of such amounts), or applied to amounts due under or in respect of such Loan, (b) all cash collections of the Outstanding Principal Balance of such Loan received after the relevant time and all other proceeds of such Loan, (c) all proceeds of insurance policies, if applicable, with respect to the relevant Property to the extent not required by the terms of the relevant policy or the Mortgage Terms to be applied to repair damages for which they compensate, and (d) all such other amounts received in connection with or relation to the relevant Loan, excluding for greater certainty with respect to the Seller, the Purchase Price received in respect of such Loan pursuant to the terms of the Mortgage Sale Agreement;

"**Common Depositary**" means the common depositary for Euroclear and Clearstream, Luxembourg;

"**Common Safekeeper**" means a common safekeeper for Euroclear and/or Clearstream, Luxembourg;

"**Common Service Provider**" means a person nominated by Euroclear and/or Clearstream, Luxembourg to perform the role of a common service provider;

"**Conditions**" means, in relation to the Covered Bonds of any Series, the terms and conditions endorsed on or incorporated by reference into or annexed to the Covered Bond or Covered Bonds constituting such Series, such terms and conditions being in or substantially in the form set out in Schedule 1 to the Trust Deed or in such other form, having regard to the terms of the Covered Bonds of the relevant Series, as may be agreed between the Issuer, the Bond Trustee and the relevant Dealer(s) or the Covered Bondholder, as the case may be, applicable to the Covered Bonds of the relevant Series, in each case as from time to time modified in accordance with the provisions of the Trust Deed;

"**Contingent Collateral**" means, on any Business Day, in respect of the Covered Bond Swap Agreement or the Interest Rate Swap Agreement and only if permitted under the applicable Swap Agreement, the Loans and Related Security and the Substitute Assets of the Guarantor in an aggregate amount equal to the Contingent Collateral Amount in respect of the related Swap Agreement, provided that (i) in determining the value of (x) the Loans and Related Security, the LTV Adjusted Loan Balance thereof is used and (y) the Substitute Assets, the Trading Value thereof is used, and (ii) such Loans, Related Security and Substitute Assets are excluded from the determination of the Asset Coverage Test and/or the Amortization Test, as applicable;

"**Contingent Collateral Amount**" means, on any Business Day, in respect of the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, as applicable, an amount equal to the

Guarantor's "Exposure" under and as defined in the related Swap Agreement, in each case, calculated as if the confirmation thereunder was in effect on such Business Day;

"**Contingent Collateral Notice**" has the meaning given to it in Section 3.6 of the Intercompany Loan Agreement;

"**Contingent Collateral Ratings**" means the threshold ratings BBB(high) (in respect of DBRS) or Baa1 (in respect of Moody's), as applicable, of the long term unsecured, unsubordinated and unguaranteed debt obligations of the Covered Bond Swap Provider or the Interest Rate Swap Provider, as applicable, or any credit support provider or guarantor from time to time in respect of the Covered Bond Swap Provider or the Interest Rate Swap Provider, as applicable, by the Rating Agencies;

"**Contingent Collateral Trigger Event**" means, if applicable under the relevant Swap Agreement, the unsecured, unsubordinated and unguaranteed debt obligations of the Covered Bond Swap Provider or the Interest Rate Swap Provider, as applicable, or any credit support provider or guarantor from time to time in respect of the Covered Bond Swap Provider or the Interest Rate Swap Provider, as applicable, cease to be rated at least BBB(high) by DBRS or Baa1 by Moody's;

"**Contractual Currency**" means the currency in which the Covered Bonds are denominated or, if different, payable, as specified in the Final Terms;

"**Controlled Assets**" has the meaning given to it in Section 3.01 of the Security Agreement;

"**Controlled Securities Account**" has the meaning given to it in Section 2.06(3) of the Security Agreement;

"**Corporate Services Agreement**" means the corporate services agreement entered into on the Programme Date by and among the Corporate Services Provider, the Liquidation GP, FBOC and the Guarantor;

"**Corporate Services Provider**" means Computershare Trust Company of Canada, a trust company formed under the laws of Canada, as corporate services provider to the Liquidation GP under the Corporate Services Agreement, together with any successor corporate services provider appointed from time to time;

"**Cover Pool Collateral**" has the meaning given to it in Schedule 11 of the Guarantor Agreement;

"**Covered Bond**" means each covered bond issued or to be issued pursuant to the Dealership Agreement and which is or is to be constituted under the Trust Deed, which covered bond may be represented by a Registered Global Covered Bond or any Registered Definitive Covered Bond and includes any replacements or a Covered Bond issued pursuant to Condition 12 (*Replacement of Covered Bonds*);

"**Covered Bond FX Rate**" means In relation to a Covered Bond or Tranche or Series of Covered Bonds, the rate at which Covered Bonds denominated in a currency other than CAD shall be converted into CAD at the date of the agreement to issue such Covered Bonds being the spot rate of exchange for the purchase of such currency against payment of CAD being quoted by the Covered Bond Swap Provider on the date on which such agreement was made which, where the parties enter into a subscription agreement in respect of the Covered Bonds, shall be the date of

execution thereof (which shall be specified as the "Exchange Rate" in the Investor Reports), and in all other cases, the date of the applicable Final Terms;

"**Covered Bond Guarantee**" has the meaning given to it in Clause 7 of the Trust Deed;

"**Covered Bond Guarantee Activation Event**" means the earlier to occur of (i) an Issuer Event of Default, together with the service of an Issuer Acceleration Notice on the Issuer and the service of a Notice to Pay on the Guarantor; and (ii) a Guarantor Event of Default, together with the service of a Guarantor Acceleration Notice on the Issuer and on the Guarantor;

"**Covered Bond Legislative Framework**" means the legislative framework established by Part I.1 of the *National Housing Act* (Canada);

"**Covered Bond Portfolio**" means the Initial Covered Bond Portfolio and each additional portfolio of Portfolio Assets acquired by the Guarantor;

"**Covered Bond Swap Agreement**" means, before the occurrence of a Covered Bond Guarantee Activation Event, the Issuer Swap Transaction and the Novation Agreement, and on and after the occurrence of a Covered Bond Guarantee Activation Event, the agreement(s) (including any replacement agreements) entered into between the Guarantor and the Covered Bond Swap Provider(s) in the form of an ISDA Master Agreement (identified on page 1 thereof as a **"**Covered Bond 2002 Master Agreement" in respect of a particular series of Covered Bonds), including a schedule and a credit support annex, if applicable, and confirmation(s) evidencing transaction(s) in relation to each Tranche or Series of Covered Bonds novated by the Issuer to the Guarantor pursuant to the Novation Agreement;

"**Covered Bond Swap Early Termination Event**" means a Termination Event or Event of Default (as defined in the Covered Bond Swap Agreement, or the relevant Covered Bond Swap Agreement, as the case may be);

"**Covered Bond Swap Provider**" means the provider(s) of the hedge in respect of Covered Bonds or Tranche or Series of Covered Bonds;

"**Covered Bondholders**" means the several persons who are for the time being holders of outstanding Covered Bonds save that, in respect of the Covered Bonds of any Series, for so long as such Covered Bonds or any part thereof are represented by a Registered Global Covered Bond that is:

(i) deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) as the holder of a particular principal amount of the Covered Bonds of such Series shall be deemed to be the holder of such principal amount of such Covered Bonds (and the holder of the relevant Registered Global Covered Bond shall be deemed not to be the holder) for all purposes of the trust presents other than with respect to the payment of principal or interest on such principal amount of such Covered Bonds, the rights to which shall be vested, as against the Issuer, the Guarantor and the Bond Trustee, solely in such nominee and for which purpose such nominee shall be deemed to be the holder of such

principal amount of such Covered Bonds in accordance with and subject to its terms and the provisions of the trust presents; or

(ii) deposited with a custodian, common depositary or common safekeeper for, and registered in the name of a nominee of an Alternative Clearing System,

(a) such nominee shall, for the purpose of making payment thereon or on account thereof, voting, giving consents and making requests pursuant to these presents, be deemed to be the holder of such principal amount of such Covered Bonds in accordance with and subject to its terms and the provisions of the trust presents; and

(b) for all other purposes of the trust presents each person for the time being shown in the records of an Alternative Clearing System as the holder of a particular principal amount of the Covered Bonds represented by a Registered Global Covered Bond shall be deemed to be the holder of such principal amount of such Covered Bonds (and the holder of the relevant Registered Global Covered Bond shall be deemed not to be the holder);

and the expressions "**Covered Bondholder**", "**Holder**" and "**holder of the Covered Bonds**" and related expressions shall be construed accordingly;

"**CPR**" means constant prepayment rate and is a measurement commonly used for prepayments on mortgage loans relative to a prepayment standard or model. The constant prepayment rate, or "CPR", model assumes that the outstanding principal balance of the applicable mortgage pool prepays at a constant annual rate. In generating monthly cash flows, this rate is converted to an equivalent constant monthly rate. To assume 10% CPR or any other CPR percentage is to assume that the equivalent constant monthly percentage (i.e. 0.87416% is the approximate equivalent monthly percentage of 10% CPR) of the then outstanding principal balance of the applicable mortgage pool (after giving effect to all scheduled payments of principal based on the original amortization periods of the mortgage loans as at the applicable cut-off date) is prepaid on the first of each month. Any prepayment model used does not purport to be a historical description of prepayment experience or a prediction of the anticipated rate of prepayment of any pool of mortgage loans;

"**Current Balance**" in relation to a Loan at any relevant date, means the aggregate principal balance of the Loan at such date (but avoiding double counting) including the following:

(i) the Initial Advance;

(ii) Capitalized Expenses;

(iii) Capitalized Arrears; and

(iv) any increase in the principal amount due under that Loan due to any form of Further Advance,

in each case relating to such Loan less any prepayment, repayment or payment of the foregoing made on or prior to the determination date;

"**Custodial Agreement**" means the custodial agreement entered into on the Programme Date, by and among the Custodian, the Guarantor, the Issuer and the Bond Trustee (as amended and/or restated and/or supplemented from time to time);

"**Custodial Services**" has the meaning given to it in Section 3.1 of the Custodial Agreement;

"**Custodian**" means Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada, as custodian for the Guarantor under the Custodial Agreement, together with any successor custodian appointed from time to time;

"**Custodian Mortgage Register**" has the meaning given to it in Section 1.1 of the Custodial Agreement;

"**Cut-Off Date**" means, for a Purchase Date, such date as agreed between the Seller and the Guarantor, or, in the case of a Product Switch or Further Advance, the related Guarantor Payment Date;

"**Day Count Fraction**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**DBRS**" means DBRS Limited and includes any successor to its rating business;

"**Dealers**" means RBC Europe Limited and any other dealers which the Issuer and the Guarantor may appoint in accordance with the terms of the Dealership Agreement but excluding any entity whose appointment has been terminated in accordance with the terms of the Dealership Agreement and notice of such termination has been given to the Issuing and Paying Agent and the Bond Trustee by the Issuer in accordance with the provisions of the Dealership Agreement and references to a "relevant Dealer" or the "relevant Dealer(s)" mean, in relation to any Tranche or Series of Covered Bonds, the Dealer or Dealers with whom the Issuer has agreed the issue of the Covered Bonds of such Tranche or Series and "**Dealer**" means any one of them;

"**Dealership Agreement**" means the dealership agreement entered into in connection with the Programme, and made between Fairstone Bank of Canada, the Dealers and the Arrangers that sets out the arrangements under which Covered Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers (as amended and/or restated and/or supplemented from time to time);

"**Declaration**" means a declaration of limited partnership made under the LP Act and, where the context requires, the registration thereof if and as required under the *Business Names Act* (Ontario), and includes a Declaration that has been amended;

"**Deemed Advance**" means an Advance pursuant to Section 5.3 of the Intercompany Loan Agreement;

"**Deemed Advance Preconditions**" has the meaning given to it in Section 5.3 of the Intercompany Loan Agreement;

"**Deemed Interest Period**" has the meaning given to it in Section 2.6 of the Mortgage Sale Agreement;

"**Default Rate**" has the meaning given to it in Condition 5.06;

"**Definitive Covered Bond**" means a Registered Definitive Covered Bond;

"**Demand Loan**" has the meaning given to it in Section 3.2 of the Intercompany Loan Agreement;

"**Demand Loan Contingent Amount**" means an amount equal to the lesser of: (a) the aggregate amount of the Intercompany Loan then outstanding, minus the aggregate amount of the Guarantee Loan then outstanding (as determined by an Asset Coverage Test run on the relevant repayment date); and (b) 1 per cent. of the amount of the Guarantee Loan then outstanding (as determined by an Asset Coverage Test run on the relevant repayment date), provided, for greater certainty, that in calculating the amount of the Guarantee Loan and the Demand Loan for purposes of determining the Demand Loan Contingent Amount, no credit shall be given to the Guarantor in the Asset Coverage Test for any Excess Proceeds received by the Guarantor from the Bond Trustee;

"**Demand Loan Repayment Event**" has the meaning given to it in Section 7.2 of the Intercompany Loan Agreement;

"**Departing Managing GP**" has the meaning given to it in Section 11.4 of the Guarantor Agreement;

"**Designated Maturity**" means, in relation to the ISDA Determination, the meaning given in the ISDA Definitions, or, in relation to Screen Rate Determination, the meaning given in Condition 5.09 (*Definitions*);

"**Determination Date**" has the meaning given to it in the applicable Final Terms;

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

"**Direct Debiting System**" has the meaning given to it in Section 5.1 of Servicing Agreement;

"**Directors**" means the Board of Directors for the time being of the Issuer;

"**Distribution Compliance Period**" means the period that ends 40 days after the completion of the distribution of each Tranche of Covered Bonds, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue);

"**Downgrade Trigger Event**" means, for a Covered Bond Swap Agreement or an Interest Rate Swap Agreement, an "Initial Rating Event" or a "Subsequent Rating Event", in each case as defined therein;

"**Drawdown Date**" has the meaning given to it in Section 2 of the Intercompany Loan Agreement;

"**Due for Payment**" means the requirement by the Guarantor to pay any Guaranteed Amounts following the service of a Notice to Pay on the Guarantor,

(i) prior to the occurrence of a Guarantor Event of Default, on:

(a) the date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, or, if later, the day which is two Canadian Business Days following service of a Notice to Pay on the Guarantor in respect of such Guaranteed Amounts or if the applicable Final Terms specify that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Interest Payment Date that would have applied if the Final Maturity Date of such Series of Covered Bonds had been the Extended Due for Payment Date (the "**Original Due for Payment Date**"); and

(b) in relation to any Guaranteed Amounts in respect of the Final Redemption Amount payable on the Final Maturity Date for a Series of Covered Bonds only, the Extended Due for Payment Date, but only (i) if in respect of the relevant Series of Covered Bonds the Covered Bond Guarantee is subject to an Extended Due for Payment Date pursuant to the terms of the applicable Final Terms and (ii) to the extent that the Guarantor has been served a Notice to Pay no later than the date falling one Business Day prior to the Extension Determination Date and does not pay Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds by the Extension Determination Date because the Guarantor has insufficient moneys available under the Guarantee Priority of Payments to pay such Guaranteed Amounts in full on the earlier of (A) the date which falls two Canadian Business Days after service of such Notice to Pay on the Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 7.01(a)) or (B) the Extension Determination Date,

or, if, in either case, such day is not a Business Day, the next following Business Day. For the avoidance of doubt, Due for Payment does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, acceleration of maturity, mandatory or optional redemption or otherwise save as provided in paragraph (ii) below; or

(ii) following the occurrence of a Guarantor Event of Default, the date on which a Guarantor Acceleration Notice is served on the Issuer and the Guarantor;

"**E&Y**" means Ernst & Young LLP;

"**Earliest Maturing Covered Bonds**" means, at any time, the Series of the Covered Bonds (other than any Series which is fully collateralized by amounts standing to the credit of the Guarantor in the Guarantor Accounts) that has or have the earliest Final Maturity Date as specified in the applicable Final Terms (ignoring any acceleration of amounts due under the Covered Bonds prior to the occurrence of a Guarantor Event of Default);

"**Early Redemption Amount**" has the meaning given to it in the relevant Final Terms;

"**EEA**" or "**European Economic Area**" means the Member States of the European Union together with Iceland, Norway and Liechtenstein;

"**Effective Monthly Payment**" means, for each Yield Supplement Reference Loan and the related Guarantor Calculation Period, the monthly payment of principal and interest which, as at the last Business Day of the Guarantor Calculation Period, would be payable to amortize the then outstanding principal balance of such Yield Supplement Reference Loan to zero based on the

mortgage rate and the Effective Remaining Amortization Term of such Yield Supplement Reference Loan;

"**Effective Remaining Amortization Term**" means, (i) for each Yield Supplement Reference Loan, the product of (a) the actual number of payment periods in the remaining amortization term of such Yield Supplement Reference Loan calculated as of the last Business Day of the applicable Guarantor Calculation Period, (b) 12, and (c) either (x) 14/365.25 if the Yield Supplement Reference Loan makes Periodic Payments on a bi-weekly basis, or (y) 7/365.25 if the Yield Supplement Reference Loan makes Periodic Payments on a weekly basis or (z) 1/24 if the Yield Supplement Reference Loan makes Periodic Payments on a semi-monthly basis, and (ii) for each monthly pay Yield Supplement Reference Loan, the remaining amortization term of such Yield Supplement Reference Loan calculated as of the last Business Day of the applicable Guarantor Calculation Period expressed in months;

"**Eligibility Criteria**" means the eligibility criteria listed in Schedule 1 of the Mortgage Sale Agreement;

"**Eligible Loan**" means a Loan which at the time of determination satisfies each of the Eligibility Criteria;

"**Eligible Loan Details**" means, for any Loan, the items listed in Section 2.2(c)(iii)(A) of the Mortgage Sale Agreement;

"**Enforcement Procedures**" means the procedures for the enforcement of Mortgages from time to time in accordance with the relevant Seller's Policy or Originator's Policy, as applicable;

"**Equity Interest**" means (i) in the case of a corporation, any shares of its capital stock, (ii) in the case of a limited liability company, any membership interest therein, (iii) in the case of a partnership, any partnership interest (whether general or limited) therein, (iv) in the case of any other business entity, any participation or other interest in the equity or profits thereof, (v) any warrant, option or other right to acquire any Equity Interest described in this definition, or (vi) any security entitlement in respect of any Equity Interest described in the definition;

"**EU**" means the European Union;

"**EURIBOR**" means Euro-zone inter-bank offered rate;

"**Eurobond Basis**" has the meaning given in Condition 5.09 (*Definitions*);

"**Euroclear**" means Euroclear Bank SA/NV as operator of the Euroclear System;

"**Eurodollar Convention**" means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Final Terms after the calendar month in which the preceding such date occurred, provided that:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred;

"**Euronext Dublin**" means the Irish Stock Exchange plc;

"**European Registrar**" has the meaning given to it in the Conditions;

"**Eurosystem**" means the central banking system of the euro;

"**Euro-zone**" means the region comprised of those member states of the European Union participating in the European Monetary Union from time to time;

"**Excess Proceeds**" has the meaning given to it in Section 11.2 of the Trust Deed;

"**Exchange Date**" has the meaning specified in the relevant Final Terms;

"**Exchange Event**" means that in the case of Covered Bonds registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of at least 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available;

"**Excluded Scheduled Interest Amounts**" has the meaning given to it in the definition of "Scheduled Interest";

"**Excluded Scheduled Principal Amounts**" has the meaning given to it in the definition of "Scheduled Principal";

"**Excluded Swap Termination Amount**" means, in relation to a Swap Agreement, an amount equal to the amount of any termination payment due and payable (a) to the relevant Swap Provider as a result of a Swap Provider Default with respect to such Swap Provider or (b) to the relevant Swap Provider following a Swap Provider Downgrade Event with respect to such Swap Provider;

"**Extended Due for Payment Date**" has the meaning given to it in Condition 6.01 (*Redemption at Maturity*);

"**Extension Determination Date**" has the meaning given to it in Condition 6.01 (*Redemption at Maturity*);

"**Extraordinary Resolution**" has the meaning set out in paragraph 20 of Schedule 5 to the Trust Deed;

"**Fair Market Value**" means in respect of a Loan and its Related Security the fair market value at the relevant time, being the price expressed in terms of money or monies' worth, a willing, prudent and informed buyer would pay in an open and unrestricted market to a willing, prudent and informed seller, each acting at arms' length, where neither party is under any compulsion to enter into the transaction, as part of the acquisition of all of the Loans and their Related Security being purchased or sold at the relevant time;

"**FATCA**" means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations issued thereunder;

"**FBOC**" means Fairstone Bank of Canada;

"**FBOC Entities**" means FBOC and its subsidiaries from time to time;

"**Final Exchange Amount**" means the aggregate amount payable by the Guarantor in respect of the relevant Series of Covered Bonds on the relevant Original Due for Payment Date, the relevant Extended Due for Payment Date or the relevant Redemption Date, as applicable;

"**Final Maturity Date**" means the Interest Payment Date on which each Series of Covered Bonds will be redeemed at their Principal Amount Outstanding in accordance with the Conditions;

"**Final Purchase Date**" means the final date on which a purchase and sale of Loans and their Related Security is completed pursuant to the terms of the Mortgage Sale Agreement;

"**Final Redemption Amount**" has the meaning given to it in the relevant Final Terms;

"**Final Terms**" means the final terms relating to each Tranche of Covered Bonds giving details of that Tranche (or Series, as the case may be) (which with respect to Covered Bonds to be admitted to the Official List and admitted to trading on Euronext Dublin, will be delivered to the Central Bank and Euronext Dublin on or before the date of issue of the applicable Tranche of Covered Bonds) and, in relation to any particular Tranche (or Series, as the case may be) of Covered Bonds, "**applicable Final Terms**" means the Final Terms applicable to that Tranche (or Series, as the case may be);

"**Financial Centre**" means the financial centre or centres specified in the applicable Final Terms;

"**Financing Statements**" means all financing statements, financing change statements, assignments and other documents necessary or desirable under any applicable PPSA to fully perfect, preserve, maintain, and protect the interest of the Guarantor in the Purchased Assets under the Mortgage Sale Agreement;

"**First Issue Date**" means the date on which the Issuer issues a Series of Covered Bonds for the first time pursuant to the Programme;

"**First Multiproduct Mortgage Loan**" means the first Multiproduct Mortgage Loan made by the Seller to a particular Borrower, which is owned by the Guarantor;

"**First Transfer Date**" means the Transfer Date (which shall be on or before the First Issue Date) on which the Initial Covered Bond Portfolio is sold by the Original Seller to the Guarantor pursuant to the Mortgage Sale Agreement;

"**Fiscal Year**" means a fiscal year of the Partnership, currently being the calendar year;

"**Fixed Amount Payer**" has the meaning given to it in the ISDA Definitions;

"**Fixed Amounts**" has the meaning specified in the applicable Final Terms;

"**Fixed Coupon Amount**" has the meaning specified in the applicable Final Terms;

"**Fixed Interest Period**" means the period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first) Interest Payment Date;

"**Fixed Rate Covered Bonds**" means Covered Bonds paying a fixed rate of interest on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms);

"**Fixed Rate Loans**" means those Loans to the extent that and for such time that the interest rate payable by the Borrower on all or part of the Outstanding Principal Balance does not vary and is fixed for a certain period of time by the Seller;

"**Fixed Rate Swap Calculation Agent**" means the calculation agent under the fixed rate confirmation under the Interest Rate Swap Agreement;

"**Fixed Swap Rate**" means, in respect of a Guarantor Payment Date, if applicable, the "Fixed Swap Rate" specified in the most recent Fixed Swap Rate Notice delivered by the Fixed Rate Swap Calculation Agent to the Guarantor, which rate shall be determined by the Fixed Rate Swap Calculation Agent and agreed to by the Guarantor (or the Cash Manager on its behalf), acting reasonably;

"**Fixed Swap Rate Notice**" means, if applicable, the most recently delivered fixed swap rate notice delivered by the Fixed Rate Swap Calculation Agent to the Guarantor;

"**Floating Rate**" has the meaning given to it in the ISDA Definitions;

"**Floating Rate Covered Bonds**" means Covered Bonds which bear interest at a rate determined (as indicated in the applicable Final Terms):

(a) on the same basis as the floating rate under a notional schedule and confirmations and credit support annex, if applicable, for each Tranche and/or Series of Covered Bonds in the relevant Specified Currency governed by the Interest Rate Swap Agreement incorporating the ISDA Definitions; or

(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service;

"**Floating Rate Option**" has the meaning given to it in the ISDA Definitions;

"**Following Business Day Convention**" has the meaning specified in Condition 5.09 (*Definitions*);

"**FRN Convention**" or "**Eurodollar Convention**" (as defined pursuant to "**Business Day Convention**") has the meaning specified in Condition 5.09 (*Definitions*);

"**Further Advance**" means, in relation to a Loan, any advance of further money to the relevant Borrower following the making of the Initial Advance, which is secured by the same Mortgage as the Initial Advance, excluding the amount of any retention in respect of the Initial Advance;

"**General Partners**" means the Managing GP and the Liquidation GP;

"**GIC Account**" means the account in the name of the Guarantor (account number [redacted]) held with the Account Bank and maintained subject to the terms of the Guaranteed Investment Contract, the Bank Account Agreement and the Security Agreement and includes such additional or replacement account(s) as may be put in place for the Guarantor with the prior consent of the Bond Trustee and designated as such (including the Standby GIC Account);

"**GIC Account Mandate**" means the bank account mandate between the Guarantor and the Account Bank relating to the operation of the GIC Account;

"**GIC Balance**" means, on any day the amount standing to the credit of the GIC Account as at the opening of business on such day;

"**GIC Provider**" means the Bank of Montreal acting through its main branch in Toronto, in its capacity as GIC provider under the Guaranteed Investment Contract together with any successor GIC provider appointed from time to time;

"**GIC Provider's Prime Rate**" means the rate of interest per annum publicly announced from time to time by the GIC Provider as its prime rate in effect at its main branch in Toronto for commercial loans made by it in Canada in Canadian Dollars with each change in such rate being effective from and including the date such change is publicly announced as being effective;

"**GIC Rate**" means the rate of interest accruing on the balance standing to the credit of the GIC Account being a variable rate determined as the percentage discount agreed to by the Guarantor (or the Cash Manager on its behalf) and the GIC Provider from time to time, to the GIC Provider's Prime Rate, provided, however, that in no event shall such rate be less than 0.00%. For greater certainty, any change in the GIC Rate as a result of a change in the GIC Provider's Prime Rate or otherwise mutually agreed to by the Guarantor (or the Cash Manager on its behalf) and the GIC Provider in accordance with the foregoing shall not constitute an amendment to, or a modification or variation of, the Guaranteed Investment Contract;

"**Governmental Authority**" means the government of Canada or any other nation, or of any political subdivision thereof, whether provincial, territorial, state, municipal or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies, the Superintendent or other comparable authority or agency;

"**GST**" means goods and services tax payable under Part IX of the *Excise Tax Act* (Canada) or pursuant to any similar value added tax legislation applicable that is stated to be harmonized with the foregoing, including for greater certainty, any harmonized sales tax payable;

"**Guarantee**" means the Covered Bond Guarantee;

"**Guarantee Fee**" means the amount payable by the Issuer to the Guarantor, in consideration for the Guarantee, on or before each Guarantor Payment Date pursuant to the terms of the Trust

Deed, which amount shall be determined by applying the Guarantee Fee Rate to the aggregate Outstanding Principal Amount of Covered Bonds on each Calculation Date, multiplying the result of that calculation by the actual number of days in the Guarantor Calculation Period immediately preceding such Calculation Date divided by 365 days and rounding the resultant figure to the nearest cent (half a cent being rounded upwards);

"**Guarantee Fee Rate**" means [redacted]%;

"**Guarantee Loan**" has the meaning given to it in Section 3.2 of the Intercompany Loan Agreement;

"**Guarantee Priority of Payments**" has the meaning given to it in Section 6.4 of the Guarantor Agreement;

"**Guaranteed Amounts**" means prior to the service of a Guarantor Acceleration Notice, with respect to any Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, the sum of Scheduled Interest and Scheduled Principal, in each case, payable on that Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, or after service of a Guarantor Acceleration Notice, an amount equal to the relevant Early Redemption Amount as specified in the Conditions plus all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the Guarantor under the Trust Deed;

"**Guaranteed Investment Contract**" or "**GIC**" means the guaranteed investment contract by and among the Guarantor, the GIC Provider, the Bond Trustee and the Cash Manager dated the Programme Date (as amended and/or restated and/or supplemented from time to time) and, if applicable, unless the context requires otherwise, shall include the Standby Guaranteed Investment Contract;

"**Guarantor**" means FBOC Covered Bond (Legislative) Guarantor Limited Partnership;

"**Guarantor Acceleration Notice**" has the meaning given to it in Condition 7.02 (*Guarantor Events of Default*);

"**Guarantor Accounts**" means the GIC Account, the Transaction Account (to the extent maintained), the Controlled Securities Account and any additional or replacement accounts opened in the name of the Guarantor, including, if applicable, the Standby GIC Account and the Standby Transaction Account and each individually a "**Guarantor Account**";

"**Guarantor Agreement**" means the limited partnership agreement in respect of the Guarantor entered into on the Programme Date by and among the Managing GP, the Liquidation GP, the Bond Trustee and FBOC as Limited Partner and any other parties who accede thereto in accordance with its terms (as amended and/or restated and/or supplemented from time to time);

"**Guarantor Auditor**" means such firm of chartered accountants of recognized standing as may at any time be appointed by the Managing GP to act as Guarantor Auditor of the Partnership in accordance with the terms of the Guarantor Agreement;

"**Guarantor Calculation Period**" means each period from, but excluding, the last Canadian Business Day of each month to, and including, the last Canadian Business Day of the next

succeeding month, provided that (i) the first Guarantor Calculation Period begins on, and includes, the Programme Date and ends on the last Canadian Business Day of the month in which the First Transfer Date occurs and (ii) the final Guarantor Calculation Period shall end on, but exclude, the Termination Date;

"**Guarantor Event of Default**" has the meaning given to it in Condition 7.02 (*Guarantor Events of Default*);

"**Guarantor Expenses**" means the costs and expenses of the Guarantor incurred in connection with or relating to the performance of its obligations under the Transaction Documents, including, without limitation, (i) fees and expenses of third parties and service providers payable by the Guarantor in accordance with the Priorities of Payments and (ii) Party B Payment Amounts under the Covered Bond Swap Agreement;

"**Guarantor Obligation Shortfall Test**" has the meaning given to it in Section 4.3 of the Servicing Agreement;

"**Guarantor Payment Date**" means the 17th day of each month or if not a Canadian Business Day the next following Canadian Business Day provided that the first Guarantor Payment Date shall occur in the month following the month in which the First Transfer Date occurs;

"**Guarantor Payment Period**" means the period from and including a Guarantor Payment Date to but excluding the next following Guarantor Payment Date;

"**Guarantor Purchased Loans**" has the meaning given to it in the Security Sharing Agreement;

"**Guarantor Variable Rate**" means the variable or discretionary reference rate(s) of interest or margin(s) set from time to time by or on behalf of the Guarantor for those Variable Rate Loans in the Covered Bond Portfolio (to the extent that the Guarantor has the authority to determine such rates and margins in accordance with the Mortgage Terms) which rate(s) and margin(s) will generally be determined from time to time by the Servicer in accordance with Article 4 of the Servicing Agreement, except in the limited circumstances set out therein;

"**Guide OC Minimum**" means 105% or such other percentage defined as the "Regulatory OC Minimum" in the CMHC Guide;

"**Hard Bullet Covered Bonds**" means certain Series of Covered Bonds which may be scheduled to be redeemed in full on their respective Final Maturity Dates without any provision for scheduled redemption other than on the Final Maturity Date;

"**HB**" means Home Bank;

"**HB Mortgage Sale Agreement**" means the mortgage sale agreement entered into on the Programme Date, by and among HB as Originator, FBOC as Acquirer and Servicer, the Guarantor and the Bond Trustee (as amended and/or restated and/or supplemented from time to time);

"**HB Portfolio**" means at any time, with respect to HB as an Originator, the portfolio of Loans and their Related Security which have been sold pursuant to the HB Mortgage Sale Agreement by such Originator and remain outstanding;

"**HELOC**" means a home equity line of credit;

"**holders of the Covered Bonds**" has the meaning given to it in the definition of "Covered Bondholders" above;

"**HTC**" means Home Trust Company;

"HTC Mortgage Sale Agreement" means the mortgage sale agreement entered into on the Programme Date, by and among HTC as Originator, FBOC as Acquirer and Servicer, the Guarantor and the Bond Trustee (as amended and/or restated and/or supplemented from time to time);

"HTC Portfolio" means at any time, with respect to HTC as an Originator, the portfolio of Loans and their Related Security which have been sold pursuant to the HTC Mortgage Sale Agreement by such Originator and remain outstanding;

"**IAS**" means International Accounting Standards;

"**IFRS**" means IFRS Accounting Standards as issued by the International Accounting Standards Board;

"**Income Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

"**Indemnified Amounts**" has the meaning given to it in Section 6.1 of the Mortgage Sale Agreement;

"**Indemnified Party**" has the meaning given to it in Section 6.1 of the Mortgage Sale Agreement;

"**Independently Controlled and Governed**" means in respect of the Guarantor, (i) the general partner (having the power to carry on the business of the Guarantor) of the Guarantor is not (and cannot be) an Affiliate of the Issuer and less than ten percent of its voting securities are (or can be) owned, directly or indirectly, by the Issuer or any of its Affiliates, (ii) if an administrative agent or other analogous entity has been engaged by the general partner of the Guarantor to fulfil such general partner's responsibility or role to carry on, oversee, manage or otherwise administer the business, activities and assets of the Guarantor, the agent or entity is not (and cannot be) an Affiliate of the Issuer and less than ten percent of its voting securities are (or can be) owned, directly or indirectly, by the Issuer or any of its Affiliates, (iii) all members (but one) of the board of directors or other governing body of the general partner of the Guarantor, administrative agent or other entity are not (and cannot be) directors, officers, employees or other representatives of the Issuer or any of its Affiliates, do not (and cannot) hold greater than ten percent of the voting or equity securities of the Issuer or any of its Affiliates and are (and must be) otherwise free from any material relationship with the Issuer or any of its Affiliates (hereinafter referred to as "**Independent Members**"), and (iv) the board of directors or other governing body of the general partner of the Guarantor, administrative agent or other entity is (and must be) composed of at least three members, and the non-Independent Member is not (and shall not)be entitled to vote on any resolution or question to be determined or resolved by the board (or other governing body) and shall attend meetings of the board (or other governing body) at the discretion of the remaining members thereof, provided that such board of directors or other governing body may be composed of only two Independent Members with "observer" status granted to one director, officer, employee or other representative of the Issuer or any of its Affiliates;

"**Indexation Methodology**" means, the indexation methodology determined by the Guarantor that meets the requirements provided for in the CMHC Guide to determine indexed valuations for Properties relating to the Loans in the Covered Bond Portfolio, which methodology may be updated from time to time upon notice to CMHC and will, at any time, be disclosed in the then-current Investor Report;

"**Initial Advance**" means, in respect of any Loan, the original principal amount advanced by the applicable Originator to the relevant Borrower;

"**Initial Advance Commitment**" has the meaning given to it in the third recital of the Intercompany Loan Agreement;

"**Initial Covered Bond Portfolio**" means the portfolio of Loans and their Related Security, particulars of which will be delivered on the First Transfer Date pursuant to the terms of the Mortgage Sale Agreement (other than any Loans and their Related Security that have been redeemed in full prior to the First Transfer Date) and all right, title, interest and benefit of the Seller in and to such Loans and their Related Security, including any rights of the Seller thereunder;

"**Initial Deposit List**" has the meaning given to it in Section 5.4 of the Custodial Agreement;

"**Initial Purchase Price**" means the amount to be paid by the Guarantor to the Seller in consideration of the sale by the Seller of the Initial Covered Bond Portfolio to the Guarantor;

"**Insolvency Event**" means, in respect of the Seller, the Servicer or the Cash Manager or any other person, any impending or actual insolvency on the part of such person, as evidenced by, but not limited to:

(a) the commencement of a dissolution proceeding or a case in bankruptcy involving the relevant entity (and where such proceeding is the result of an involuntary filing, such proceeding is not dismissed within 60 days after the date of such filing); or

(b) the appointment of a trustee or other similar court officer over, or the taking of control or possession by such officer, of the business of the relevant entity, in whole or in part, before the commencement of a dissolution proceeding or a case in bankruptcy; or

(c) the relevant entity makes a general assignment for the benefit of any of its creditors; or

(d) the general failure of, or the inability of, or the written admission of the inability of, the relevant entity to pay its debts as they become due;

"**Intellectual Property**" includes all security interests, goodwill, choses in action and other contractual benefits and all trade marks, trade mark registrations and pending trade mark applications, patents and pending patent applications and copyrights and other intellectual property;

"**Intercompany Loan**" has the meaning given to it in Section 2 of the Intercompany Loan Agreement;

"**Intercompany Loan Agreement**" means the loan agreement entered into on the Programme Date by and among FBOC, as Issuer and as Cash Manager, and the Guarantor (as amended and/or restated and/or supplemented from time to time);

"**Intercompany Loan Interest Amount**" has the meaning given to it in Section 6.2 of the Intercompany Loan Agreement;

"**Intercompany Loan Ledger**" means the ledger of such name maintained by the Cash Manager pursuant to and in accordance with the terms of the Cash Management Agreement;

"**Interest Accrual Period**" means the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date;

"**Interest Amount**" means the amount of interest payable on the Floating Rate Covered Bonds in respect of each Specified Denomination for the relevant Interest Period (as indicated in the applicable Final Terms);

"**Interest Basis**" has the meaning given to it in the applicable Final Terms;

"**Interest Commencement Date**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Interest Determination Date**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Interest Payment Date**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Interest Period**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Interest Rate Swap Agreement**" means the agreement(s) (including any replacement agreements) entered into between the Guarantor and the Interest Rate Swap Provider(s) in the form of an ISDA Master Agreement (identified on page 1 thereof as the "Interest Rate 2002 Master Agreement"), including a schedule, credit support annex and one or more confirmation(s), in relation to the Covered Bond Portfolio (as amended and/or restated and/or supplemented from time to time);

"**Interest Rate Swap Calculation Agent**" means the Fixed Rate Swap Calculation Agent;

"**Interest Rate Swap Early Termination Event**" means a Termination Event or an Event of Default (each as defined in the Interest Rate Swap Agreement, or the relevant Interest Rate Swap Agreement, as applicable);

"**Interest Rate Swap Provider**" means the provider(s) of the Interest Rate Swap Transaction;

"**Interest Rate Swap Transaction**" means the interest rate swap transaction evidenced by the confirmation under the Interest Rate Swap Agreement (as amended and/or restated and/or supplemented from time to time);

"**Investor Reports**" means the monthly report, substantially in the form of Schedule 3 to the Cash Management Agreement, made available on the Issuer's website at https://www.fairstonebank.ca/covered-bonds detailing information with respect to the Programme, each Series of Covered Bonds and the Covered Bond Portfolio, in each case as required pursuant to Annex H to the CMHC Guide;

"**ISA**" means International Standards on Auditing;

"**ISDA**" means International Swaps and Derivatives Association, Inc.;

"**ISDA Definitions**" means, in relation to any Series of Covered Bonds, the 2021 ISDA Interest Rate Derivatives Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Determination**" has the meaning specified in the applicable Final Terms;

"**ISDA Master Agreement**" means the 2002 ISDA Master Agreement, as published by ISDA;

"**ISDA Rate**" has the meaning given to it in Condition 5.04 (*ISDA Rate Covered Bonds*);

"**Issue Date**" means each date on which the Issuer issues Covered Bonds to purchasers of such Covered Bonds and in accordance with the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s) being, in the case of any Definitive Covered Bond represented initially by a Registered Global Covered Bond, the same date as the date of issue of the Registered Global Covered Bond which initially represented such Covered Bond;

"**Issue Price**" has the meaning specified in the applicable Final Terms;

"**Issuer**" means Fairstone Bank of Canada;

"**Issuer Acceleration Notice**" has the meaning given to it in Condition 7.01 (*Issuer Events of Default*);

"**Issuer Event of Default**" has the meaning given to it in Condition 7.01 (*Issuer Events of Default*);

"**Issuer ICSD Agreement**" means the Issuer ICSD Agreement between the Issuer, Euroclear and Clearstream, Luxembourg;

"**Issuer Swap Master Agreement**" means the ISDA Master Agreement (including schedule and 2016 credit support annex for variation margin thereto) entered into between the Issuer and the Covered Bond Swap Provider, dated as of June 26, 2026, as amended, restated or supplemented from time to time;

"**Issuer Swap Transaction**" means the interest rate swap transaction entered into between the Issuer and the Covered Bond Swap Provider in relation to a Tranche or Series of Covered Bonds in the form of a confirmation governed by the Issuer Swap Master Agreement as amended, restated or supplemented from time to time;

"**Issuing and Paying Agent**" means any party in its capacity as issuing and paying agent or, if applicable, any successor issuing and paying agent in relation to all or any Tranche or Series of the Covered Bonds;

"**Latest Valuation**" means, in relation to any Property, the value given to that Property by the most recent valuation addressed to the Seller or the applicable Originator, or obtained from an independently maintained valuation model, acceptable to reasonable and prudent institutional mortgage lenders in the Seller's or applicable Originator's market or the purchase price of that Property or current property tax assessment, as applicable; provided that such value shall be adjusted at least quarterly to account for subsequent price adjustments using the Indexation Methodology;

"**Ledger**" means each of the Revenue Ledger, the Principal Ledger, the Reserve Ledger, the Yield Supplement Ledger, the Payment Ledger, the Pre-Maturity Liquidity Ledger, the Intercompany Loan Ledger and the Capital Account Ledgers maintained by the Cash Manager in accordance with the terms of the Cash Management Agreement;

"**Lending Criteria**" means the lending criteria of the Seller or an Originator from time to time, or such other criteria as would be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's or Originator's market;

"**Letter Agreement**" means the engagement letter in respect of the appointment of the independent directors of the Liquidation GP, entered into on August 19, 2026 by and among Fairstone Bank of Canada, the Guarantor and Computershare Trust Company of Canada;

"**Level of Overcollateralization**" has the meaning given to it in Schedule 11 of the Guarantor Agreement;

"**Liability**" means any loss, damage, cost, charge, claim, demand, expense, judgment, decree, action, proceeding or other liability whatsoever (including, without limitation in respect of taxes, duties, levies, imposts and other charges) and including any GST or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

"**Limited Partner**" means Fairstone Bank of Canada, in its capacity as a limited partner of the Guarantor, individually and together with such other persons who may from time to time, become limited partner(s) of the Guarantor pursuant to the terms of the Guarantor Agreement;

"**Line of Credit**" means a type of loan product on the security of a Mortgage, including a home equity line of credit loan, that typically incorporates features that give the relevant Borrower options to, among other things, make further drawings on the loan account;

"**Line of Credit Drawing**" means any further drawing of monies made by a Borrower under a Line of Credit Loan other than an Initial Advance;

"**Line of Credit Loan**" means each Loan consisting of outstanding indebtedness arising under a Line of Credit;

"**Liquidation GP**" means FBOC Covered Bond (Legislative) LGP Inc., in its capacity as liquation general partner of the Guarantor together with any of its successors and any successor liquidation general partner appointed pursuant to the terms of the Guarantor Agreement;

"**Liquidation Proceeds**" means, with respect to any Loan and its Related Security, the moneys collected in respect thereof from, (i) insurance proceeds or payments under credit or mortgage insurance policies or guarantees to which the Seller or the Guarantor, as the case may be, is entitled, (ii) proceeds from the sale of such Loan or its Related Security or received from any Person directly or indirectly liable for the payment of such Loan, (iii) any amount received in respect of such Loan resulting from expropriation proceedings relating to the Property subject thereto, in each case, net of (x) to the extent paid by the expropriating authority for such purposes, the sum of any amounts expended by the Original Seller or the Guarantor, as the case may be, in connection with recovering such proceeds or amounts including, without limitation, legal fees and disbursements, appraisal costs, survey costs, taxes, commissions, utilities, repairs, and other consultant costs, and (y) any amounts required to be remitted to the Borrower on such Loan by

law or pursuant to the terms of such Loan; and (iv) the realization upon any deficiency judgment obtained against the Borrower or any guarantor or indemnitor;

"**Listing Rules**" means:

(a) in the case of Covered Bonds which are, or are to be, listed on Euronext Dublin, the Part 6 rules (including the listing rules) made by the Central Bank of Ireland and Euronext Dublin's Admission and Disclosure Standards; and

(b) in the case of Covered Bonds which are, or are to be, listed on a Stock Exchange other than Euronext Dublin (as specified in the Final Terms), the listing rules and regulations for the time being in force for that Stock Exchange;

"**Loan**" means any mortgage loan, including first lien residential mortgage loans and first ranking residential hypothecary loans, on the security of a Mortgage, and including, for greater certainty, a Multiproduct Mortgage Loan, in each case referenced by its loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other moneys (including all Additional Loan Advances) due or owing with respect to that loan under the relevant Mortgage Conditions by a Borrower from time to time outstanding, or, as the context may require, the Borrower's obligations in respect of the same;

"**Loan Files**" or "**Loan and Related Security Files**" means the file or files relating to each Loan and its Related Security (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing, among other things, the original fully executed copy of the document(s) evidencing the Loan and its Related Security, including the relevant loan agreement (together with the promissory note, if any, evidencing such Loan or, if applicable, a guarantee of the Borrower), and, if applicable, evidence of the registration thereof or filing of financing statements under the PPSA, and the mortgage documentation, Mortgage Deed and other Related Security documents in respect thereof and evidence of paper or electronic registration from the applicable land registry office, land titles office or similar place of public record in which the related Mortgage is registered together with a copy or other evidence, if applicable, of any applicable insurance policies in respect thereof to which the Seller or the Guarantor, as the case may be, is entitled to any benefit, a copy of the policy of title insurance or opinion of counsel regarding title, priority of the Mortgage or other usual matters, in each case, if any, and any and all other documents (including all electronic documents) kept on file by or on behalf of the Seller relating to such Loan;

"**Loan Representations and Warranties**" means the loan representations and warranties of the Seller set out in the Mortgage Sale Agreement;

"**LP Act**" means the *Limited Partnerships Act* (Ontario) as the same may be amended from time to time;

"**LTV**" means loan-to-value;

"**LTV Adjusted Loan Balance**" has the meaning given to it in Schedule 2 of the Guarantor Agreement;

"**Managing GP**" means FBOC Covered Bond (Legislative) GP Inc., in its capacity as managing general partner of the Guarantor, any successor managing general partner of the Guarantor appointed in accordance with the terms of the Guarantor Agreement, including without limitation

the Liquidation GP if and while appointed as Managing GP in accordance with Article 11 of the Guarantor Agreement (*Removal and Resignation of the Managing General Partner and the Liquidation General Partner*), and any successor or assign of any of them as the context requires;

"**Managing GP Default Event**" has the meaning given to such term in Section 11.2 of the Guarantor Agreement;

"**Mandate**" or "**Mandates**" means the Transaction Account Mandate and/or the GIC Account Mandate and/or Standby GIC Account Mandate and/or Standby Transaction Account Mandate and/or the mandates relating to any other Guarantor Accounts, as the case may be;

"**Margin**" means in respect of a Floating Rate Covered Bond, the percentage rate per annum (if any) specified in the applicable Final Terms;

"**Master Definitions and Construction Agreement**" means this Agreement (as amended and/or restated and/or supplemented from time to time);

"**Material Adverse Effect**" or "**Material Adverse Event**" means, with respect to any Person, an effect that is materially adverse to the ability of such Person to perform its obligations under the relevant Transaction Document(s);

"**Maximum Redemption Amount**" has the meaning specified in the applicable Final Terms;

"**Member States**" means the countries united under and party to the treaties of the European Union as at the date hereof (and each individually, a "**Member State**");

"**Minimum and/or Maximum Interest Rate**" has the meaning specified in the applicable Final Terms;

"**Minimum Redemption Amount**" has the meaning specified in the applicable Final Terms;

"**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

"**Monthly Aggregate Yield Shortfall**" means, in respect of a Guarantor Payment Date and the related Guarantor Calculation Period, the amount by which the Yield Supplement Actual Interest in respect of such Guarantor Calculation Period is less than the Yield Supplement Target Interest for such Guarantor Payment Date;

"**Monthly Payment**" means the amount which the relevant Mortgage Terms require a Borrower to pay on each Monthly Payment Date in respect of that Borrower's Loan;

"**Monthly Payment Date**" means in relation to a Loan, the date(s) in each month on which the relevant Borrower is required to make a payment of interest and, if applicable, principal for that Loan, as required by the applicable Mortgage Conditions;

"**Moody's**" means Moody's Ratings and includes any successor to its rating business;

"**Mortgage**" means, in respect of any Loan, each first fixed charge by way of legal mortgage or first-ranking hypothec sold, transferred and assigned by the Seller to the Guarantor pursuant to the Mortgage Sale Agreement or contributed by the Seller to the Guarantor pursuant to the Guarantor Agreement, which secures the repayment of the relevant Loan including the Mortgage Conditions applicable to it and in respect of any Multiproduct Mortgage Loan, the related Multiproduct Mortgage sold, transferred and assigned by the Seller to the Guarantor pursuant to the Mortgage Sale Agreement as part of the Related Security, which secures the repayment of the relevant Multiproduct Mortgage Loan, including the Mortgage Conditions applicable to it and "**Mortgages**" means more than one Mortgage;

"**Mortgage Conditions**" means all the terms and conditions applicable to a Loan, including without limitation those set out in the Seller's or the applicable Originator's relevant mortgage conditions booklet and the Seller's or the applicable Originator's relevant general conditions, each as varied from time to time by the relevant Loan agreement between the lender under the Loan and the Borrower, as the same may be amended from time to time, and the relevant Mortgage Deed;

"**Mortgage Deed**" means, in respect of any Mortgage, the deed creating that Mortgage;

"**Mortgage Sale Agreement**" means the mortgage sale agreement entered into on the Programme Date, by and among the Seller, the Guarantor and the Bond Trustee (as amended and/or restated and/or supplemented from time to time);

"**Mortgage Terms**" means the terms of the applicable Mortgage;

"**Mortgaged Property**" means residential property located in Canada that is subject to a Mortgage;

"**Multiproduct Loan**" means a Multiproduct Mortgage Loan or Line of Credit Loan, as applicable;

"**Multiproduct Loan Agreement**" means, with respect to any Borrower, the credit contracts providing for the establishment of any one or more Multiproduct Mortgage Loans, together with any amendments, addendums and supplements thereto (each to be governed by a separate agreement);

"**Multiproduct Mortgage**" means a Collateral Mortgage, which is security for any Multiproduct Mortgage Loan;

"**Multiproduct Mortgage Loan**" means each outstanding amortizing term loan due or owing under the relevant Mortgage Conditions by a Borrower on the security of a Multiproduct Mortgage from time to time outstanding, or, as the context may require, the Borrower's obligations in respect of the same;

"**Multiproduct Purchaser**" means any owner of any Multiproduct Mortgage Loan outstanding from time to time or any interest therein, including any person holding and/or having the benefit of a Multiproduct Mortgage, other than the Seller, an applicable Originator, and the Guarantor;

"**Negative Carry Factor**" has the meaning given to it in Schedule 2 of the Guarantor Agreement;

"**Negotiable Collateral**" means the Guarantor's Collateral consisting of chattel paper, instruments, securities, investment property or negotiable documents of title;

"**Net Income**" or "**Net Loss**" means, respectively, the net income or net loss of the Partnership as determined in accordance with Canadian GAAP;

"**New Company**" has the meaning given to it in Clause 21.3 of the Trust Deed;

"**New Loan**" means Loans, other than the Loans comprised in the Initial Covered Bond Portfolio, which the Seller may assign or transfer to the Guarantor after the First Transfer Date pursuant to the Mortgage Sale Agreement and "**New Loans**" means more than one New Loan;

"**New Managing GP**" has the meaning given to it in Section 11.4 of the Guarantor Agreement;

"**New Portfolio Asset Type**" means a new type of mortgage loan or multi-amortizing loan product (but not including a Multiproduct Mortgage Loan) originated by the Originators and acquired by the Seller, which the Seller intends to transfer to the Guarantor, the terms and conditions of which are materially different (in the opinion of the Seller, acting reasonably) from the Loans. For the avoidance of doubt, a mortgage loan will not constitute a New Portfolio Asset Type if it differs from the Loans due to it having different interest rates and/or interest periods and/or time periods for which it is subject to a fixed rate, capped rate, tracker rate or any other interest rate or the benefit of any discounts, cash-backs and/or rate guarantees or due to it being originated by an Originator;

"**New Secured Creditor**" means any Person which becomes a Secured Creditor pursuant to and in accordance with the Security Agreement;

"**New Seller**" means any Affiliate of FBOC that accedes to the relevant Transaction Documents and sells Loans or New Loans and their respective Related Security to the Guarantor in the future;

"**Nominated Persons**" or "**Nominated Person**" has the meaning given to it in Section 3.6 of the Asset Monitor Agreement;

"**Non-Compliance Notice**" has the meaning given to it in Section 2.5 of the Asset Monitor Agreement;

"**Non-Performing Loan**" means any Loan in the Covered Bond Portfolio which is more than three months in arrears;

"**Non-Performing Loans Notice**" means a notice from the Cash Manager to the Seller identifying one or more Non-Performing Loans;

"**Non-resident**" means a person that is not (and is not deemed to be) resident in Canada for purposes of the Income Tax Act;

"**Notice to Pay**" means, in respect of the Guarantor, a notice duly given to it accordance with Condition 7.01 of Schedule 1 to the Trust Deed and in the form or substantially in the form set out in Schedule 4 to the Trust Deed;

"**Novation Agreement**" means the agreement entered into between the Guarantor, as transferee, the Issuer, as transferor, and a Covered Bond Swap Provider, as the remaining party, upon the issuance of a Tranche or Series of Covered Bonds under which the Issuer agrees to the automatic novation of its position under the Issuer Swap Transaction to the Guarantor upon the occurrence of a Covered Bond Guarantee Activation Event;

"Novated Transaction" means a transaction automatically novated by the Issuer to the Guarantor upon the occurrence of the Covered Bond Guarantee Activation Event pursuant to the applicable Novation Agreement, in each case, entered into between the Guarantor and the Covered Bond Swap Provider, under which the Guarantor will swap Canadian dollar floating rate amounts in exchange for amounts owing by the Guarantor under the Covered Bond Guarantee in the rates, and in the currency, relating to the relevant Tranche or Series of Covered Bonds;

"**NSS**" means the new safekeeping structure for registered global securities which are intended to constitute eligible collateral for Eurosystem monetary policy and intra-day credit operations;

"**Obligations**" has the meaning given to it in Section 2.02 of the Security Agreement;

"**OC Valuation**" has the meaning given to it in Schedule 11 of the Guarantor Agreement;

"**Offering Document**" means any offering document prepared in connection with the Programme as supplemented, amended or replaced from time to time by the Issuer and the Guarantor including any documents which are from time to time incorporated in the offering document by reference except that, in relation to each Tranche of Covered Bonds only, the applicable Final Terms shall be deemed to be included in the Offering Document;

"**Official List**" means the official list of Euronext Dublin;

"**Optional Redemption Amount**" has the meaning specified in the applicable Final Terms;

"**Optional Redemption Date**" has the meaning specified in the applicable Final Terms;

"**Optional Repurchase Notice**" has the meaning given to it in Section 2.4 of each of the Mortgage Sale Agreement, HTC Mortgage Sale Agreement and HB Mortgage Sale Agreement;

"**Optional Repurchase Price**" has the meaning given to it in each of Section 2.4 of the Mortgage Sale Agreement, HTC Mortgage Sale Agreement and HB Mortgage Sale Agreement;

"**Original Due for Payment Date**" has the meaning given to it paragraph (i)(a) of the definition of "Due for Payment";

"**Original Seller**" means FBOC;

"Origination Purchase Documents" means, as applicable, the HTC Mortgage Sale Agreement, HB Mortgage Sale Agreement, each Originator Assignment, and all other certificates, instruments, Financing Statements, reports, notices, agreements and documents executed or delivered under or in connection with the HTC Mortgage Sale Agreement or the HB Mortgage Sale Agreement in respect of a sale of Loans and their Related Security by the Originator to the Seller;

"Originator" means initially, HTC or HB, as applicable, and any other entity forming part of the FBOC Entities that has originated Loans included in the Portfolio Assets together with any successors or assigns thereof (collectively, the "**Originators**");

"Originator Assignment" means, in respect of an Originator, for any Purchase Date and all Loans to be purchased on such date (regardless of where the related Mortgaged Properties are situated), an assignment of such Loans and Related Security with respect thereto executed and

delivered by the Originator to the Seller or applicable Acquirer, as applicable, in substantially the form of Schedule 2.2(g) to the HTC Mortgage Sale Agreement or HB Mortgage Sale Agreement, as applicable;

"**Originator's Policy**" means, in respect of an Originator, the originating, underwriting, administration (interest rate setting), arrears, and enforcement policy applied from time to time by such Originator in the ordinary course of such Originator's business to loans and their related security which are beneficially owned solely by such Originator for their repayment;

"**Originator's Underwriting Policy**" means, in respect of an Originator, the underwriting, policy applied from time to time by such Originator in the ordinary course of such Originator's business to loans and their related security which are beneficially owned solely by such Originator for their repayment;

"**Originator Retained Loan**" has the meaning given to it in the Security Sharing Agreement;

"**OSFI**" means the Office of the Superintendent of Financial Institutions;

"**Outstanding**" or "**outstanding**" means, in relation to the Covered Bonds of all or any Series, all the Covered Bonds of such Series issued other than:

(a) those Covered Bonds which have been redeemed pursuant to the trust presents;

(b) those Covered Bonds in respect of which the date (including, where applicable, any deferred date) for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Bond Trustee or to the Issuing and Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relative Holders of the Covered Bonds in accordance with Condition 14 (*Notices*)) and remain available for payment against presentation of the relevant Covered Bonds;

(c) those Covered Bonds which have been purchased and cancelled in accordance with Condition 6.08 (*Cancellation of Redeemed and Purchased Covered Bonds*);

(d) those Covered Bonds which have become void or in respect of which claims have become prescribed, in each case under Condition 10 (*Prescription*);

(e) those mutilated or defaced Covered Bonds which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 12 (*Replacement of Covered Bonds*);

(f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Covered Bonds outstanding and without prejudice to the status for any other purpose of the relevant Covered Bonds) those Covered Bonds which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 12 (*Replacement of Covered Bonds*); and

(g) any Registered Global Covered Bond to the extent that it shall have been exchanged for Registered Definitive Covered Bonds or another Registered Global Covered Bond pursuant to its provisions, the provisions of the trust presents and the Agency Agreement; and

PROVIDED THAT for each of the following purposes, namely:

(i) the right to attend and vote at any meeting of the holders of the Covered Bonds of any Series;

(ii) the determination of how many and which Covered Bonds of any Series are for the time being outstanding for the purposes of Clauses 10.1 and 10.2 of the Trust Deed, Condition 7 (*Events of Default*) and 13 (*Meetings of Holders of the Covered Bonds, Modification and Waiver*) and paragraphs 2, 5, 6 and 9 of Schedule 5 to the Trust Deed;

(iii) any discretion, power or authority (whether contained in the trust presents or vested by operation of law) which the Bond Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Covered Bonds of any Series; and

(iv) the determination by the Bond Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series,

those Covered Bonds of the relevant Series (if any) which are for the time being held by or on behalf of the Issuer or the Guarantor, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"**Outstanding Principal Amount**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Outstanding Principal Balance**" means in respect of any relevant Loan or Loans the Current Balance of such Loan or the aggregate Current Balance of such Loans, as the case may be;

"**Participant**" means a Direct and/or Indirect Participant;

"**Partner**" means each of the Managing GP, the Liquidation GP and the Limited Partner and any other limited partner or general partner who may become a limited partner of the Guarantor from time to time, and the successors and assigns thereof, and "**Partners**" means any two or more of them;

"**Partnership**" means the FBOC Covered Bond (Legislative) Guarantor Limited Partnership;

"**Paying Agents**" means, in relation to all or any Tranche or Series of the Covered Bonds, the several institutions (including, where the context permits, the Issuing and Paying Agent) at their respective specified offices initially appointed as paying agents in relation to such Covered Bonds by the Issuer and the Guarantor pursuant to the Agency Agreement and/or, if applicable, any substitute or additional paying agents appointed in accordance with the Agency Agreement either with respect to the Programme or with respect to a particular Series at their respective specified offices in relation to all or any Tranche or Series of the Covered Bonds;

"**Payment Day**" means (a) in the case of a Registered Global Covered Bond, a Clearing System Business Date, (b) in the case of any currency other than euro, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) and foreign exchange markets settle payments in the Financial Centre(s) specified in the Final Terms, (c) if T2 is specified in the Final Terms as a Financial Centre, a T2 Business Day, or (d) in the case of payment in euro, a day which is a T2 Business Day and a day on which commercial banks and foreign exchange markets are open for general business (including

dealings in foreign exchange and foreign currency deposits) in the Financial Centre(s) specified in the Final Terms;

"**Payment Holiday**" means the period of time that a Borrower under a Loan refrains from making payments of interest and principal on his Loan as expressly permitted by the terms of the Borrower's Loan;

"**Payment in Kind**" has the meaning given to it in Section 11.1(b)(ii) of the Intercompany Loan Agreement;

"**Payment in Kind Date**" has the meaning given to it in Section 11.1(c) of the Intercompany Loan Agreement;

"**Payment in Kind Notice**" has the meaning given to it in Section 11.1(c) of the Intercompany Loan Agreement;

"**Payment Ledger**" means the ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record payments by or on behalf of the Guarantor in accordance with the terms of the Guarantor Agreement;

"**Perfected**" means in respect of any relevant Purchased Loan and its Related Security, delivery of notice to the Borrower of the sale, assignment and transfer of such Loan and its Related Security and a direction to make all future repayments of the Loan to the Account Bank or Standby Account Bank for the account of the Guarantor by the Seller or the applicable Originator, or, as necessary, by the Guarantor (or the Servicer on behalf of the Guarantor) on behalf of the Seller or the applicable Originator (under applicable powers of attorney granted to the Guarantor) to the Guarantor of such Loan and its Related Security and, to the extent not already completed, registration of the transfer of legal title to the Mortgages in the appropriate land registry office, land titles office or similar office of public registration for the location where the relevant real property is located and "Perfect" and "Perfection" shall have corresponding meanings;

"**Permitted Security Interests**" means (i) any Security Interest for taxes, assessments or governmental charges or levies which relate to obligations not yet due and delinquent, (ii) easements, servitudes, encroachments and other minor imperfections of title which do not, individually or in the aggregate, detract from the value of or impair the use or marketability of any real property, and (iii) undetermined or inchoate Security Interests arising or potentially arising under statutory provisions which have not at the relevant time been filed or registered in accordance with applicable laws or of which written notice has not been given in accordance with applicable laws;

"**Person**" or "**person**" means a reference to any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, limited liability company, unlimited liability company, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, government or governmental authority or entity, however designated or constituted;

"**Personal Information**" means information that is protected by any Applicable Privacy Laws;

"**PIPEDA**" means the *Personal Information Protection and Electronic Documents Act* (Canada);

"**Pledged Securities**" means Investment Property and Equity Interests in other Persons that do not constitute Investment Property, now or hereafter acquired or owned by on or behalf of the Guarantor or in which the Guarantor now or hereafter has an interest;

"**Portfolio Asset Offer Notice**" has the meaning given to it in each of Section 8.1 of the Mortgage Sale Agreement, HTC Mortgage Sale Agreement and HB Mortgage Sale Agreement;

"**Portfolio Asset Offer Repurchase Notice**" has the meaning given to it in each of Section 8.2 of the Mortgage Sale Agreement, HTC Mortgage Sale Agreement and HB Mortgage Sale Agreement;

"**Portfolio Asset Repurchase Notice**" has the meaning given to it in each of Section 2.3 of the Mortgage Sale Agreement, HTC Mortgage Sale Agreement and HB Mortgage Sale Agreement;

"**Portfolio Assets**" means Loans and their Related Security;

"**Post-Enforcement Priority of Payments**" has the meaning given to it in Section 4.07 of the Security Agreement;

"**Post Issuer Event of Default Yield Shortfall Test**" has the meaning given to it in Section 4.4 of the Servicing Agreement;

"**Potential Guarantor Event of Default**" has the meaning given to it in Condition 13 (*Meetings of Holders of the Covered Bonds, Modification and Waiver*);

"**Potential Issuer Event of Default**" has the meaning given to it in Condition 13 (*Meetings of Holders of the Covered Bonds, Modification and Waiver*);

"**PPSA**" has the meaning given to it in Section 1.03 of the Security Agreement;

"**Pre-Acceleration Principal Priority of Payments**" has the meaning given to it in Section 6.1 of the Guarantor Agreement;

"**Pre-Acceleration Revenue Priority of Payments**" has the meaning given to it in Section 6.1 of the Guarantor Agreement;

"**Pre-Maturity Liquidity Eligible Assets**" means each Substitute Asset having: (i) a maturity date occurring before the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds; and (ii) for which the Rating Agency Condition has been satisfied;

"**Pre-Maturity Liquidity Ledger**" means the ledger on the GIC Account established to record the credits and debits of moneys available to repay any Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof if the Pre-Maturity Test has been breached and which is maintained by the Cash Manager pursuant to and in accordance with the Cash Management Agreement;

"**Pre-Maturity Liquidity Required Amount**" means nil, unless the Pre-Maturity Test has been breached in respect of one or more Series of Hard Bullet Covered Bonds, and then an amount equal to the aggregate for each affected Series (without double counting) of (i) the Required Redemption Amount for such affected Series, (ii) the Required Redemption Amount for all other Series of Hard Bullet Covered Bonds which will mature within 12 months of the date of the calculation, and (iii) the amount required to satisfy paragraphs (a) through (f) of the Guarantee

Priority of Payments on the Final Maturity Date of the affected Series of Hard Bullet Covered Bonds and on the Final Maturity Date of all other Series of Hard Bullet Covered Bonds which will mature within 12 months of the date of the calculation;

"**Pre-Maturity Minimum Ratings**" has the meaning given to it in Schedule 4 of the Guarantor Agreement;

"**Pre-Maturity Test**" has the meaning given to it in Schedule 4 of the Guarantor Agreement;

"**Pre-Maturity Test Date**" has the meaning given to it in Schedule 4 of the Guarantor Agreement;

"**Pre-Maturity Test Interval**" has the meaning given to it in Schedule 4 of the Guarantor Agreement;

"**Preceding Business Day Convention**" has the meaning given to it in Condition 5.09 *(Definitions*);

"**Prescribed Cash Limitation**" has the meaning given to it in Section 9.8 of the Guarantor Agreement;

"**Present Value**" means for any Loan the value of the outstanding loan balance of such Loan, calculated by discounting the expected future cash flow (on a loan level basis) using current market interest rates for mortgage loans with credit risks similar to those of the Loan (using the same discounting methodology as that used as part of the fair value disclosure in FBOC's audited financial statements), or using publicly posted mortgage rates;

"**Principal Amount Outstanding**" means, in respect of a Covered Bond, the principal amount of that Covered Bond on the relevant Issue Date thereof less all principal amounts received by the relevant holder of the Covered Bonds in respect thereof;

"**Principal Ledger**" means the ledger of such name maintained by the Cash Manager pursuant to and in accordance with the Cash Management Agreement to record the credits and debits of Principal Receipts held by the Cash Manager for and on behalf of the Guarantor and/or in the Guarantor Accounts;

"**Principal Receipts**" means receipts in respect of Loans which are not Revenue Receipts including the following (to the extent that such amounts are not Revenue Receipts):

(a) principal repayments under the Loans in the Covered Bond Portfolio (including payments of arrears, Capitalized Expenses and Capitalized Arrears);

(b) recoveries of principal from defaulting Borrowers under Loans in the Covered Bond Portfolio being enforced (including the proceeds of sale of the relevant Property);

(c) any repayments of principal (including payments of arrears, Capitalized Expenses and Capitalized Arrears) received pursuant to any insurance policy (that is not a mortgage insurance policy provided by a Prohibited Insurer) in respect of a Property in connection with a Loan in the Covered Bond Portfolio; and

(d) the proceeds of the purchase of any Loan in the Covered Bond Portfolio by a Purchaser from the Guarantor, including any amount received by the Guarantor as consideration for

a repurchase of a Portfolio Asset by the Seller (excluding in either case, for the avoidance of doubt, amounts attributable to Accrued Interest and Arrears of Interest thereon as at the relevant purchase date);

"**Priorities of Payments**" means the orders of priority for the allocation and distribution of amounts standing to the credit of the Guarantor in different circumstances being the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Priority of Payments and the Guarantee Priority of Payments (see Article 6 of the Guarantor Agreement) and the Post-Enforcement Priority of Payments (see Section 4.07 of the Security Agreement) and "**Priority of Payment**" means any one of the foregoing;

"**proceedings**" (where used in the Trust Deed) has the meaning given to it in Clause 10 of the Trust Deed;

"**Product Switch**" means a variation to the financial terms or conditions included in the Mortgage Conditions applicable to a Loan other than:

(a) any variation agreed with a Borrower to control or manage arrears on a Loan;

(b) any variation in the maturity date of a Loan;

(c) any variation imposed by statute or any variation in the frequency with which the interest payable in respect of the Loan is charged;

(d) any variation to the interest rate as a result of the Borrowers switching to a different rate;

(e) any change to a Borrower under the Loan or the addition of a new Borrower under a Loan; or

(f) any change in the repayment method of the Loan;

"**Programme**" means FBOC's Global Legislative Covered Bond Programme as established by, or otherwise contemplated in, the Trust Deed, the Offering Document and the Prospectus;

"**Programme Date**" means September 14, 2026;

"**Programme Limit**" has the meaning given to it in the Trust Deed;

"**Programme Resolution**" has the meaning given to it in Condition 13 (*Meetings of Holders of the Covered Bonds, Modification and Waiver*);

"**Prohibited Insurer**" means CMHC, Canada Guaranty Mortgage Insurance Company, Sagen MI Canada (formerly Genworth MI Canada Inc.), the PMI Mortgage Insurance Company Canada, any other private mortgage insurer recognized by CMHC for purposes of the Covered Bond Legislative Framework or otherwise identified in the *Protection of Residential Mortgage or Hypothecary Insurance Act* (Canada), or any successor to any of them;

"**Property**" means a freehold, leasehold or commonhold property (or owned immovable property in the Province of Québec) which is subject to a Mortgage;

"**Prospectus**" means the prospectus prepared in connection with the Programme as revised, supplemented or amended from time to time by the Issuer and the Guarantor including any

documents which are from time to time incorporated in the Prospectus by reference except that in relation to each Tranche of Covered Bonds only, the applicable Final Terms shall be deemed to be included in the Prospectus;

"**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended or superseded.

"**Purchase Date**" has the meaning given to it in each of Section 2.2 of the Mortgage Sale Agreement, HTC Mortgage Sale Agreement and HB Mortgage Sale Agreement and unless the context requires otherwise includes each such date;

"**Purchase Documents**" means the Mortgage Sale Agreement, each Seller Assignment, and all other certificates, instruments, Financing Statements, reports, notices, agreements and documents executed or delivered under or in connection with the Mortgage Sale Agreement in respect of a sale of Loans and their Related Security by the Seller to the Guarantor, including, for greater certainty, the equivalent documents for the related sale of the Loans by the Originators to the Seller under the HTC Mortgage Sale Agreement and the HB Mortgage Sale Agreement, as applicable;

"**Purchase Notice**" has the meaning given to it in each of Section 2.2(b) of the Mortgage Sale Agreement, HTC Mortgage Sale Agreement and HB Mortgage Sale Agreement;

"**Purchased Assets**" has the meaning given to it in each of Section 2.2 of the Mortgage Sale Agreement, HTC Mortgage Sale Agreement and HB Mortgage Sale Agreement;

"**Purchased Loan or Purchased Portfolio Asset**" means, at any time, any Loan purchased (or purported to be purchased) by the Guarantor pursuant to the terms of the Mortgage Sale Agreement provided such Loan has not been repurchased by the Seller pursuant to the Mortgage Sale Agreement or sold by the Guarantor to any other Person, together with (i) all obligations of the Borrowers thereunder, and (ii) all monies paid or payable thereunder after the applicable Cut-Off Date (whether scheduled payments, Liquidation Proceeds, prepayments, finance charges, interest, fees, prepayment penalties or bonuses or other charges with respect thereto);

"**Purchaser**" means any third party or the Seller to whom the Guarantor offers to sell Portfolio Assets, except in the Mortgage Sale Agreement and Purchase Documents where such reference is to the Guarantor;

"**Put Notice**" has the meaning given to it in Condition 6.06 (*Put Option*);

"**Put Option**" has the meaning given to it in the applicable Final Terms;

"**Randomly Selected Loans**" means Loans and, if applicable, their Related Security, in the Covered Bond Portfolio, selected in accordance with the terms of the Guarantor Agreement on a basis that (i) is not designed to favour the selection of any identifiable class or type or quality of Loans and their Related Security over all the Loans and their Related Security in the Covered Bond Portfolio, except with respect to identifying such Loans and their Related Security as having been acquired by the Guarantor from a particular Seller, if applicable, and (ii) will not (and is not reasonably expected to) adversely affect the interests of the Covered Bondholders;

"**Rate of Interest**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Rate Option**" has the meaning given to it in the ISDA Definitions;

"**Rating Agency**" means any one of DBRS and Moody's to the extent that at the relevant time it provides ratings in respect of the then outstanding Covered Bonds, its successors or any other credit rating agency that the Issuer may in the future designate to provide ratings in respect of the Covered Bonds and "**Rating Agencies**" means more than one Rating Agency;

"**Rating Agency Condition**" has the meaning given to it in Condition 20 (*Rating Agency Condition*);

"**Ratings Trigger**" means the Account Bank Threshold Ratings, the Cash Manager Required Ratings, the Cash Management Deposit Ratings, the Pre-Maturity Minimum Ratings, the Reserve Fund Required Amount Ratings, the Servicer Deposit Threshold Ratings, the Servicer Replacement Threshold Ratings, the Contingent Collateral Ratings and the Swap Agreement Ratings;

"**Reasonable and Prudent Mortgage Lenders**" means reasonable and prudent institutional mortgage lenders in the Seller's market or the applicable Originator's market;

"**Recalculation Procedures**" has the meaning given to it in Section 2.2 of the Asset Monitor Agreement;

"**Recalculation Report**" has the meaning given to it in Section 2.3 of the Asset Monitor Agreement;

"**Receipt Ratio**" has the meaning given to it in the confirmation for any relevant Interest Rate Swap Transaction;

"**Record**" means the register of the Partners maintained pursuant to Section 9.2 of the Guarantor Agreement;

"**Record Date**" has the meaning given to it in Condition 9.01 (*Payments - Registered Covered Bonds*);

"**Redemption Amount**" has the meaning given to it in Condition 6.09 (*Further Provisions applicable to Redemption Amount*);

"**Redemption/Payment Basis**" has the meaning given to it in the applicable Final Terms;

"**Reference Banks**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Register**" means the register of holders of the Registered Covered Bonds maintained by the Registrar;

"**Registered Covered Bonds**" means Covered Bonds in registered form;

"**Registered Definitive Covered Bonds**" means the Registered Covered Bonds in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and the Trust Deed either on issue or in exchange for a Registered Global Covered Bond or part thereof (all as indicated in the applicable Final Terms), such Registered Covered Bonds in definitive form being substantially in the form set out in Part 2 of Schedule 3 to the Trust Deed with such modifications (if any) as may be agreed between the

Issuer, the Issuing and Paying Agent, the Bond Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference as indicated in the applicable Final Terms;

"**Registered Global Covered Bonds**" means Covered Bonds sold in reliance on Regulation S and issued in the form of Registered Covered Bonds;

"**Registered Title Direction**" means, in respect of the transfer of Loans by the Seller to the Guarantor pursuant to Section 5.2(1) or Section 5.3(1) of the Custodial Agreement, a direction of the Seller and the Originators, as applicable, to the Custodian that requires the Custodian as of Purchase Date to hold registered title to such Loans on behalf of the Purchaser;

"**Registered Title Event**" means the occurrence of an event specified in any of Section 7.1(a) (i) to (viii) of the Mortgage Sale Agreement;

"**Registrable Transfer**" means each transfer, assignment or conveyance in appropriate form that is required in respect of the assignment of the relevant Purchased Loan, including the related Mortgage, to the relevant Purchaser or as the relevant Purchaser directs, containing all necessary information (including mortgage registration number and a legal description of the Property subject to the Mortgage that complies with local law) and executed as necessary (including witnessed and under seal, if necessary) and accompanied by all required affidavits and certificates, for registration in the land registry or land titles office for the location where the real property subject thereto is situate or filing under the PPSA, as the case may be;

"**Registrar**" or "**Registrars**" has the meaning given to it in the *Conditions*;

"**Registry**" means the registry established by CMHC pursuant to Section 21.51 of Part I.1 of the *National Housing Act* (Canada);

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulation S Covered Bonds**" means any Covered Bonds which are offered or sold to non-U.S. persons outside the United States in reliance on Regulation S;

"**Regulation S Global Covered Bonds**" has the meaning given to it in Condition 2.07 (*Transfer of Registered Covered Bonds*);

"**Related Loans**" has the meaning given to it in the Security Sharing Agreement;

"**Related Security**" means, in relation to a Loan, the security for the repayment of that Loan including the relevant Mortgage, insurance (other than blanket insurance coverage maintained by a Seller or the applicable Originator), any guarantees and any security relating to such guarantees and all other matters applicable thereto acquired as part of the Covered Bond Portfolio and all proceeds of the foregoing (including proceeds of title insurance and indemnity insurance maintained by the Seller or the applicable Originator relating to such Loan); provided that in relation to any such Mortgage, insurance, guarantees and security securing one or more Line of Credit Loans or Multiproduct Mortgage Loans, the Guarantor's ownership interest in such Mortgage, insurance, guarantees, security and the related Property shall be to the extent of the amount of indebtedness owing under all Loans secured by such Mortgage and owned by the Guarantor, and will not extend to the Seller's, applicable Originator's and/or applicable Multiproduct Purchaser's ownership interest in such Mortgage, insurance, guarantees, security

and the related Property to the extent of any amounts of indebtedness owing under any Loans which are owned by such Seller, applicable Originator or Multiproduct Purchaser and outstanding under the related Multiproduct Loan Agreement from time to time, and the respective interests of the Guarantor, the Seller, applicable Originator and any Multiproduct Purchaser in such Mortgage, insurance, guarantees, security and the related Property shall be subject, in all respects, to the terms of the Security Sharing Agreement;

"**Release of Security**" has the meaning given to it in the Security Sharing Agreement;

"**Relevant Account Holder**" has the meaning given to it in Condition 1.02 (*Form and Denomination*);

"**Relevant Banking Day**" has the meaning given to it in Condition 2.04 (Transfer of Registered Covered Bonds);

"**Relevant Date**" has the meaning given to it in Condition 8.02 (*Taxation*);

"**Relevant Dealer**" has the meaning given to it in the Dealership Agreement;

"**Relevant Interest Period**" has the meaning given to it in Section 4.3 of the Servicing Agreement;

"**Relevant Nominating Body**" has the meaning given to it in Condition 5.09 (Definitions);

"**Relevant Screen Page**" has the meaning given to it in the applicable Final Terms;

"**Relevant Time**" has the meaning given to it in the applicable Final Terms;

"**Replacement Agent**" has the meaning given to it in Condition 12 (*Replacement of Covered Bonds*);

"**Repurchase Amount**" means with respect to any Portfolio Asset, an amount equal to the amount paid by the Guarantor to the Seller in respect of its purchase of such Portfolio Asset on the relevant Purchase Date being the Fair Market Value of the applicable Portfolio Asset on the relevant Cut-Off Date preceding the relevant Purchase Date plus any expenses incurred by the Guarantor in respect of such transaction and the relevant Portfolio Asset, less any amounts received by or on behalf of the Guarantor in respect of principal on such Portfolio Asset, and adjusted for any amortized premium or discount realized by the Guarantor, as applicable;

"**Requesting Party**" has the meaning given to it in Condition 20.04 (*Rating Agency Condition*);

"**Required Redemption Amount**" has the meaning given to it in Schedule 9 of the Guarantor Agreement;

"**Required True Balance Amount**" has the meaning given to it in Schedule 9 of the Guarantor Agreement;

"**Reserve Fund**" means the reserve fund that the Guarantor is required prior to the First Issue Date to establish in the GIC Account which may be credited with the proceeds of advances made under the Intercompany Loan and with Cash Capital Contributions (in each case in the Guarantor's discretion), the proceeds of Available Principal Receipts and the proceeds of Available Revenue Receipts up to an amount equal to the Reserve Fund Required Amount, which

amount may be in cash and Substitute Assets. For purposes of assessing the Reserve Fund, Substitute Assets included in the Reserve Fund must be valued using either: (a) the close of day bid price on the calculation date; or (b) the close of day ask price on the calculation date, plus any accrued interest or other accrued amounts, if applicable;

"**Reserve Fund Required Amount**" means (i) if the Issuer's ratings by each of the Rating Agencies are at or above the Reserve Fund Required Amount Ratings, nil, or (ii) if the Issuer's ratings by one or more of the Rating Agencies are below the Reserve Fund Required Amount Ratings, an amount in cash and Substitute Assets equal to the Canadian Dollar Equivalent of scheduled interest due on all outstanding Series of Covered Bonds over the next three months together with an amount equal to three-twelfths of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (d) of the Pre-Acceleration Revenue Priority of Payments;

"**Reserve Fund Required Amount Ratings**" means the threshold ratings A(low) or R-1(low) (in respect of DBRS; provided that, for greater certainty, only one of such ratings from DBRS is required to be at or above such ratings), and A3(cr) and P-2(cr) (in respect of Moody's), as applicable, of the unsecured, unsubordinated and unguaranteed debt obligations rating (in the case of DBRS) or the counterparty risk assessment (in the case of Moody's), in each case, of the Issuer by the applicable Rating Agencies;

"**Reserve Ledger**" means the ledger on the GIC Account of such name maintained by the Cash Manager pursuant to and in accordance with the Cash Management Agreement, to record the crediting of Principal Receipts and Revenue Receipts to the Reserve Fund and the debiting of such Reserve Fund in accordance with the terms of the Guarantor Agreement, with amounts in the Reserve Fund held in cash and Substitute Assets;

"**Reset Date**" has the meaning given to it in the ISDA Definitions;

"**Restricted Asset**" has the meaning given to it in Section 2.07 of the Security Agreement;

"**Retention Account**" has the meaning given to it in Section 4.10 of the Security Agreement;

"**Reuters Screen Page**" has the meaning given to it in Condition 5.09 (*Definitions*);

"**Revenue Ledger**" means the ledger of such name maintained by the Cash Manager pursuant to and in accordance with the Cash Management Agreement to record credits and debits of Revenue Receipts held by the Cash Manager for and on behalf of the Guarantor Accounts;

"**Revenue Receipts**" means receipts of yield on the Loans including the following (to the extent that such amounts represent yield on the Loans):

(a) payments of interest (including Accrued Interest and Arrears of Interest as at the relevant Transfer Date of a Loan) and fees due from time to time under the Loans in the Covered Bond Portfolio and other amounts received by the Guarantor in respect of the Loans in the Covered Bond Portfolio other than the Principal Receipts including payments pursuant to any insurance policy (that is not a mortgage insurance policy provided by a Prohibited Insurer) in respect of interest amounts;

(b) recoveries of interest from defaulting Borrowers under Loans in the Covered Bond Portfolio being enforced; and

(c) recoveries of interest from defaulting Borrowers under Loans in the Covered Bond Portfolio in respect of which enforcement procedures have been completed;

"**Revolving Commitment**" has the meaning given to it in the fourth recital in the Intercompany Loan Agreement;

"**Sale Date**" has the meaning given to it in Section 1.1 of the Custodial Agreement;

"**Sale Proceeds**" means the cash proceeds realized from the sale of Loans and their Related Security by the Guarantor;

"**Scheduled Interest**" means an amount equal to the amount in respect of interest which would have been due and payable under the Covered Bonds on each Interest Payment Date as specified in Condition 5.03 (but excluding any additional amounts relating to premiums, default interest or interest upon interest ("**Excluded Scheduled Interest Amounts**") payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Guarantor Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date and, if the Final Terms specified that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date (but taking into account any principal repaid in respect of such Covered Bonds or any Guaranteed Amounts paid in respect of such principal prior to the Extended Due for Payment Date), less any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 8.01 (*Taxation*);

"**Scheduled Payment Date**" means, in relation to payments under the Covered Bond Guarantee, each Interest Payment Date or the Final Maturity Date as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date;

"**Scheduled Principal**" means an amount equal to the amount in respect of principal which would have been due and repayable under the Covered Bonds on each Interest Payment Date or the Final Maturity Date (as the case may be) as specified in the applicable Final Terms (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest ("**Excluded Scheduled Principal Amounts**") payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Guarantor Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date and, if the Final Terms specify that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date;

"**Screen Rate Determination**" has the meaning specified in the applicable Final Terms;

"**Secured Creditors**" means the Bond Trustee (in its own capacity and on behalf of the holders of the Covered Bonds), the holders of the Covered Bonds, the Issuer, the Seller, the Servicer, the Account Bank, the GIC Provider, the Standby Account Bank, the Standby GIC Provider, the Cash Manager, the Swap Providers, the Corporate Services Provider, the Paying Agents and any other person which becomes a Secured Creditor pursuant to the Security Agreement except, pursuant to the terms of the Guarantor Agreement, to the extent and for so long as such person is a Limited Partner;

"**Secured Parties**" has the meaning given to it in the preamble to the Securities Sharing Agreement;

"**Securities Account Control Agreement**" has the meaning given to it in Section 2.06 of the Security Agreement;

"**Securities Act**" means the U.S. *Securities Act of 1933*, as amended;

"**Security**" has the meaning given to it in Section 2.02 of the Security Agreement;

"**Security Agreement**" means the general security agreement entered into on the Programme Date by and among the Guarantor, the Bond Trustee and certain other Secured Creditors (as amended and/or restated and/or supplemented from time to time);

"**Security Documents**" means any documents entered into pursuant to the Security Agreement;

"**Security Interest**" means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), privilege, easement, servitude and any other encumbrance of any nature or any other arrangement or condition which, in substance, secures payment or performance of an obligation;

"**Security Sharing Agreement**" means the security sharing agreement entered into on the Programme Date by and among the Seller, HTC as Originator, HB as Originator, the Guarantor, the Bond Trustee and the Custodian (as amended and/or restated and/or supplemented from time to time);

"**Selected Portfolio Assets**" means Loans and their Related Security to be sold by the Guarantor pursuant to the terms of the Guarantor Agreement and having in the aggregate the Required True Balance Amount;

"**Seller**" means Fairstone Bank of Canada, any New Seller, or other party for whom the Rating Agency Condition has been satisfied, who may from time to time accede to, and sell Loans and their Related Security or New Loans and their Related Security to the Guarantor;

"**Seller Arranged Policy**" means any property insurance policy arranged by the Seller for the purposes of the Borrower insuring the Property for an amount equal to the full rebuilding cost of the Property;

"**Seller Assignment**" means, for any Purchase Date and all Loans to be purchased on such date (regardless of where the related Mortgaged Properties are situated), an assignment of such Loans and Related Security with respect thereto executed and delivered by the Seller to the Guarantor in substantially the form of Schedule 2.2(g)(1) to the Mortgage Sale Agreement;

"**Seller Retained Loans**" has the meaning given to it in the Security Sharing Agreement;

"**Seller's Account**" means such account as the Seller may specify to the Guarantor from time to time;

"Seller's Policy" means the originating, underwriting, administration (interest rate setting), arrears, and enforcement policy applied from time to time by the Seller and the Originators in the

ordinary course of the Seller and the Originators' businesses to loans and their related security which are beneficially owned solely by the Seller and the Originators for their repayment;

"**Seller's Underwriting Policy**" means the underwriting policy applied from time to time by the Seller and the Originators in the ordinary course of the Seller and the Originators' businesses to loans and their related security which are beneficially owned solely by the Seller and the Originators, as applicable;

"**Seller's Variable Rate**" means with respect to any Loan the relevant variable or discretionary rate(s) of interest referred to in the Mortgage Terms as determined from time to time by the Original Seller;

"**Series**" means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and the expressions "**Covered Bonds of the relevant Series**", "**holders of Covered Bonds of the relevant Series**", "**Series of Covered Bonds**" and related expressions shall be construed accordingly;

"**Series Reserved Matter**" has the meaning given to in Schedule 5 to the Trust Deed;

"**Servicer**" means Fairstone Bank of Canada, in its capacity as servicer under the Servicing Agreement together with any successor servicer appointed from time to time;

"**Servicer Deposit Threshold Ratings**" means the threshold ratings BBB(low) or R-2(middle) (in respect of DBRS; provided that, for greater certainty, only one of such ratings from DBRS is required to be at or above such ratings) and Baa2(cr) and P-2(cr) (in respect of Moody's), as applicable, of the unsecured, unsubordinated and unguaranteed debt obligations rating (in the case of DBRS) or the counterparty risk assessment (in the case of Moody's), in each case, of the Servicer by the applicable Rating Agencies;

"**Servicer Event of Default**" has the meaning given to it in Section 17.1 of the Servicing Agreement;

"**Servicer Privacy Policies**" has the meaning given in Article 14.1 of the Servicing Agreement;

"**Servicer Replacement Threshold Ratings**" means the threshold ratings BB(low) or R-2(middle) (in respect of DBRS; provided that, for greater certainty, only one of such ratings from DBRS is required to be at or above such ratings) and Ba3 (in respect of Moody's) ,as applicable, of the unsecured, unsubordinated and unguaranteed debt obligations of the Servicer;

"**Servicer Termination Event**" has the meaning given to it in Section 17.1 of the Servicing Agreement;

"**Services**" has the meaning given to it in Section 3.1 of the Servicing Agreement;

"**Servicing Agreement**" means the servicing agreement entered into on the Programme Date by and among FBOC, as Seller, Servicer and Cash Manager, the Guarantor and the Bond Trustee (as amended and/or restated and/or supplemented from time to time);

"**Shared Security**" has the meaning given to it in the Security Sharing Agreement;

"**Shortfall**" has the meaning given to it under Clause 8.1 of the Trust Deed;

"**Specified Currency**" means, subject to any applicable legal or regulatory restrictions, euro, Canadian dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Issuing and Paying Agent and the Bond Trustee and specified in the applicable Final Terms;

"**Specified Denomination**" means, in respect of a Series of Covered Bonds, the denomination or denominations of such Covered Bonds specified in the applicable Final Terms;

"**Specified Interest Payment Date**" has the meaning given to it in the applicable Final Terms;

"**Specified Period**" has the meaning given to it in the applicable Final Terms;

"**Specified Procedures**" has the meaning given to it in Section 2.1(a) of the Asset Monitor Agreement;

"**Spread Determination Date**" means the date that is fifteen Canadian Business Days prior to each Cash Flow Model Calculation Date;

"**Standard Documentation**" means the standard documentation used in accordance with the Seller's Policy or the applicable Originator's Policy from time to time for Loans in the Initial Covered Bond Portfolio, copies of which have been made available to the Purchaser, with such changes as the Seller may from time to time introduce;

"**Standby Account Bank**" means the person appointed by the Guarantor or the Cash Manager (on its behalf) to hold the Standby GIC Account and the Standby Transaction Account pursuant to the terms of the Standby Bank Account Agreement, as at the Programme Date, Royal Bank of Canada, acting through its branch located at 200 Bay Street, Toronto, Ontario M5J 2J5, at such time and for so long as such person is appointed Standby Account Bank or such other person for the time being acting as standby account bank in accordance with the Standby Bank Account Agreement;

"**Standby Account Bank Notice**" means a written notice to the Standby Account Bank served in accordance with the provisions of the Standby Bank Account Agreement and stating that the appointment of the Standby Account Bank under the Standby Bank Account Agreement is to become operative;

"**Standby Account Bank Threshold Ratings**" has the meaning given to it in the Standby Bank Account Agreement;

"**Standby Bank Account Agreement**" means the agreement to be entered into on the Programme Date by and among the Guarantor, the Standby Account Bank, the Standby GIC Provider, the Cash Manager and the Bond Trustee (as amended and/or restated and/or supplemented from time to time) as and when required in accordance with the terms of the Cash Management Agreement;

"**Standby GIC Account**" means the account to be opened in the name of the Guarantor and maintained with the Standby Account Bank in accordance with and subject to the terms of the Cash Management Agreement, the Standby Guaranteed Investment Contract, the Standby Bank Account Agreement and the Security Agreement or such additional or replacement account as

may be in place in accordance with the terms of the foregoing agreements and designated as such;

"**Standby GIC Account Mandate**" means the bank account mandate between the Guarantor and the Standby Account Bank relating to the operation of the Standby GIC Account;

"**Standby GIC Provider**" means the person appointed by the Guarantor or the Cash Manager (on its behalf) as such pursuant to the terms the Standby Guaranteed Investment Contract, at such time and for so long as such person is appointed Standby GIC Provider or such other person for the time being acting as standby GIC provider in accordance with the Standby Guaranteed Investment Contract;

"**Standby GIC Provider Notice**" means a written notice to the Standby GIC Provider served in accordance with the provisions of the Cash Management Agreement stating that the appointment of the Standby Account Bank under the Standby Bank Account Agreement is to become operative;

"**Standby Guaranteed Investment Contract**" means the agreement to be entered into on the Programme Date by and among the Standby Account Bank, the Standby GIC Provider, the Guarantor, the Cash Manager and the Bond Trustee (as amended and/or restated and/or supplemented from time to time) as and when required in accordance with the terms of the Cash Management Agreement;

"**Standby Transaction Account**" means the account to be opened in the name of the Guarantor and maintained with the Standby Account Bank in accordance with and subject to the terms of the Cash Management Agreement, the Standby Guaranteed Investment Contract, the Standby Bank Account Agreement and the Security Agreement or such additional or replacement account as may be for the time being be in place in accordance with the terms of the foregoing agreements and designated as such;

"**Standby Transaction Account Mandate**" means the bank account mandate between the Guarantor and the Standby Account Bank relating to the operation of the Standby Transaction Account;

"**Stock Exchange**" means Euronext Dublin or any other or further stock exchange(s) (or segments thereof) on which any Covered Bonds may from time to time be listed or admitted to trading and references to the "relevant Stock Exchange" shall, in relation to any Covered Bonds, be references to the Stock Exchange (or segments thereof) on which such Covered Bonds are, from time to time, or are intended to be, listed or admitted to trading;

"Subservicer" means HTC;

"Subservicing Agreement" means the subservicing agreement entered into on the Programme Date by and among HTC as Subservicer, FBOC as Servicer and Cash Manager, Guarantor and Computershare Trust Company of Canada as Bond Trustee (as amended and/or restated and/or supplemented from time to time);

"**Subsidiary**" means any Person which is for the time being a subsidiary (within the meaning of the *Bank Act* or the *Canada Business Corporations Act*, as applicable);

"**Substitute Assets**" means the classes and types of assets from time to time eligible under the Covered Bond Legislative Framework and the CMHC Guide to collateralise covered bonds which include the following: (a) securities issued by the Government of Canada, and (b) repurchase agreements of Government of Canada securities having terms acceptable to CMHC; provided that the total exposure to Substitute Assets shall not exceed 10 percent of the aggregate value of (x) the Portfolio Assets; (y) any Substitute Assets; and (z) all cash held by the Guarantor (subject to the Prescribed Cash Limitation) (and, for greater certainty, amounts on deposit in the Yield Supplement Fund shall not constitute Substitute Assets);

in each case, provided that:

(i) such exposures will have certain minimum long-term and short-term ratings from the Rating Agencies, as specified by such Rating Agencies from time to time; and

(ii) the maximum aggregate total exposures in general to classes of assets with certain ratings by the Ratings Agencies will, if specified by the Rating Agencies, be limited to the maximum percentages specified by such Rating Agencies;

"**Substitute Asset Details**" means, for any Substitute Asset, the asset type, coupon amount, interest payment dates, maturity date, principal amount and CUSIP, as applicable;

"**Substitute Cash Manager**" has the meaning given to it in Section 9.1(b) of the Cash Management Agreement;

"**Superintendent**" means the Superintendent of Financial Institutions appointed pursuant to the *Office of Superintendent of Financial Institutions Act* (Canada);

"**Swap Agreements**" means the Covered Bond Swap Agreement together with the Interest Rate Swap Agreement, and each a "**Swap Agreement**";

"**Swap Agreement Ratings**" means the "Minimum Ratings" and "Subsequent Ratings" by the Rating Agencies, as applicable, as such terms are defined in the Covered Bond Swap Agreement and the Interest Rate Swap Agreement;

"**Swap Collateral**" means, at any time, any asset (including, without limitation, cash and/or securities) which is paid or transferred by a Swap Provider to the Guarantor (and not transferred back to the Swap Provider) as credit support to support the performance by such Swap Provider of its obligations under the relevant Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed; for greater certainty, Contingent Collateral shall at all times be excluded from Swap Collateral;

"**Swap Collateral Available Amounts**" means, at any time, the amount of Swap Collateral which under the terms of the relevant Swap Agreement may be applied at that time in satisfaction of the relevant Swap Provider's obligations to the Guarantor to the extent that such obligations relate to payments to be made in connection with the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Priority of Payments or the Guarantee Priority of Payments;

"**Swap Collateral Excluded Amounts**" means, at any time, the amount of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement at that time in satisfaction of the relevant Swap Provider's obligations to the Guarantor including Swap Collateral, which is

to be returned to the relevant Swap Provider from time to time in accordance with the terms of the Swap Agreements and ultimately upon termination of the relevant Swap Agreement;

"**Swap Provider Default**" means the occurrence of an Event of Default or Termination Event (each as defined in each of the Swap Agreements) where the relevant Swap Provider is the Defaulting Party or the sole Affected Party (each as defined in relevant Swap Agreement), as applicable, other than a Swap Provider Downgrade Event;

"**Swap Provider Downgrade Event**" means the occurrence of an Additional Termination Event or an Event of Default (each as defined in the relevant Swap Agreement) following a failure by the Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the relevant Swap Agreement;

"**Swap Provider Payment Date**" means the day in each month or year, as the case may be, specified in the Covered Bond Swap Agreement, or if applicable, the relevant Covered Bond Swap Agreement;

"**Swap Providers**" means the Covered Bond Swap Provider and Interest Rate Swap Provider, and each a "**Swap Provider**";

"**T2**" means the real-time gross settlement system operated by the Eurosystem which was launched in March 2023 or any successor or replacement thereto;

"**T2 Business Day**" has the meaning given to it in Condition 5.09 (Definitions);

"**Taxable Income**" or "**Taxable Loss**" means, respectively, in respect of any Fiscal Year, the amount of income or loss for tax purposes of the Partnership for such period determined in accordance with the Guarantor Agreement and the provisions of the Income Tax Act;

"**taxes**" means all present and future taxes, levies, imposts, duties (other than stamp duty), fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including, without limitation, income tax, corporation tax, GST or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with all interest, penalties, fines, additions to tax or other additional amounts and "**Tax**", "**Taxes**" and "**Taxation**" shall be construed accordingly;

"**Termination Date**" means the maturity date of the last Series of Covered Bonds;

"**Third Party Amounts**" means each of:

(a) payments of insurance premiums, if any, due to the Seller in respect of any Seller Arranged Policy to the extent not paid or payable by the Seller (or to the extent such insurance premiums have been paid by the Seller in respect of any Further Advance which is not purchased by the Seller to reimburse the Seller);

(b) amounts under an unpaid direct debit which are repaid by the Seller to the financial institution making such payment if such financial institution is unable to recoup that amount itself from its customer's account;

(c) payments by the Borrower of any fees (including early repayment fees) and other charges which are due to the Seller or an Originator, as applicable; and

(d) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service (including giving insurance cover) to any of that Borrower, an applicable Originator, the Seller or the Guarantor;

which amounts may be paid daily from monies on deposit in the Guarantor Accounts or the proceeds of the sale of Substitute Assets;

"Third Party Sale" has the meaning given to it in Section 1.1 of the Custodial Agreement;

"**Third Party Sale Notice**" has the meaning given to it in Section 4.2(a) of the Custodial Agreement;

"Toronto time" means Eastern Standard Time**;**

"**Total Credit Commitment**" has the meaning given to it in the second recital to the Intercompany Loan Agreement, as such amount may be amended pursuant to the terms of the Intercompany Loan Agreement;

"**Trading Value**" means, except as provided under the definition of "**Trading Value of Substitute Assets**" with respect to Substitute Assets outside of the Reserve Fund, the value determined with reference to one of the methods set forth in (a) through (f) below which can reasonably be considered the most accurate indicator of institutional market value in the circumstances:

(a) the last selling price;

(b) the average of the high and low selling price on the calculation date;

(c) the average selling price over a given period of days (not exceeding 30) preceding the calculation date;

(d) the close of day bid price on the calculation date (in the case of an asset);

(e) the close of day ask price on the calculation date (in the case of a liability); or

(f) such other value as may be indicated by at least two actionable quotes obtained from appropriate market participants instructed to have regard for the nature of the asset or liability, its liquidity and the current interest rate environment

plus accrued return where applicable (with currency translations undertaken using the average foreign exchange rates posted on the Bank of Canada website for the month in relation to which the calculation is made); provided that, in each case, the methodology selected, the reasons therefor and the determination of value pursuant to such selected methodology shall be duly documented;

"**Trading Value of Substitute Assets**" has the meaning given to it in Schedule 10 to the Guarantor Agreement;

"**Tranche**" or "**Tranches**" means all Covered Bonds which are identical in all respects;

"**Transaction Account**" means the account (to the extent maintained) designated as such in the name of the Guarantor held with the Account Bank and maintained subject to the terms of the Bank Account Agreement and the Security Agreement or such other account as may for the time being be in place with the prior consent of the Bond Trustee and designated as such;

"**Transaction Account Mandate**" means the bank account mandate between the Guarantor and the Account Bank relating to the operation of the Transaction Account;

"**Transaction Documents**" means, collectively:

(a) Mortgage Sale Agreement;

(b) HTC Mortgage Sale Agreement;

(c) HB Mortgage Sale Agreement;

(d) Custodial Agreement;

(e) Servicing Agreement;

(f) Subservicing Agreement;

(g) Asset Monitor Agreement;

(h) Intercompany Loan Agreement;

(i) Guarantor Agreement;

(j) Cash Management Agreement;

(k) Interest Rate Swap Agreement;

(l) Covered Bond Swap Agreement (including the Issuer Swap Transaction, the Novation Agreement and the Novated Transaction);

(m) Guaranteed Investment Contract;

(n) Standby Guaranteed Investment Contract;

(o) Bank Account Agreement;

(p) Standby Bank Account Agreement;

(q) Corporate Services Agreement;

(r) Security Agreement (and any documents entered into pursuant to the Security Agreement);

(s) Trust Deed;

(t) Agency Agreement;

(u) Dealership Agreement;

(v) each set of Final Terms (as applicable in the case of each Tranche of Covered Bonds subscribed pursuant to a subscription agreement);

(w) each subscription agreement (as applicable in the case of each Tranche of Covered Bonds subscribed pursuant to a subscription agreement);

(x) Security Sharing Agreement; and

(y) Master Definitions and Construction Agreement;

"**Transaction Parties**" means the Issuer, the Guarantor, the Bond Trustee, the Dealers, the Arranger or any other party to the transactions contemplated by the relevant offering memorandum or any of their Affiliates;

"**Transfer**" includes, in reference to any interest in the Partnership, (i) any transfer of such interest, directly or indirectly, by operation of law, by court order, by judicial process, or by foreclosure, levy or attachment, (ii) any sale, assignment, gift, donation, redemption, conversion or other disposition of such interest, directly or indirectly, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such securities passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value, and (iii) the granting, directly or indirectly, of any mortgage, charge, pledge, encumbrance or grant of security interest, and in each case any agreement to effect any of the foregoing; and the words "**Transferred**", "**Transferring**" and similar words have corresponding meanings;

"**Transfer Agent**" means any transfer agent appointed pursuant to the Agency Agreement, together with any successor;

"**Transfer Date**" means each of the First Transfer Date and the date of transfer of any New Loans and their Related Security to the Guarantor in accordance with the Mortgage Sale Agreement;

"**True Balance**" means, with respect to any Loan as at any given date, the aggregate (but avoiding double counting) of:

(a) the original principal amount advanced to the relevant Borrower and any further amount advanced on or before the given date to the relevant Borrower secured or intended to be secured by the related Mortgage; and

(b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been properly capitalized in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent and added to the amounts secured or intended to be secured by that Loan; and

(c) any other amount (including, for the avoidance of doubt, Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalized in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent but which is secured or intended to be secured by that Loan, as at the end of the Canadian Business Day immediately preceding that given date;

minus

(d) any repayment or payment of any of the foregoing made on or before the end of the Canadian Business Day immediately preceding that given date and excluding (i) any retentions made but not released and (ii) any Additional Loan Advances committed to be made but not made by the end of the Canadian Business Day immediately preceding that given date;

"**Trust and Loan Companies Act**" means the *Trust and Loan Companies Act* (Canada);

"**Trust Corporation**" means a trust company incorporated under the laws of Canada;

"**Trust Deed**" means trust deed dated as of the Programme Date, made by and among the Issuer, the Guarantor and the Bond Trustee under which Covered Bonds will, on issue, be constituted and which sets out the terms and conditions on which the Bond Trustee has agreed to act as bond trustee and includes any trust deed or other document executed by the Issuer, the Guarantor and the Bond Trustee in accordance with the provisions of the Trust Deed and expressed to be supplemental to the Trust Deed (as amended and/or restated and/or supplemented from time to time);

"**trust presents**" means the Trust Deed and the Schedules and any trust deed supplemental to the Trust Deed and the Schedules (if any) thereto and the Covered Bonds, the Conditions and the Final Terms, all as from time to time modified in accordance with the provisions therein contained;

"Updated Deposit List" has the meaning given to it in Section 5.4 of the Custodial Agreement;

"**Valuation Calculation**" has the meaning given to it in Schedule 10 of the Guarantor Agreement;

"**Variable Rate Loans**" means those Loans to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest or margin which may vary from time to time in accordance with and subject to their relevant Mortgage Terms and/or by reference to a variable or discretionary reference rate of interest;

"**voting certificate**" has the meaning given to it in Schedule 5 to the Trust Deed;

"**WURA**" means the *Winding-up and Restructuring Act* (Canada);

"**Yield Supplement Actual Interest**" means, in respect of a Guarantor Payment Date and the related Calculation Period, an amount calculated equal to the aggregate amount of interest payable under the Yield Supplement Reference Loans on the interest payment dates falling within the Calculation Period prior to such Guarantor Payment Date on the assumption with respect to Loans included in the Yield Supplement Reference Loans for such calculation that: (a) all rates with a payment frequency other than monthly are converted to monthly rates as determined and pursuant to the definition of "Effective Monthly Payment"; and (b) monthly principal payments are reduced according to the prepayment assumption (CPR) prepared by the Guarantor (or the Servicer on its behalf) and delivered to the Interest Rate Swap Calculation Agent based on its historical experience with the Yield Supplement Reference Loans, which will be reviewed and updated annually by the Guarantor (or the Servicer on its behalf), or as otherwise agreed by the Guarantor and the Interest Rate Swap Calculation Agent;

"**Yield Supplement Fund**" means the yield supplement fund that the Guarantor will be required to establish and maintain in the GIC Account at any time that the Interest Rate Swap Provider is not the Issuer, which may be credited with the proceeds of advances made under the Intercompany Loan, cash (in an amount up to the Voluntary Overcollateralization) and with Cash Capital Contributions (in each case in the Guarantor's discretion), and the proceeds of Available Revenue Receipts up to an amount equal to the Yield Supplement Required Amount;

"**Yield Supplement Ledger**" means the ledger on the GIC Account of such name maintained by the Cash Manager pursuant to and in accordance with the Cash Management Agreement, to record the crediting of Revenue Receipts, Capital Contributions, Advances and cash (in an amount up to the Voluntary Overcollateralization) to the Yield Supplement Fund and the debiting of such Yield Supplement Fund in accordance with the terms of the Guarantor Agreement;

"**Yield Supplement Reference Loans**" means the Loans in the Portfolio Assets;

"**Yield Supplement Required Amount**" means, in respect of a Guarantor Payment Date, the product of:

(a) the amount, calculated in respect of such Guarantor Payment Date and disclosed on the Yield Supplement Schedule delivered in respect of such Guarantor Payment Date, equal to the sum of the Monthly Aggregate Yield Shortfalls for the Yield Supplement Specified Monthly Periods as determined for such Guarantor Payment Date; and

(b) a fraction, the numerator of which is the outstanding balance of the Guarantee Loan and the denominator is the outstanding balance of the Intercompany Loan, as determined for such Guarantor Payment Date;

"**Yield Supplement Schedule**" means, in respect of a Guarantor Payment Date, a schedule prepared by the Interest Rate Swap Calculation Agent and delivered to the Guarantor and listing the Monthly Aggregate Yield Shortfalls calculated for each of the Yield Supplement Specified Monthly Periods and aggregating such amounts as the Yield Supplement Required Amount, which schedule will be prepared based on the information on the Yield Supplement Reference Loans prepared by the Guarantor (or the Servicer on its behalf) and delivered to the Interest Rate Swap Calculation Agent, which form of schedule will be attached as a form to the confirmations under the Interest Rate Swap Agreement;

"**Yield Supplement Specified Monthly Periods**" means, in respect of a Guarantor Payment Date, the applicable number of Guarantor Calculation Periods from and including the Guarantor Calculation Period for such Guarantor Payment Date, based on the following:

(a) if the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer is at or above BB by DBRS or at or above Ba2 by Moody's, six (6); and

(b) if the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer is below BB by DBRS or below Ba2 by Moody's, the number that equals the number of full months remaining from the date of such Guarantor Payment Date to the maturity of the longest term of then outstanding Covered Bonds;

"**Yield Supplement Target Interest**" means, in respect of a Guarantor Payment Date and the related Guarantor Calculation Period, an amount equal to the aggregate amount of interest payable under the Yield Supplement Reference Loans on the interest payment dates falling within

the Guarantor Calculation Period prior to such Guarantor Payment Date on the assumptions that (a) the Yield Supplement Reference Loans bear interest at the Yield Supplement Target Rate and (b) the Outstanding Principal Balance of Yield Supplement Reference Loans are as determined for the purposes of the definition of "Yield Supplement Actual Interest" for such Guarantor Payment Date and the related Guarantor Calculation Period, and, including, for greater clarity, after giving effect to the prepayment speed (CPR) for the Yield Supplement Reference Loans as determined by the Guarantor (or the Servicer on its behalf) and notified to the Interest Rate Swap Calculation Agent;

"**Yield Supplement Target Rate**" means, in respect of a Guarantor Payment Date, if applicable, a rate equal to, in respect of Fixed Rate Loans, the Fixed Swap Rate; and

"**Zero Coupon Covered Bonds**" means Covered Bonds which will be offered and sold at a discount to their nominal amount and which will not bear interest.

2. INTERPRETATION AND CONSTRUCTION

2.1 Any reference in this Master Definitions and Construction Agreement, or in any Transaction Document or any document to which this Master Definitions and Construction Agreement is expressed to be incorporated or as to which this Master Definitions and Construction Agreement is expressed to apply (unless expressly stated otherwise in such Transaction Document or other document), to:

the "**assets**" of any person shall be construed as a reference to the whole or any part of its business, undertakings, property, intellectual property, shares, securities, debts, accounts, revenues (including any right to receive revenues), goodwill, shareholdings and uncalled capital including premium whether now or hereafter acquired and any other assets whatsoever;

an "**authorization**" includes an authorization, consent, approval, resolution, licence, exemption, filing or registration;

"**disposal**" shall be construed as any sale, lease, transfer, conveyance, assignment, assignation, licence, sub-licence or other disposal and "**dispose**" shall be construed accordingly;

a "**guarantee**" means any guarantee, bond, indemnity, letter of credit, third party security or other legally binding assurance against financial loss granted by one person in respect of any indebtedness of another person, or any agreement to assume any indebtedness of any other person or to supply funds or to invest in any manner whatsoever in such other person by reason of, or otherwise in relation to, indebtedness of such other person;

"**indebtedness**" shall be construed so as to include any obligation (whether incurred as principal or as surety or guarantor) for the payment or repayment of money, whether present or future, actual or contingent;

a "**month**" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the preceding Business Day

provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month (and references to "**months**" shall be construed accordingly);

a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self regulatory or other authority or organization;

any reference to "**repay**", "**redeem**" and "**pay**" shall each include both of the others and cognate expressions shall be construed accordingly;

a "**wholly-owned subsidiary**" of a company or corporation shall be construed as a reference to any company or corporation which has no other shareholders except that other company or corporation and that other company's or corporation's wholly-owned subsidiaries or persons acting on behalf of that other company or corporation or its wholly-owned subsidiaries; and

the "**winding-up**", "**dissolution**" or "**administration**" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, bankruptcy, reorganization, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

2.2 "**$**", "**C$**", "**CAD**" or "**Canadian dollars**" denotes the lawful currency for the time being of Canada.

2.3 "**€**", "**EUR**" or "**euro**" denotes the single currency introduced at the start of the third stage of European Economic Monetary Union pursuant to the Treaty of Rome of March 25th, 1957, as amended by, inter alia, the Single European Act of 1986 and the Treaty of European Union of February 7th, 1992 and the Treaty of Amsterdam of October 2nd, 1997 establishing the European Community, as further amended from time to time.

2.4 In this Master Definitions and Construction Agreement and in any of the Transaction Documents in which this Master Definitions and Construction Agreement is expressed to be incorporated or to which this Master Definitions and Construction Agreement is expressed to apply:

(a) words denoting the singular number only shall include the plural and *vice versa*;

(b) words denoting one gender only shall include the other genders;

(c) words "including" and "includes" mean "including (or includes) without limitation";

(d) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding" and if the last day of any such period is not a Business Day, such period will end on the next Business Day;

(e) when calculating the period of time "within" which or "following" which any act or event is required or permitted to be done, notice given or steps taken, the date which is the reference date in calculating such period is excluded from the calculation and if the last day of any period is not a Business Day, such period will end on the next Business Day unless otherwise expressly stated;

(f) references to any statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such re-enactment;

(g) references to any agreement or other document (including any of the Transaction Documents) shall be deemed also to refer to such agreement or document as amended, varied, restated, supplemented or novated from time to time;

(h) the inclusion of a table of contents, the division into Articles, Sections, clause, paragraph and schedules and the insertion of headings are for convenient reference only and are not to affect or be used in the construction or interpretation;

(i) all references to a European Union Directive or regulation shall be deemed also to refer to any modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such modification or re-enactment and any successor legislation, statutory instrument, order or regulation thereto and, unless otherwise specified, shall include any applicable implementing legislation in any relevant member state of the EEA, as the case may be;

(j) reference to a statute shall be construed as a reference to such statute as the same may have been, or may from time to time be, amended or re-enacted to the extent such amendment or re-enactment is substantially to the same effect as such statute on the date hereof;

(k) reference to a time of day shall be construed as a reference to Toronto time unless the context requires otherwise;

(l) references to any person shall include references to his heirs, executors, personal administrators, successors, assigns and transferees, as applicable, and any person deriving title under or through him;

(m) words denoting persons only shall include firms and corporations and vice versa; and

(n) any reference to a Clearing System shall, wherever the context so permits, be deemed to include a reference to any other clearing system agreed as is approved by the Issuer, the Issuing and Paying Agent and the Bond Trustee or as may otherwise be specified in the applicable Final Terms.

3. AMENDMENTS

3.1 Subject to Section 8.02 of the Security Agreement (*Modification to Transaction Documents*) and Section 3.3 below, any amendments to this Master Definitions and Construction Agreement will be made only with the prior written consent of each party to this Master Definitions and Construction Agreement. Subject to Section 3.2 below and to the following sentence, 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. For certainty, any amendment to (a) a Ratings Trigger that (i) lowers the ratings specified therein, or (ii) changes the applicable rating type, in each case as provided for in this Agreement, or (b) the consequences of breaching a Ratings Trigger, or changing the applicable rating type, provided for in this Agreement that makes such consequences less onerous, shall, with respect to each affected Rating Agency only, be deemed to be a material amendment and shall be subject to confirmation of the satisfaction of the Rating Agency Condition from each affected Rating Agency. 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.

3.2 Any amendment to the definition of "Latest Valuation" contained herein or any related amendment to this Agreement or the other Transaction Documents for purposes of addressing changes to the CMHC Guide referenced in the proviso to such definition shall be deemed not to be a material amendment and may be made by the parties thereto without the requirement for satisfaction of the Rating Agency Condition from any Rating Agency or consent or approval of the Bond Trustee or the holders of the Covered Bonds.

3.3 Notwithstanding Section 3.1 above, no amendment to this Master Definitions and Construction Agreement shall require the prior written consent of the Interest Rate Swap Provider (or the Interest Rate Swap Calculation Agent) or the Covered Bond Swap Provider unless such amendment is a material amendment in respect of the rights of the Interest Rate Swap Provider or the Covered Bond Swap Provider in respect of the Swap Agreements or the Yield Supplement Fund.

3.4 The Issuer shall provide notice to CMHC of a material change to this Agreement and any other Transaction Document contemporaneously with the earlier of (i) notice of such material change to a Rating Agency, (ii) notice of such material change being provided to or otherwise made available to Covered Bondholders and (iii) five Business Days following the effective date of such material change. Any such notice shall include details of the material change.

4. GOVERNING LAW

This Master Definitions and Construction 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.

5. 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.

6. 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.

7. COUNTERPARTS AND SEVERABILITY

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Any party may enter into this Agreement by signing such counterpart.

If any provision in or obligation under this Agreement is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under this Agreement, and (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under this Agreement.

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IN WITNESS WHEREOF the parties have caused this Agreement to be executed the day and year first before written above.

FAIRSTONE BANK OF CANADA

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

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

FBOC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP 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

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: *"Lateefah Akinde"*
Name: Lateefah Akinde
Title: Corporate Trust Officer

Per: *"Stanley Kwan"*
Name: Stanley Kwan
Title: Associate Trust Officer

FBOC COVERED BOND (LEGISLATIVE) LGP INC.

Per: *"Toni De Luca"*
Name: Toni De Luca
Title: President and Secretary

Per: *"Scott Markham"*
Name: Scott Markham
Title: Vice-President and Assistant Secretary

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

HOME TRUST COMPANY

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

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

HOME BANK

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

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

ROYAL BANK OF CANADA

Per: *"Hiren Lalloo"*
Name: Hiren Lalloo
Title: Authorized Signatory

Per: *"Ian Benaiah"*
Name: Ian Benaiah
Title: Authorized Signatory

ERNST & YOUNG LLP

Per: *"Carrie Marchitto"*
Name: Carrie Marchitto
Title: Partner