Execution Version

SERVICING AGREEMENT

by and among

FAIRSTONE BANK OF CANADA

as Seller, Servicer and Cash Manager

and

FBOC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP

as Guarantor

and

COMPUTERSHARE TRUST COMPANY OF CANADA

as Bond Trustee

September 14, 2026

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SERVICING AGREEMENT

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

BY AND AMONG:

FAIRSTONE BANK OF CANADA (hereinafter referred to as the "**Bank**"), a bank named in Schedule I to the *Bank Act* (Canada), whose head office is at 145 King Street West, Suite 2300, Toronto, Ontario, Canada M5H 1J8, as seller (the "**Seller**"), as servicer (the "**Servicer**") and as cash manager (the "**Cash Manager**")

- and -

FBOC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Ontario whose principal place of business is at 145 King Street West, Suite 2500, Toronto, Ontario M5H 1J8, by its managing general partner **FBOC COVERED BOND (LEGISLATIVE) GP INC.** (hereinafter referred to as the "**Guarantor**")

- and -

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 capacity as the Bond Trustee (hereinafter the "**Bond Trustee**").

WHEREAS:

(A) The Servicer, including its subsidiaries, collectively carry on the business of, *inter alia*, servicing and administering mortgage loans secured on residential properties within Canada.

(B) By the Mortgage Sale Agreement, the Seller has agreed to sell the Initial Covered Bond Portfolio of Portfolio Assets to the Guarantor on a fully-serviced basis and has agreed to from time to time sell additional Portfolio Assets to the Guarantor.

(C) In connection with the sale of the Portfolio Assets on a fully-serviced basis, the Servicer will service the Portfolio Assets in the Covered Bond Portfolio for the Guarantor on the terms and subject to the conditions contained in this Agreement (as the same may be amended, restated, varied or supplemented from time to time).

THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the respective covenants, representations, agreements and warranties of the parties contained herein and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 The master definitions and construction agreement made between, *inter alios*, the parties to this Agreement on September 14, 2026 (as the same may be amended, restated, varied or supplemented from time to time with the consent of the parties thereto) (the "**Master Definitions and Construction Agreement**") is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Agreement (as so amended, restated, varied or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in Section 2 of the Master Definitions and Construction Agreement.

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

1.3 Save as expressly provided herein, any warranties or undertakings provided under this Agreement are made to each other party to this Agreement.

1.4 In the event that an additional or substitute servicer or a New Seller become(s) party to this Agreement references herein to Servicer and Seller, as applicable, shall include such additional or substitute servicer or New Seller, as applicable, unless otherwise specified or required by the context in which such terms are used in this Agreement and references to Portfolio Assets herein shall be deemed to refer in respect of each Servicer or Seller party hereto, to those Portfolio Assets sold by such Seller or Servicer to the Guarantor and not to the Portfolio Assets sold by any other Seller or Servicer to the Guarantor.

ARTICLE 2
APPOINTMENT OF SERVICER

2.1 Subject to Sections 2.3 and 4.5, and until terminated pursuant to Article 17, the Guarantor hereby appoints and confirms the appointment of the Servicer as its lawful agent and mandatary on its behalf to service the Portfolio Assets in the Covered Bond Portfolio, to exercise the rights, powers and discretions of the Guarantor, and to perform the duties of the Guarantor, under and in relation to those Portfolio Assets. The Servicer hereby accepts such appointment on the terms and subject to the conditions of this Agreement. The Bond Trustee consents to the appointment of the Servicer on the terms of and subject to the conditions of this Agreement.

2.2 For the avoidance of doubt and in connection with the rights, powers and discretions conferred under Section 2.1, during the continuance of its appointment hereunder, the Servicer shall, subject to the terms and conditions of this Agreement, the Mortgage Terms, the Mortgage Sale Agreement, the Security Agreement and the Guarantor Agreement, have the full power, authority and right to do or cause to be done any and all things, not inconsistent with the sale, transfer and assignment of the Portfolio Assets to the Guarantor, which it reasonably considers necessary, convenient or incidental to the servicing of the Portfolio Assets or the exercise of such rights, powers and discretions, provided however

that neither the Guarantor nor its Partners shall be required or obliged at any time to enter into any transaction or to comply with any directions which the Servicer may give with respect to the operating and financial policies of the Guarantor and the Servicer hereby acknowledges that all powers to determine such policies (including the determination of whether or not any particular policy is for the benefit of the Guarantor) are, and shall at all times remain, vested in the Guarantor (and its Partners) and none of the provisions of this Agreement shall be construed in a manner inconsistent with this proviso.

2.3 The confirmation of appointment pursuant to Section 2.1 is conditional upon the purchase of the Initial Covered Bond Portfolio or Portfolio Assets by the Guarantor from the Seller having taken place under the Mortgage Sale Agreement and shall take effect upon and from the first Purchase Date under the Mortgage Sale Agreement automatically without any further action on the part of any person.

ARTICLE 3
THE SERVICES

3.1 **General**

(a) The duty of the Servicer shall be to administer and service the Portfolio Assets comprised in the Covered Bond Portfolio in accordance with applicable law, this Agreement (including the provision of services set out in Schedule 1 hereto, the "**Services**"), and the other Transaction Documents and with reasonable care and diligence, using that degree of skill and attention that it exercises in managing, servicing, administering, collecting on and performing similar functions relating to comparable loans that it services for itself.

(b) If and when the Servicer is requested to confirm or state the capacity in which it is servicing the Portfolio Assets sold by the Seller to the Guarantor and related matters pursuant to this Agreement by any Borrower or any third party not being a party to this Agreement and to whom the Servicer is obliged by law to disclose such information, the Servicer shall confirm or state that it is acting in its capacity as servicer of the Portfolio Assets sold by the Seller to the Guarantor and related matters as agent and mandatary for and on behalf of the Guarantor (and, with respect to Seller Retained Loans or Originator Retained Loans, for and on behalf of the Seller, the applicable Originator or other beneficial owner (or owner), as applicable) and not on its own behalf.

3.2 **Sub-contracts**

(a) The parties hereto acknowledge that the Servicer has entered into the Subservicing Agreement with the Subservicer to support the Servicer's obligations hereunder and the Subservicer may carry out the obligations of the Servicer in such role pursuant to the terms of this Agreement. The Servicer may sub-contract or delegate the performance of all or any of its powers and obligations under this Agreement, provided that (but subject to Section 3.2(b)):

(i) the prior written consent of the Guarantor and the Bond Trustee to the proposed arrangement (including, if the Guarantor and the Bond Trustee

consider it necessary, approving any contract which sets out the terms on which such arrangements are to be made) has been obtained, which consent shall not be unreasonably withheld, and written notification of such sub-contracting or delegation has been given to each of the Rating Agencies;

(ii) where the arrangements involve the custody or control of any Loan and Related Security Files relating to the Covered Bond Portfolio for the purpose of performing any delegated Services the sub-contractor or delegate has executed an acknowledgement in form and substance acceptable to the Guarantor and the Bond Trustee, acting reasonably, to the effect that any such Loan Files (other than with respect to Seller Retained Loans and Originator Retained Loans) are and will be held to the order of the Guarantor and the Bond Trustee or as the Guarantor and the Bond Trustee shall otherwise direct;

(iii) where the arrangements involve or may involve the receipt by the sub-contractor or delegate of monies belonging to the Guarantor, in accordance with this Agreement the sub-contractor or delegate has executed a declaration in form and substance acceptable to the Guarantor (or the Cash Manager on its behalf) that any such monies held by it or to its order are held in trust for the Guarantor (and, with respect to Seller Retained Loans or Originator Retained Loans, for the Seller, the applicable Originator or other beneficial owner (or owner), as applicable) and will be paid forthwith and in any event within five Canadian Business Days (inclusive of any cure periods that may otherwise be applicable) to (A) the Cash Manager prior to a downgrade in the ratings of the Cash Manager by one or more Rating Agencies below the Cash Management Deposit Ratings, (B) the Servicer, prior to a downgrade in the ratings of the Servicer by one or more Rating Agencies below the Servicer Deposit Threshold Ratings, and following any such downgrade, into the GIC Account, or (C) following any such downgrade referred to in (A) or (B) above, or the occurrence of a Covered Bond Guarantee Activation Event, as applicable, into the GIC Account (or, as applicable, the Standby GIC Account) or the Transaction Account (or, as applicable, the Standby Transaction Account) as applicable, in accordance with the provisions of this Agreement, the Cash Management Agreement, the Guarantor Agreement, the Bank Account Agreement (or, as applicable, the Standby Bank Account Agreement) and/or the Security Agreement;

(iv) any such sub-contractor or delegate has executed a written waiver of any Security Interest arising in connection with such delegated Services (to the extent that such Security Interest relates to the Covered Bond Portfolio or any amount referred to in (iii) above); and

(v) neither the Bond Trustee nor the Guarantor shall have any liability for any costs, charges or expenses payable to or incurred by such sub-contractor or delegate or arising from the entering into, the continuance or the termination of any such arrangement.

(b) Section 3.2(a)(i), (ii) and (iii) shall not apply:

to the engagement by the Servicer of:

(A) any receiver, solicitor, insurance broker, valuer, surveyor, accountant, estate agent, insolvency practitioner, auctioneer, bailiff, sheriff officer, debt counsellor, tracing agent, property management agent, licensed conveyancer, qualified conveyancer or other professional adviser acting as such; or

(B) any locksmith, builder or other contractor acting as such in relation to a Property,

in any such case being a person or persons whom the Servicer would be willing to appoint in respect of its own mortgages in connection with the performance by the Servicer of any of its obligations or functions or in connection with the exercise of its powers under this Agreement.

(c) The Guarantor and the Bond Trustee may, by giving notice in writing, require the Servicer to assign to the Guarantor any rights which the Servicer may have against any sub-contractor or delegate arising from the performance of services by such person, including in respect of the Subservicer under the Subservicing Agreement, relating to any matter contemplated by this Agreement and the Servicer acknowledges that such rights assigned to the Guarantor will be exercised by the Guarantor subject to the terms of the Guarantor Agreement, the Security Agreement and the Security Sharing Agreement.

(d) Notwithstanding any sub-contracting or delegation of the performance of its obligations under this Agreement, including under the Subservicing Agreement, the Servicer shall not thereby be released or discharged from any liability hereunder and shall remain responsible for the performance of all of the obligations of the Servicer under this Agreement and the Subservicer under the Subservicing Agreement and the performance or non-performance or the manner of performance of any sub-contractor or delegate, including the Subservicer under the Subservicing Agreement, of any of the Services shall not affect the Servicer's obligations under this Agreement.

3.3 **Liability of Servicer**

The Servicer, solely in its capacity as servicer, shall indemnify the Guarantor on demand for any loss, liability, claim, expense or damage suffered or incurred by the Guarantor in respect of the negligence or wilful default of the Servicer or the Subservicer under the Subservicing Agreement in carrying out their respective functions, as servicer and subservicer, under this Agreement or the other Transaction Documents to which it is a party as servicer or subservicer to the extent such negligence or wilful default results in a breach by the Servicer (or the Subservicer under the Subservicing Agreement) of the terms and provisions of this Agreement or the other Transaction Documents in relation to such functions as servicer or subservicer. For the avoidance of doubt, the Servicer shall not be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by the Guarantor and/or any other Person as a result of the performance by the Servicer of the

Services (or the Subservicer under the Subservicing Agreement) in accordance with the standards of a Reasonable and Prudent Mortgage Lender.

3.4 **Perfection of the Sale of Loans to the Guarantor**

(a) Subject to Section 7.1(b) of the Mortgage Sale Agreement, the Servicer shall, as soon as practicable and within 60 days of the happening of any of the events referred to in Section 7.1(a) of the Mortgage Sale Agreement, take such steps and procure the doing of all or any acts, matters or things as may be necessary, based on the advice of counsel, to Perfect on behalf of the Seller (pursuant to and in reliance in the Seller Assignment(s) and Seller Power(s) of Attorney and any Origination Purchase Documents) the sales, transfers and assignments of the Purchased Portfolio Assets then in the Covered Bond Portfolio in accordance with Section 7.1(a) of the Mortgage Sale Agreement or shall provide sufficient information to the Guarantor and the Bond Trustee to enable the Guarantor or the Bond Trustee to Perfect or cause to be Perfected on behalf of the Seller (pursuant to and in reliance on the Seller Assignment(s) and Seller Power(s) of Attorney and any Origination Purchase Documents) such sales, transfers and assignments.

(b) Subject to Section 3.4(a) of this Agreement, Section 7.1 of the Mortgage Sale Agreement and the Security Sharing Agreement, prior to the happening of any of the events referred to in Section 7.1(a) of the Mortgage Sale Agreement, the Servicer shall not be required to notify any person of the Guarantor's interest in any Loans or their Related Security in the Covered Bond Portfolio.

ARTICLE 4
GUARANTOR VARIABLE RATE

4.1 Subject to Section 4.5, the Guarantor hereby grants the Servicer full right, liberty and authority from time to time, subject to and in accordance with the relevant Mortgage Terms, to determine and set the Guarantor Variable Rate chargeable to Borrowers in relation to those Variable Rate Loans sold by the Seller to the Guarantor in the Covered Bond Portfolio for which the reference rate of interest or margins may from time to time be set by the Guarantor at a rate or margin other than the Seller's Variable Rate. In exercising such right, liberty and authority to set the Guarantor Variable Rate the Servicer undertakes to each of the other parties to this Agreement that it shall set the Guarantor Variable Rate in accordance with the Seller's Policy or the applicable Originator's Policy, which is the Guarantor's policy to which the Servicer will adhere, and shall not at any time set or maintain the Guarantor Variable Rate at a rate which is higher than (although such rate may be lower than or equal to) the then prevailing Seller's Variable Rate (in respect of the same type of Loans, if applicable), except as described in this Article 4. Prior to the occurrence of (i) a Covered Bond Guarantee Activation Event, or (ii) a Servicer Event of Default, the Servicer will not at any time without the prior written consent of the Guarantor, set or maintain the Guarantor Variable Rate at a rate which is higher than (although it may be lower than or equal to) the then prevailing Seller's Variable Rate which applies to the similar type of loans owned by the Seller.

4.2 The Servicer shall (i) take the steps rendered necessary by the relevant Mortgage Terms and applicable law to bring each change in such rate or rates of interest to the attention of

the relevant Borrowers, whether due to a change in the Guarantor Variable Rate or as a consequence of any provisions of the Mortgage Terms; and (ii) in relation to the Variable Rate Loans sold by the Seller to the Guarantor, notify the Guarantor and the Bond Trustee in writing as soon as reasonably practicable of any change in the Guarantor Variable Rate, provided that posting of any change in the Seller's Variable Rate on the website of the Seller shall be deemed to constitute notice to the Guarantor and the Bond Trustee of a change in the Guarantor Variable Rate (except to the extent that the Guarantor Variable Rate has been set at a rate other than the Seller Variable Rate in accordance with the terms of this Article 4). All costs arising in relation to such a notification of a change in such rate or rates of interest shall be borne by the Servicer.

4.3 (a) Prior to the occurrence of an Issuer Event of Default, the Servicer shall determine on each Calculation Date, having regard to:

(i) the aggregate income which the Guarantor would expect to receive during the next succeeding Guarantor Payment Period (the "**Relevant Interest Period**");

(ii) the Guarantor Variable Rate and the Seller's Variable Rate applicable to the Relevant Interest Period in respect of the Loans; and

(iii) the other resources available to the Guarantor including the relevant Interest Rate Swap Agreements, the relevant Covered Bond Swap Agreements and the Reserve Fund,

whether the Guarantor would receive an amount of income during the Relevant Interest Period which when aggregated with the funds otherwise available to the Guarantor is less than the amount which is the aggregate of (1) the amount of interest which would be payable (or provided to be paid) under the Covered Bond Guarantee on each Guarantor Payment Date falling at the end of the Relevant Interest Period and any relevant amounts which would be payable (or provided to be paid) to the Covered Bond Swap Providers under the Covered Bond Swap Agreements in respect of all Covered Bonds on each Guarantor Payment Date of each Series of Covered Bonds falling at the end of each Relevant Interest Period and (2) the other senior expenses payable by the Guarantor ranking in priority thereto in accordance with the relevant Priorities of Payments applicable prior to a Guarantor Event of Default (the "**Guarantor Obligation Shortfall Test**").

(b) If the Servicer determines that the Guarantor Obligation Shortfall Test will not be met, it will within one Canadian Business Day of such determination give written notice to the Guarantor and the Bond Trustee of the amount by which the Guarantor Obligation Shortfall Test will not be met. If the Guarantor or the Bond Trustee notifies the Servicer and the Bank that, having regard to the obligations of the Guarantor and the amount of the shortfall, further Portfolio Assets should be sold to the Guarantor, the Bank will use all reasonable efforts to ensure that the Guarantor Obligation Shortfall Test for such period will be met. This may include making Advances under the Intercompany Loan, selling New Loans and their Related Security to the Guarantor, or making a Capital Contribution on or before the next Calculation Date in such amounts and with such rates or margins, as applicable,

sufficient to avoid such shortfall on future Calculation Dates. For greater certainty, there shall be no obligation on the Servicer to adjust the Guarantor Variable Rate to ensure the Guarantor Obligation Shortfall Test will be met for the Relevant Interest Period.

4.4 (a) Following an Issuer Event of Default, the Servicer shall determine on each Calculation Date, having regard to the aggregate of:

(i) the Guarantor Variable Rate and the Seller's Variable Rates applicable to the Relevant Interest Period in respect of the Loans; and

(ii) the other resources available to the Guarantor under the Interest Rate Swap Agreement,

whether the Guarantor would receive an aggregate amount of interest on the Loans sufficient to pay the full amounts payable under the Interest Rate Swap Agreement during the Relevant Interest Period (the "**Post Issuer Event of Default Yield Shortfall Test**").

(b) If the Servicer determines that the Post Issuer Event of Default Yield Shortfall Test will not be met, it will give written notice to the Guarantor and the Bond Trustee, within three Canadian Business Days, of the amount of the shortfall and the Guarantor Variable Rate which would (taking into account the applicable Mortgage Terms), in its reasonable opinion need to be set in order for no shortfall to arise and the Post Issuer Event of Default Yield Shortfall Test to be met, having regard to the date(s) (which shall be specified in the notice) on which such change to the Guarantor Variable Rate would take effect and at all times acting in accordance with the standards of Reasonable and Prudent Mortgage Lenders.

(c) If the Guarantor or the Bond Trustee notifies the Servicer that, having regard to the obligations of the Guarantor, the Guarantor Variable Rate should be changed as set out in the notice referred to in Section 4.4(b), the Servicer shall take all steps which are necessary, including publishing any notice which is required in accordance with the Mortgage Terms, to effect such change in the Guarantor Variable Rate on the date(s) specified in the notice referred to in Section 4.4(b).

4.5 The Guarantor and the Bond Trustee may terminate the authority of the Servicer to determine the Guarantor Variable Rate pursuant to the terms of this Article 4 on or after the occurrence of a Servicer Event of Default, in which case the Guarantor and the Bond Trustee will agree to appoint the replacement Servicer to set the Guarantor's Variable Rate in accordance with this Article 4.

ARTICLE 5
ADMINISTRATION OF MORTGAGES

5.1 **Direct Debiting System**

(a) For the purposes of collecting amounts due from Borrowers under the Portfolio Assets sold by the Seller to the Guarantor comprised in the Covered Bond Portfolio,

the Servicer in accordance with this Agreement will, unless otherwise agreed to in writing with the Guarantor, act or cause another Person approved in writing by the Guarantor (such approval not to be unreasonably withheld) to act as collection agent for the Guarantor under a scheme for either the manual or automated debiting of bank accounts (the "**Direct Debiting System**") provided such Direct Debiting System is operated in accordance with policies and procedures which would be acceptable to a Reasonable and Prudent Mortgage Lender.

(b) If at any time the Servicer shall receive notice whether under the Direct Debiting System or otherwise that any amount or part thereof which was paid in or collected under the Direct Debiting System and which has been transferred to the Cash Manager, the GIC Account or the Transaction Account, as the case may be, has not been received as cleared funds or has otherwise been recalled, the Servicer shall notify the Cash Manager and instruct the Cash Manager to, and the Cash Manager shall, forthwith return or debit the GIC Account or the Transaction Account and transfer to the Servicer or credit such account as the Servicer may direct in writing for the whole or any part of such amount and an amount equal to any costs which are not recoverable by the Servicer from the relevant Borrower and incurred by the Servicer as a result of such shortfall provided that no amount returned by the Cash Manager or debited from the GIC Account for the credit of the collection accounts in respect of any shortfall may be made on or after a Calculation Date in respect of the relevant period between that Calculation Date and the next Guarantor Payment Date unless sufficient funds are available after providing or making provision for all payments to be made by the Guarantor on the next succeeding Guarantor Payment Date. In the event any such amount is not repaid prior to the relevant Guarantor Payment Date, the Guarantor shall on or after such Guarantor Payment Date, transfer, or cause to be transferred on its behalf, from the Cash Manager, the GIC Account or the Transaction Account to the Servicer or such account as the Servicer may direct in writing an amount equal to such shortfall, subject to the Guarantor having sufficient funds available to it to do so or the Servicer shall deduct an amount equal to such shortfall from payments otherwise paid to the Guarantor (or the Cash Manager on its behalf) by the Borrowers in respect of Principal Receipts and Revenue Receipts received under the Loans.

5.2 **Administration and Enforcement of Mortgages**

The Servicer shall provide the Services and carry out its specific obligations under this Agreement in accordance with the Seller's Policy or the applicable Originator's Policy.

5.3 **Records**

The Servicer shall keep and maintain records in relation to the Loans sold by the Seller to the Guarantor comprised in the Covered Bond Portfolio, on a Loan by Loan basis, for the purposes of identifying amounts paid by each Borrower, any amount due from a Borrower and the principal balance (and, if different, the total balance) from time to time outstanding on a Borrower's account and such other records as would be kept by a Reasonable and Prudent Mortgage Lender. The Servicer will provide such information to the Guarantor and/or the Bond Trustee or to their order at all reasonable times upon reasonable notice subject to the Servicer being reasonably capable of providing such information without

significant additional cost and subject to the provisions of applicable law and other applicable legislation from time to time and provided that no duty of confidence and no industry code of practice will or may be breached thereby.

5.4 **Trust**

If the Servicer, solely in its capacity (including in its capacity as agent and mandatary for the Guarantor) as servicer hereunder, receives any Collections in respect of the Portfolio Assets in the Covered Bond Portfolio (including pursuant to the Direct Debiting System) following the Purchase Date in respect of such Portfolio Assets, to which the Guarantor is entitled and which are to be paid to the Cash Manager or the Guarantor Accounts, as the case may be, it will hold such monies in trust for the Guarantor and shall, but subject to the entitlements of the Seller, each Originator or other beneficial owner (or owner), as applicable, in respect of any Seller Retained Loan or Originator Retained Loan and Third Party Amounts to be paid to the Seller or an Originator, as applicable:

(a) at any time that the ratings of the Servicer by the Rating Agencies are at or above the Servicer Deposit Threshold Ratings and a Covered Bond Guarantee Activation Event has not occurred, transfer such monies on or before the next Guarantor Payment Date (i) to the Cash Manager at any time that the ratings of the Cash Manager by one or more Rating Agencies are not below the Cash Management Deposit Ratings, and (ii) at any time the ratings of the Cash Manager by one or more Rating Agencies are below the Cash Management Deposit Ratings, into the GIC Account; provided that, for greater certainty, in respect of any Third Party Amounts that are due to the Seller or an Originator, as applicable, such amounts may be retained by the Servicer (including the Subservicer) on behalf of the Seller or one or more of the Originators, as applicable, and not transferred to the Cash Manager or to the GIC Account;

(b) at any time that the ratings of the Servicer by one or more Rating Agencies are below the Servicer Deposit Threshold Ratings and a Covered Bond Guarantee Activation Event has not occurred, transfer such monies (i) to the Cash Manager at any time that the ratings of the Cash Manager by one or more Rating Agencies are not below the Cash Management Deposit Ratings, and (ii) at any time the ratings of the Cash Manager by one or more Rating Agencies are below the Cash Management Deposit Ratings, into the GIC Account, in each case within two Canadian Business Days of the collection and/or receipt thereof; or

(c) following the occurrence of a Covered Bond Guarantee Activation Event, transfer such monies into the GIC Account within two Canadian Business Days of the collection and/or receipt thereof.

All other sums received by the Servicer in respect of the Loans sold by the Seller to the Guarantor and their Related Security not constituting Collections shall be held by the Servicer for itself on account of expenses incurred or to be incurred in connection with the Loan, including insurance premiums and property taxes.

ARTICLE 6
NO LIABILITY

6.1 The Servicer, in its capacity as servicer, shall have no liability for any obligation of a Borrower under any Loan comprised in the Covered Bond Portfolio or any Related Security and nothing herein shall constitute a guarantee, or similar obligation, by the Servicer, in such capacity, of any Loan, any Related Security or any Borrower.

6.2 Save as otherwise provided in this Agreement, the Servicer, in its capacity as servicer, shall have no liability for the obligations of the Guarantor under any of the Transaction Documents or otherwise and nothing herein shall constitute a guarantee, or similar obligation, by the Servicer, in such capacity, of the Guarantor in respect of any of those obligations.

ARTICLE 7
NEW LOANS

7.1 The Covered Bond Portfolio may be augmented from time to time by the sale to the Guarantor on any Purchase Date of New Loans and their Related Security by the Seller (or another Person) in accordance with the Mortgage Sale Agreement, which sales will in all cases be subject to the terms set out in the Mortgage Sale Agreement.

7.2 In the event the Guarantor acquires the beneficial interest in New Loans from a Person other than the Seller, the Servicer shall not be under any obligation to service such New Loans under the terms of this Agreement. However, the Servicer may agree to service such New Loans, subject to such amendments to the terms hereof, including without limitation, with respect to fees and reimbursement for costs of providing the Services in respect of such New Loans, as the Servicer, the Guarantor, the Bond Trustee and the seller of such New Loans, may agree, in accordance with Article 25 hereof.

ARTICLE 8
PRODUCT SWITCHES, FURTHER ADVANCES AND ADDITIONAL LOAN ADVANCES

8.1 The Seller hereby agrees with each of the parties hereto that (i) the Servicer shall be entitled to accept, in its sole discretion, any application for a Product Switch or Additional Loan Advance, and the Seller upon a direction from the Servicer shall (if the Seller is other than the Servicer) make any Further Advance or Additional Loan Advance, in respect of any Loan in the Covered Bond Portfolio sold by the Seller to the Guarantor; (ii) in respect of a Loan and its Related Security to which a Further Advance, Additional Loan Advance or Product Switch has been made, the representations and warranties made by the Seller in paragraphs (d), (e), (h), (i), (k), (n) through (x) and (bb) through (kk) of Section 4.1 of the Mortgage Sale Agreement shall be true and correct in respect of any such Loan on the next Calculation Date, and if required by the Guarantor in writing, the Seller shall repurchase the relevant Loan and its Related Security from the Guarantor for its Fair Market Value as of the Calculation Date following the date on which the relevant Product Switch, Further Advance or Additional Loan Advance occurred, if (x) any such representation and warranty shall not be true and correct, or (y) the relevant Product Switch, Further Advance or Additional Loan Advance, as the case may be, results in paragraphs (c), (d), (e) and (f) of

the Eligibility Criteria not being satisfied, in each case in respect of any such Loan on the next Calculation Date.

8.2 For greater certainty, any Further Advance or Additional Loan Advance in respect of any Loan in the Covered Bond Portfolio sold by the Seller to the Guarantor shall be funded by the Seller on an unsecured basis in accordance with the terms of the Intercompany Loan Agreement and the Guarantor Agreement and the Guarantor shall have no obligation to make any Further Advance or Additional Loan Advance.

8.3 The Servicer shall notify the Seller (if other than the Servicer) and the Guarantor (or the Cash Manager on its behalf) following acceptance by the Servicer of any application for a Product Switch or Additional Loan Advance.

8.4 The Servicer shall act in accordance with the policies or procedures of the Seller or the applicable Originator relating to Product Switches, Additional Loan Advances and Further Advances in accepting applications from Borrowers for Product Switches and Additional Loan Advances and in permitting any Further Advance to Borrowers in respect of Loans in the Covered Bond Portfolio in accordance with Section 8.1. For greater certainty any such Additional Loan Advance or other Further Advance shall be funded by the Seller in accordance with Section 8.2.

ARTICLE 9
REDEMPTION OF MORTGAGES

9.1 Upon receipt of repayment in full of all sums due in relation to Loans in the Covered Bond Portfolio sold by the Seller to the Guarantor secured by a Mortgage and/or other Related Security comprised in the Covered Bond Portfolio, the Servicer shall, and is hereby authorized by the Seller and the Guarantor to, in the name of the Seller or the Guarantor, execute a receipt, discharge or other relevant document releasing the Mortgage at the applicable land registry office, land titles office or similar place of public record in which the related Mortgage is registered and any such other or further instrument or deed of satisfaction regarding such Mortgage and/or the Related Security as it considers to be necessary or advisable to release the relevant conveyancing deeds and documents, if any, which make up the title to such Property and the security for the Loan to the person or persons entitled thereto. The foregoing shall be in addition to any right of the Servicer under Article 10 to grant postponements and partial releases or discharges in respect of any Loan in the Covered Bond Portfolio sold by the Seller to the Guarantor.

9.2 The Servicer undertakes that prior to any actual release by it of the relevant documents as described in Section 9.1 above it will take such steps as would be taken by a Reasonable and Prudent Mortgage Lender to satisfy itself that such documents are being released to the person or persons entitled thereto.

9.3 Following any Enforcement Procedures taken by the Servicer as part of its performance of the Services hereunder, if upon completion of such Enforcement Procedures, an amount in excess of all sums due by the relevant Borrower to the Guarantor in respect of or related to the relevant Loan pursuant to the Mortgage Terms is recovered or received, the Servicer will cause the balance, after discharge of any sums due by the Borrower in respect thereof,

to be paid to the person or persons next entitled thereto in accordance with the Mortgage Terms and applicable laws.

ARTICLE 10
POWERS OF ATTORNEY

10.1 For good and valuable consideration and as security for the interests of the Guarantor hereunder, each of the Guarantor and the Seller (solely in respect of Loans in the Covered Bond Portfolio sold by the Seller to the Guarantor) hereby appoint the Servicer as its attorney on its behalf, and in its own or the attorney's name, for the following purposes:

(a) executing all documents and doing all such acts and things which in the reasonable opinion of the Servicer are necessary or desirable for the efficient provision of the Services hereunder including without limitation in connection with exercising its rights, powers and discretion pursuant to Article 4 with respect to fixing the Guarantor Variable Rate; and

(b) without limiting Section 10.1(a), executing and delivering any and all instruments of satisfaction, cancellation or Registrable Transfer, or of partial or full postponement, release or discharge, and all other comparable instruments, with respect to the Loans comprised in the Covered Bond Portfolio and their Related Security, to the extent permitted under and in compliance with applicable laws, to commence enforcement proceedings with respect to such Portfolio Assets, to demand and receive payment of all monies owing in respect of such Portfolio Assets, to give releases and discharges therefor, to arrange settlements and compromises in accordance with sound collection practices and to enforce any and all rights incidental to such Portfolio Assets, including without limitation any documents to be executed by the Servicer in accordance with Article 9,

provided that, for the avoidance of doubt, this power of attorney shall not authorize the Servicer to sell any of the Loans in the Covered Bond Portfolio and/or their Related Security except as specifically authorized in the Transaction Documents. For the avoidance of further doubt, neither the Seller (in its capacity as seller) nor the Guarantor shall be liable or responsible for the acts of the Servicer or any failure by the Servicer to act under or in respect of this power of attorney.

10.2 The appointment contained in Article 10 shall be irrevocable unless and until the termination of the appointment of the Servicer pursuant to Article 17 of this Agreement following which the appointments contained in Section 10.1 shall be automatically revoked.

ARTICLE 11
COSTS AND EXPENSES

11.1 The Servicer hereby acknowledges that each Loan in the Covered Bond Portfolio and its Related Security are sold by the Seller to the Guarantor on a fully-serviced basis for a single consideration equal to the Aggregate Purchase Price. Subject to Sections 11.2 and 11.3, no additional consideration will be paid to the Servicer for the servicing of the Loans under this Agreement. Except as and to the extent expressly provided for herein or in the

Mortgage Sale Agreement, the Guarantor shall not have any obligation or liability to the Servicer on account of costs, expenses, disbursements, charges, or fees of the Servicer, the sole responsibility in that connection being that of the Servicer.

11.2 Notwithstanding Section 11.1, in the event the Servicer is replaced in accordance with the terms of this Agreement by a person other than the Bank or the Bank, in its capacity as servicer agrees to provide the Services in respect of Portfolio Assets in the Covered Bond Portfolio sold to the Guarantor by a Seller other than the Bank, unless otherwise agreed by the parties hereto, the Guarantor will on each Guarantor Payment Date reimburse the Servicer, in accordance with the relevant Priorities of Payments, for all reasonable out-of-pocket costs, expenses, disbursements, charges and fees (together with any amounts in respect of GST due thereon) properly incurred by the Servicer in the performance of the Services including any such expenses, disbursements, charges or fees not reimbursed to the Servicer on any previous Guarantor Payment Date and the Servicer shall supply the Guarantor (or the Cash Manager on its behalf) with a copy of an appropriate GST invoice issued by the person making the supply. In the circumstances set forth in this Section 11.2, the Servicer will use reasonable endeavours in accordance with the standards of a Reasonable and Prudent Mortgage Lender to recover from the relevant Borrowers all costs and expenses incurred by the Servicer which are properly recoverable from those Borrowers under the relevant Mortgage Terms.

11.3 As Loans and Related Security forming part of the Portfolio Assets have been sold on a fully-serviced basis, the Servicer (including the Subservicer on its behalf) shall not be entitled to any servicing fee compensation pursuant to the terms hereof.

ARTICLE 12
INFORMATION

12.1 **Maintenance of Records**

(a) Subject to Article 14, the Servicer shall keep the Loan Files relating to the Portfolio Assets sold by the Seller to the Guarantor comprised in the Covered Bond Portfolio in safe custody and shall not without the prior written consent of the Guarantor part with possession, custody or control of them otherwise than to a sub-contractor or delegate appointed pursuant to Section 3.2, to the Custodian pursuant to the terms of the Custodial Agreement, or to a solicitor, licensed conveyancer, qualified conveyancer or authorized practitioner, subject to such undertakings as would be acceptable to a Reasonable and Prudent Mortgage Lender in similar circumstances. Further, the Servicer shall take appropriate technical and organizational measures against the unauthorized or unlawful processing of personal data and against accidental loss or destruction of, or damage to personal data.

(b) The Loan Files relating to the Portfolio Assets sold by the Seller to the Guarantor comprised in the Covered Bond Portfolio shall be kept in such manner so that a computer record is maintained of their location and they are identifiable and retrievable by reference to an account number and pool identifier and identifiable and distinguishable from the conveyancing deeds and documents which make up the title and security relating to properties and mortgages outside of the Covered Bond Portfolio for which the Servicer is mortgagee or acts as servicer and, in

chronological order: (i) the installment due dates for each Mortgage; (ii) the amount and date of each collection, disbursement, advance, adjustment or other transaction affecting the amounts due from or to each Mortgage debtor; and (iii) the latest outstanding balances of principal, deposits, advances and unapplied payments of each mortgage.

(c) In the event the ratings of the Servicer by the Rating Agencies fall below the Servicer Replacement Threshold Ratings, the Servicer shall use reasonable endeavours to ensure that the Loan Files relating to the Portfolio Assets in the Covered Bond Portfolio are identified as distinct from the conveyancing deeds and documents which make up the title and security of other properties and mortgages which do not form part of the Covered Bond Portfolio.

(d) The Servicer shall provide access or ensure that access is provided to the Loan Files and other records relating to the administration of the Portfolio Assets in the Covered Bond Portfolio to the Guarantor and its agents upon reasonable notice (given the nature of the information and/or documentation requested) during normal office hours. The Servicer acknowledges that the Loan Files relating to the Portfolio Assets sold by the Seller to the Guarantor comprised in the Covered Bond Portfolio in its possession, custody or control will be held to the order of the Guarantor and, pursuant to the Security Agreement, the Bond Trustee and that it has, in its capacity as Servicer, no beneficial interest therein and the Servicer irrevocably waives any rights or any Security Interest which it might have therein or to which it might at any time be entitled.

(e) The Servicer shall maintain a register of the Covered Bond Portfolio to include, amongst other things, such records as are necessary to enforce each Mortgage in the Covered Bond Portfolio and, where relevant, any other Related Security and the Servicer shall maintain duplicate computer records with respect to the Portfolio Assets in the Covered Bond Portfolio at a location separate from that in which the original computer records are stored and in an environment conducive to the safe storage of electronic media, such records to be held to the order of the Guarantor and to be replaced by a revised duplicate as and when the original records are revised.

(f) The Servicer shall keep the Guarantor informed of the location of the Loan Files and duplicate computer records.

(g) The Servicer shall, within a reasonable period following the termination of the appointment of the Servicer pursuant to Article 18 of this Agreement, deliver all Loan Files (and duplicate computer or electronic records) relating to the Portfolio Assets in the Covered Bond Portfolio to or to the order of the Guarantor, the Custodian or to such Person as the Guarantor may elect as a substitute servicer in accordance with the terms of this Agreement, upon written request by or on behalf of the Guarantor made at any time on or after notice of, or on or after, termination of the appointment of the Servicer pursuant to Article 18 of this Agreement and shall prior to delivery thereof cooperate with such person in providing such information and documentation as may be necessary for such person to provide the Services with respect to the Portfolio Assets in the Covered Bond Portfolio.

12.2 **Use of I.T. Systems**

(a) The Servicer covenants that at the date hereof in respect of the software which is used by the Servicer in providing the Services, it shall for the duration of this Agreement:

(i) ensure that it has in place all necessary licences and/or consents from the respective licensor or licensors (if any) of such software; and

(ii) except in so far as it would breach any other of its legal obligations, grant to any person to whom it may sub-contract or delegate the performance of all or any of its powers and obligations under this Agreement and/or to such person as the Guarantor elects as a substitute servicer in accordance with the terms of this Agreement a licence to use any proprietary software together with any updates which may be made thereto from time to time.

(b) The Servicer shall maintain the information technology systems used by the Servicer in providing the Services in accordance with the standards of a Reasonable and Prudent Mortgage Lender.

(c) The Servicer shall pass to any person to whom it may sub-contract or delegate the performance of all or any of its powers and obligations under this Agreement and/or to such person as the Guarantor elects as a substitute servicer in accordance with the terms of this Agreement the benefit of any warranties in relation to the software insofar as the same are capable of assignment.

12.3 **Access to Books and Records**

Subject to all applicable laws, the Servicer shall permit the Guarantor (and its auditors), the Asset Monitor and the Bond Trustee and any other person nominated by the Guarantor (to whom the Servicer has no reasonable objection) upon reasonable notice (given the nature of the information and/or documentation requested) during normal office hours to have access, or procure that such person or persons are granted access, to all books of record and account (including, for the avoidance of doubt, the Loan Files) relating to the administration of the Portfolio Assets sold by the Seller to the Guarantor comprised in the Covered Bond Portfolio and related matters in accordance with this Agreement.

12.4 **Information Covenants**

(a) The Servicer shall assist the Cash Manager in the production of the Investor Reports.

(b) The Servicer shall take reasonable steps to notify the Rating Agencies in writing of the details of any proposed material change in the valuation procedures or policies applied or to be applied in relation to Properties by it in connection with its mortgage business (details of which change may be included in a report provided under paragraph (a)) and, such other information relating to its mortgage business and financial condition as the Rating Agencies may reasonably request in connection with the ratings of any Covered Bonds then outstanding, provided that such request

does not adversely interfere with the Servicer's day to day provision of the Services under the other terms of this Agreement. For greater certainty, any failure by the Servicer to deliver any such notice prior to making any such proposed change shall not limit the ability of the Servicer to proceed with any such change or constitute a breach of the obligations of the Servicer hereunder.

(c) The Servicer shall make available upon request to the Guarantor (or the Cash Manager on its behalf) and the Bond Trustee monthly a report stored upon electronic media including, but not limited to, upon electronic media or other electronic form acceptable to the Guarantor containing information regarding the Portfolio Assets comprised in the Covered Bond Portfolio including, but not limited to, details of the relevant account number, the relevant Borrower's name and the postal code of the relevant Property and the funding date of the relevant Mortgage.

(d) The Servicer shall, subject to applicable laws and the Servicer Privacy Policies, at the request of the Guarantor and the Bond Trustee, furnish the Guarantor, the Bond Trustee and the Rating Agencies with such other information relating to its business and financial condition as it may be reasonable for the Guarantor and the Bond Trustee (as appropriate) to request in connection with the ratings of any Covered Bonds issued under the Programme by the Rating Agencies and other matters contemplated by the Programme, provided that the Guarantor or the Bond Trustee (as appropriate) shall not make such a request more than once every three months unless, in the belief of the Guarantor or the Bond Trustee (as appropriate), a Guarantor Event of Default or a Servicer Termination Event shall have occurred and is continuing or may reasonably be expected to occur.

12.5 **Security Sharing Agreement Notices**

(a) The Servicer shall provide notice to each party to the Security Sharing Agreement (a copy of which has been received by the Servicer), identifying the Guarantor Purchased Loans forming part of the affected Related Loans it is aware of (being Related Loans, or Related Loans of any Shared Security, affected by any breach, advice or challenge described in this Section 12.5(a)), upon:

(i) receiving written advice from the Seller, the applicable Originator or any beneficial owner (or owner) of Seller Retained Loans or Originator Retained Loans that has executed and delivered a counterpart to the Security Sharing Agreement in respect of one or more Seller Retained Loans or Originator Retained Loans, that breaches or causes a breach of Section 2.2 (Priority), Section 2.4 (Trust), Section 3.1 (Same Servicer for Related Loans and their Shared Security) or Section 3.5 (Enforcement Procedures) of the Security Sharing Agreement, or otherwise being provided or coming into possession of written evidence of such a breach, in each case where such breach is not remedied or advice withdrawn by the person responsible for such breach or providing such advice, as applicable, within 60 days (or, after an Issuer Event of Default, 10 Canadian Business Days) of such person receiving notice from the Servicer of such breach or such advice having been received by the Servicer, as the case may be;

(ii) receiving advice from the Seller, the applicable Originator or any beneficial owner (or owner) of Seller Retained Loans or Originator Retained Loans that has executed and delivered a counterpart to the Security Sharing Agreement in respect of one or more Seller Retained Loans or Originator Retained Loans, (or otherwise being provided or coming into possession of written evidence) of or referencing, the sale, transfer or assignment of any Seller Retained Loan or Originator Retained Loan to a Person that has not executed and delivered (A) a counterpart to the Security Sharing Agreement to the parties to the Security Sharing Agreement substantially in the form of Exhibit B to the Security Sharing Agreement agreeing to be bound by the obligations of the Seller and the applicable Originator under the Security Sharing Agreement with respect to such Seller Retained Loan, or Originator Retained Loan, and its Shared Security; and (B) a Release of Security to the Custodian in respect of the Shared Security for such Seller Retained Loan or Originator Retained Loan to be held as a Release of Security under the Security Sharing Agreement (unless such sale, transfer or assignment results in a single Person beneficially owning (or owning) all of the Related Loans); or

(iii) being provided or coming into possession of written evidence that the Seller, the applicable Originator or any beneficial owner (or owner) of Seller Retained Loans or Originator Retained Loans that has executed and delivered a counterpart to the Security Sharing Agreement in respect of one or more Seller Retained Loans or Originator Retained Loans has commenced a challenge to the validity, legality or enforceability of Section 2.2 (Priority), Section 2.4 (Trust), Section 3.1 (Same Servicer for Related Loans and their Shared Security) or Section 3.5 (Enforcement Procedures) of the Security Sharing Agreement in relation to one or more Seller Retained Loans, or Originator Retained Loans, or their Related Loans (each an affected Related Loan) in legal proceedings before a court of competent jurisdiction,

provided that in the case of any advice, breach or challenge described in this Section 12.5(a) by a beneficial owner (or owner) of Seller Retained Loans or Originator Retained Loans, such beneficial owner (or owner) beneficially owns (or owns) Related Loans of the affected Related Loans that are the subject of or affected by such advice, breach or challenge.

(b) The Servicer shall immediately provide notice identifying the affected Related Loans to the person taking any action which under Section 12.5(a) could give rise to the requirement on the part of the Servicer to deliver a notice pursuant to Section 12.5(a) upon receiving notice of or becoming aware of any actions on the part of such person or receiving any direction, as applicable, that if not remedied or withdrawn, as the case may be, could give rise to a requirement on the part of the Servicer to deliver such notice under Section 12.5(a).

(c) The Seller, each Originator and the Guarantor shall each provide notice to the Servicer and a copy of any amendment of, supplement to (including the execution and delivery of any counterparties to the Security Sharing Agreement) or

replacement of the Security Sharing Agreement immediately following any such amendment thereto.

ARTICLE 13
INSURANCE

13.1 The Servicer shall (i) act in accordance with the Seller's Policy or each Originator's Policy to maintain the Guarantor as an additional insured under the policies of insurance, if any, carried by such Servicer in respect of third party liability, fire and all perils, and extended coverage claims applicable to or relating to the Loans and their Related Security and (ii) if applicable, act in accordance with the Seller's Policy or the applicable Originator's Policy to settle all losses in the event of damage to or destruction by fire or other insured casualty of any Property. Any amounts received by the Servicer in respect of any such policy of insurance shall be held and dealt with by the Servicer in accordance with Section 5.4 of this Agreement.

ARTICLE 14
DATA PROTECTION

14.1 Each of the parties hereto shall maintain privacy policies and procedures consistent with the terms of this Agreement and compliant with all Applicable Privacy Laws. In all cases and without limiting the foregoing, each such party shall comply with Applicable Privacy Laws in the performance of its obligations under this Agreement. For greater certainty, and without limiting the foregoing, the Servicer shall have in place and maintain, policies ("**Servicer Privacy Policies**") governing the collection, use, disclosure, management and security of Personal Information, including, without limitation, an outline of the procedure and reasonable measures that the Servicer has in place to maintain the security of such Personal Information. From time to time, but not more often than once per annum, the Guarantor may, by request in writing to Servicer, request that the Servicer provide and the Servicer shall, promptly following a receipt of such request, provide to the Guarantor a certificate of an officer of the Servicer certifying the Servicer's maintenance of, and compliance with, the Servicer Privacy Policies.

ARTICLE 15
REPRESENTATIONS, WARRANTIES AND COVENANTS OF SERVICER

15.1 The Servicer hereby represents, warrants and undertakes to, and covenants with, each of the Guarantor and the Bond Trustee that without prejudice to any of its specific obligations hereunder that:

(a) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under this Agreement and the other Transaction Documents to which it is a party and it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions hereunder;

(b) it will comply with the provisions of, and perform its obligations under, this Agreement, the other Transaction Documents to which it is party and the CMHC Guide, in each case in any capacity;

(c) the unsecured, unsubordinated and unguaranteed debt obligations, and the issuer default rating, of the Servicer are rated by each of the Rating Agencies at ratings that are at or above the Servicer Replacement Threshold Ratings;

(d) it is and will continue to be in good standing with OSFI;

(e) it is and will continue to be in material compliance with its internal policies and procedures relevant to the services to be provided by it pursuant to this Agreement and the other Transaction Documents to which it is party;

(f) it is and will continue to be in material compliance with all laws, regulations and rules applicable to it in relation to the services provided by it pursuant to this Agreement and the other Transaction Documents to which it is a party;

(g) it will comply with the terms of the Security Sharing Agreement;

(h) it will administer the Portfolio Assets as if the same had not been sold to the Guarantor but had remained on the books of the Seller and, in the event the Servicer agrees, subject to Article 7, to service New Loans and their Related Security sold by New Sellers to the Guarantor, as if such New Loans and their Related Security had been Loans and their Related Security of the Seller which had remained on the books of the Servicer;

(i) it will provide the Services in such manner and with the same level of skill, care and diligence as would a Reasonable and Prudent Mortgage Lender and using that degree of skill and attention that it exercises in managing, servicing, administering, collecting and performing similar functions relating to comparable loans that it services for itself;

(j) it will comply with any proper directions, orders and instructions which the Guarantor may from time to time give to it in accordance with the provisions of this Agreement;

(k) it will keep in force all licences, approvals, authorizations and consents which may be necessary in connection with the performance of the Services and prepare and submit on a timely basis all necessary applications and requests for any further approval, authorization, consent or licence required in connection with the performance of the Services;

(l) it will, save as otherwise agreed with the Guarantor, provide free of charge to the Guarantor, office space, facilities, equipment and staff sufficient to enable the Guarantor to fulfil its obligations under this Agreement;

(m) it will not knowingly fail to comply with any legal requirements in the performance of the Services;

(n) it will make all payments required to be made by it pursuant to this Agreement on the due date for payment thereof in Canadian dollars in immediately available funds for value on such day without set-off (including, without limitation, in respect of any fees owed to it) or counterclaim;

(o) it will forthwith and in any event prior to the next Guarantor Payment Date after becoming aware of any event which may reasonably give rise to an obligation of the Seller to repurchase any Loan sold to the Guarantor in the Covered Bond Portfolio pursuant to the Mortgage Sale Agreement, notify the Guarantor in writing of such event;

(p) it will upon the request of the Guarantor or the Bond Trustee, within 60 days of the ratings of the Servicer by one or more Rating Agencies falling below the Servicer Replacement Threshold Ratings, use commercially reasonable efforts to enter into a new or a master servicing agreement with a third party under which such third party will undertake the servicing obligations in relation to the Covered Bond Portfolio, substantially in the form of this Agreement (or otherwise subject to satisfaction of the Rating Agency Condition), with such modifications as the Guarantor and the Bond Trustee may reasonably require including with respect to the payment of servicing fees, provided the ratings of such replacement Servicer are at or above the Servicer Replacement Threshold Ratings; and

(q) it will, within five Canadian Business Days of notification from the Guarantor of the identity of any proposed New Seller, provide the Rating Agencies with such details of that proposed New Seller as may be reasonably required by the Rating Agencies.

15.2 The covenants of the Servicer in Section 15.1 shall remain in force until this Agreement is terminated in respect of the relevant Servicer but without prejudice to any right or remedy of the Guarantor, the Bond Trustee and/or the Seller arising from breach of any such covenant prior to the date of termination of this Agreement.

ARTICLE 16
SERVICES NON-EXCLUSIVE

16.1 Nothing in this Agreement shall prevent the Servicer from rendering or performing services similar to those provided for in this Agreement to or for itself or other persons, firms or companies or from carrying on business similar to or in competition with the business of the Guarantor.

ARTICLE 17
TERMINATION

17.1 If any of the following events (each, a "**Servicer Termination Event**" and, in relation to the events referred to in Sections 17.1(a) to (d), a "**Servicer Event of Default**") shall occur:

(a) the Servicer's unsecured, unguaranteed and unsubordinated debt obligations, or the issuer default rating of the Servicer, are rated by one or more Rating Agencies below the Servicer Replacement Threshold Ratings;

(b) default is made by the Servicer in the payment on the due date of any amount due to the Guarantor and payable by it under this Agreement and such default continues unremedied for a period of three Canadian Business Days after the earlier of the

Servicer becoming aware of such default and receipt by the Servicer of written notice from the Bond Trustee or the Guarantor requiring the same to be remedied;

(c) default is made by the Servicer (or any delegate thereof) in the performance of its obligations under Section 5.4 at any time that there has been a downgrade in the ratings of the Servicer by one or more Rating Agencies below the Servicer Deposit Threshold Ratings and such default continues unremedied for a period of one Canadian Business Day after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Bond Trustee or the Guarantor requiring the same to be remedied;

(d) default is made by the Servicer in the performance or observance of any of its other covenants and obligations under this Agreement, which in the reasonable opinion of the Bond Trustee is materially prejudicial to the interests of the holders of the Covered Bonds from time to time and such default continues unremedied within the earlier of 20 Canadian Business Days after becoming aware of such default and receipt by the Servicer of written notice from the Guarantor or the Bond Trustee requiring the same to be remedied;

(e) an Insolvency Event occurs in relation to the Servicer or any credit support provider in respect of the Servicer or the merger of the Servicer without an assumption of the obligations under this Agreement;

(f) the Guarantor resolves, after due consideration and acting reasonably, that the appointment of the Servicer should be terminated provided that a substitute servicer has entered into a servicing agreement with the parties hereto (excluding the Servicer) on terms and conditions substantially similar to the terms and conditions contained herein, and for which the Rating Agency Condition has been satisfied;

(g) a breach of a representation, warranty or covenant provided in Sections 15.1(a), (b), (d), (e) and (f); or

(h) provided the Servicer is the Issuer or an Affiliate of the Issuer, an Issuer Event of Default (i) occurs and is continuing, or (ii) has previously occurred and is continuing, at any time that the Guarantor is Independently Controlled and Governed,

then the Guarantor and/or the Bond Trustee (x) may at once or at any time thereafter while such Servicer Termination Event continues by notice in writing to the Servicer or, (y) in the case of the occurrence of a Servicer Termination Event described in paragraph (a) above, at any time that the Guarantor is not Independently Controlled and Governed, shall, terminate its appointment as Servicer under this Agreement with effect from a date (not earlier than the date of the notice) specified in the notice.

17.2 The appointment of the Servicer under this Agreement may be terminated by the Servicer upon the expiry of not less than 12 months' notice of termination given by the Servicer to the Bond Trustee and the Guarantor provided that:

(a) the Guarantor and the Bond Trustee consent in writing to such termination;

(b) a substitute servicer shall be appointed, such appointment to be effective not later than the date of such termination and the Servicer shall notify the Rating Agencies in writing of the identity of such substitute servicer;

(c) such substitute servicer is qualified to act as such, including that the ratings of the unsecured, unsubordinated and unguaranteed debt obligations of such substitute servicer, or the issuer default rating of such substitute servicer, as applicable, meet or exceed the Servicer Replacement Threshold Ratings from each Rating Agency;

(d) such substitute servicer has a management team with experience of administering mortgages of residential property in Canada and is approved by the Guarantor;

(e) such substitute servicer enters into an agreement substantially on the same terms as the relevant provisions of this Agreement (except as to fees) and the Servicer shall not be released from its obligations under the relevant provisions of this Agreement until such substitute servicer has entered into such new agreement, which agreement shall be in compliance with the CMHC Guide and shall include a covenant of such substitute servicer to comply with the provisions of, and perform its obligations under, the CMHC Guide; and

(f) the Rating Agency Condition has been satisfied in respect thereof, unless the termination is otherwise agreed by an Extraordinary Resolution of the holders of the Covered Bonds.

17.3 Subject to the terms of the Security Sharing Agreement in respect of any Related Loans, the appointment of the Servicer under this Agreement may be terminated in respect of any Portfolio Assets following a sale, transfer or assignment of such Portfolio Assets by the Guarantor or the purchaser of such Portfolio Assets upon 30 days prior written notice to the Servicer, and in the case of Related Security, to the Seller or the applicable Originator selling such Related Loans, or such shorter period otherwise agreed to between the party delivering such notice and the recipient(s) of such notice.

17.4 On and after termination of the appointment of the Servicer under this Agreement pursuant to this Article 17, all authority and power of the Servicer under this Agreement shall be terminated and be of no further effect and the Servicer shall not thereafter hold itself out in any way as the agent and mandatary of the Guarantor pursuant to this Agreement.

17.5 Upon termination of the appointment of the Servicer under this Agreement pursuant to this Article 17, the Servicer shall:

(a) deliver forthwith (if practicable, on the date of receipt by the Servicer), at the expense of the Servicer, any monies then held by the Servicer on behalf of the Guarantor and within a reasonable period deliver (and in each case in the meantime hold in trust for, and to the order of, the Guarantor and the Bond Trustee) to the Guarantor or as it shall direct the Loan Files, all books of account, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of or belonging to the Guarantor and the Portfolio Assets in the Covered Bond Portfolio and any other assets of the Guarantor and prior to delivery thereof cooperate in providing such information and documentation as may be necessary to

provide the Services with respect to the Portfolio Assets in the Covered Bond Portfolio;

(b) take such further action as the Guarantor and the Bond Trustee may reasonably direct at the expense of the Guarantor (including in relation to the appointment of a substitute servicer);

(c) provide all relevant information contained on computer records in the form of magnetic tape or any other acceptable form of data storage medium, together with details of the layout of the files encoded on such data storage medium; and

(d) co-operate and consult with and assist the Guarantor, the Bond Trustee and their nominees (which shall, for the avoidance of doubt, include any new servicer appointed by any of them) for the purposes of explaining the file layouts and the format of the magnetic tapes or other acceptable form of data storage medium generally containing such computer records on the computer system of the Guarantor or such nominee.

17.6 The Servicer shall deliver to the Guarantor and the Bond Trustee as soon as reasonably practicable but in any event within five Canadian Business Days of becoming aware thereof a notice of any Servicer Termination Event or any event which with the giving of notice or lapse of time or certification would constitute the same. Such notification shall specify which event in Article 17 has occurred and was the cause of such Servicer Termination Event (or any event which with the giving of notice or lapse of time or certification would constitute a Servicer Termination Event), a description of such Servicer Termination Event, and, if relevant, a reference to the provision in this Agreement or the other Transaction Documents which the Servicer has breached.

17.7 Termination of this Agreement or the appointment of the Servicer under this Agreement shall be without prejudice to the liabilities of the Guarantor to the Servicer or *vice versa* incurred before the date of such termination. The Servicer shall have no right of set-off or any lien in respect of such amounts against amounts held by it on behalf of the Guarantor.

17.8 This Agreement shall terminate at such time as the Guarantor has no further interest in the Portfolio Assets.

17.9 On termination of the appointment of the Servicer under the provisions of this Article 17, the Servicer shall, if so entitled pursuant to the terms of Article 11, be entitled to receive all fees and other monies accrued up to the date of termination, if any, but shall not be entitled to any other or further compensation. Such monies so receivable by the Servicer shall be paid by the Guarantor on the dates on which they would otherwise have fallen due hereunder. For the avoidance of doubt, such termination shall not affect the Servicer's rights to receive payment of all amounts (if any) due to it from the Guarantor other than under this Agreement.

17.10 If an Insolvency Event occurs in relation to any person to whom a Servicer has subcontracted or delegated part of its obligations hereunder, such Servicer will notify the Bond Trustee and it will, as soon as possible and in any event within ten Canadian Business

Days of such an event occurring, terminate the relevant sub-contracting or delegation arrangements.

17.11 Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding termination.

17.12 The Guarantor shall provide notice to CMHC of the termination or resignation of the Servicer and of the Servicer's replacement contemporaneously with the earlier of (i) notice of such termination or resignation and replacement to a Rating Agency, (ii) notice of such termination or resignation and replacement being provided to or otherwise made available to Covered Bondholders and (iii) five Business Days following such termination or resignation and replacement (unless the replacement has yet to be identified at that time, in which case notice of the replacement may be provided no later than 10 Business Days thereafter). Any such notice shall include (if known) the reasons for the termination or resignation of the Servicer, all information relating to the replacement required by the CMHC Guide and a revised and amended copy of this Agreement with such replacement.

ARTICLE 18
FURTHER ASSURANCE

18.1 The parties hereto agree that they will co-operate fully to do all such further acts and things and execute any further documents as may be necessary or desirable to give full effect to the arrangements contemplated by this Agreement.

18.2 Without prejudice to the generality of Section 18.1, the Guarantor shall upon request by the Servicer forthwith give to the Servicer such further powers of attorney or other written authorizations, mandates or instruments as are necessary to enable the Servicer to perform the Services.

18.3 Nothing herein contained shall impose any obligation or liability on the Guarantor to assume or perform any of the obligations of the Servicer hereunder or render it liable for any breach thereof.

ARTICLE 19
MISCELLANEOUS

19.1 Subject to Article 11 and Section 19.2, in the event that the funds available to the Guarantor on any Guarantor Payment Date are not sufficient to satisfy in full the aggregate amount, if any, payable to the Servicer by the Guarantor on such Guarantor Payment Date, then the amount, if any, payable to the Servicer on such Guarantor Payment Date shall be reduced by the amount of the shortfall and such shortfall shall (subject always to the provisions of this Article 19) be payable on the immediately succeeding Guarantor Payment Date.

19.2 In the event that:

(a) after repayment in full of all amounts due under the Covered Bonds; or

(b) after the service of a Guarantor Acceleration Notice and payment of all other prior claims,

the remaining sums available to the Guarantor or remaining proceeds of enforcement are insufficient to satisfy in full the outstanding fees or other claims of the Servicer, such fees shall be reduced by the amount of the deficiency.

19.3 Each of the Seller and the Servicer agrees that it will not:

(a) set-off or purport to set-off any amount which the Guarantor or the Bank is or will become obliged to pay to it under any of the Transaction Documents against any amount from time to time standing to the credit of or to be credited to a Guarantor Account or in any other account prior to transfer to a Guarantor Account; or

(b) make or exercise any claims or demands, any rights of counterclaim or any other equities against or withhold payment of any and all sums of money which may at any time and from time to time be standing to the credit of a Guarantor Account.

19.4 Notwithstanding any other provisions of this Agreement, all obligations to, and rights of, the Guarantor under or in connection with this Agreement (other than its obligations under Article 20) shall automatically terminate upon the repayment of the Loans and the discharge in full of all amounts owing by the Guarantor under the Intercompany Loan Agreement, provided that this shall be without prejudice to any claims in respect of such obligations and rights arising on or prior to such date.

ARTICLE 20
CONFIDENTIALITY

20.1 During the continuance of this Agreement or after its termination, each party to the Agreement shall use its reasonable best efforts not to disclose to any person, firm or company whatsoever any information relating to the business, finances or other matters of a confidential nature of any other party hereto of which it may exclusively by virtue of being party to the Transaction Documents have become possessed and shall use all reasonable endeavours to prevent any such disclosure as aforesaid, provided however that the provisions of this Article 20 shall not apply:

(a) to any information already known to each of the parties, otherwise than as a result of entering into any of the Transaction Documents;

(b) to any information subsequently received by any party which it would otherwise be free to disclose;

(c) to any information which is or becomes public knowledge otherwise than as a result of the conduct of the parties;

(d) to any extent that any party is required to disclose the same pursuant to and in accordance with (i) any Transaction Document, (ii) any law or order of any court, (iii) any direction, request or requirement (whether or not having the force of law) of any central bank or any governmental or other authority (including, without limitation, any official bank examiners or regulators), or (iv) the CMHC Guide and the Covered Bond Legislative Framework;

(e) to the extent that the Guarantor needs to disclose the same for determining the existence of, or declaring, a Guarantor Event of Default or a Servicer Termination Event, the protection or enforcement of any of its rights under any of the Transaction Documents or in connection herewith or therewith or for the purpose of discharging, in such manner as it thinks fit, its duties under or in connection with such agreements in each case to such persons as require to be informed of such information for such purposes;

(f) in relation to any information disclosed to the professional advisers of the relevant party or (in connection with any review of the current ratings of any Covered Bonds issued under the Programme or with a prospective rating of any debt to be issued by the Bank) to any credit rating agency or any prospective new servicer; or

(g) to any information disclosed to a subsidiary of the Servicer in connection with the Issuer or Guarantor's normal course business operations.

ARTICLE 21
NOTICES

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

(a) in the case of the Bank as Servicer, Seller and the Bank to:

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

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

with a copy to:

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

(b) in the case of the Guarantor to:

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

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

with a copy to:

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

(c) in the case of the Bond Trustee to:

Computershare Trust Company of Canada
320 Bay Street, 14th Floor,
Toronto, Ontario
Canada M5H 4A6

Attention: Manager, Corporate Trust
Email: [redacted]

Notices delivered or transmitted to a party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Canadian Business Day prior to 4:00 p.m. local time in the place of delivery or receipt. If any notice is delivered or transmitted after 4:00 p.m. local time or if the day is not a Canadian Business Day, then such notice shall be deemed to have been given and received on the next Canadian Business Day. Any party may change its address for notice, or facsimile contact information, or electronic mail contact information for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such party at its changed address, or facsimile contact information, or electronic mail contact information, as applicable.

ARTICLE 22
NO PARTNERSHIP

It is hereby acknowledged and agreed by the parties that nothing in this Agreement shall be construed as giving rise to any partnership between any of the parties.

ARTICLE 23
ASSIGNMENT

23.1 The Servicer may not assign or transfer any of its rights and obligations under this Agreement without the prior written consent of the Guarantor and the Rating Agency Condition having been satisfied in respect thereof. For greater certainty, nothing in this Section 23.1 shall affect the rights of the Servicer under Section 3.2.

23.2 The Servicer acknowledges that the Guarantor has, pursuant to the Security Agreement, *inter alia*, assigned by way of security all its rights, title, interest and benefit, present and future, in and to, all sums from time to time standing to the credit of the Guarantor Accounts

and all of its rights under this Agreement to the Bond Trustee (for itself and on behalf of the Secured Creditors).

ARTICLE 24
BOND TRUSTEE

24.1 If there is any change in the identity of the Bond Trustee in accordance with the Trust Deed, the Servicer, the Seller and the Guarantor shall execute such documents and take such action as the successor Bond Trustee and the outgoing Bond Trustee may reasonably require for the purpose of vesting in the successor Bond Trustee the rights and obligations of the outgoing Bond Trustee under this Agreement and releasing the outgoing Bond Trustee from its future obligations under this Agreement.

24.2 It is hereby acknowledged and agreed that by its execution of this Agreement the Bond Trustee shall not assume or have any of the obligations or liabilities of the Servicer, the Seller, an Originator or the Guarantor under this Agreement and that the Bond Trustee has agreed to become a party to this Agreement for the purpose only of taking the benefit of this Agreement and agreeing to amendments to this Agreement pursuant to Section 26. For the avoidance of doubt, the parties to this Agreement acknowledge that the rights and obligations of the Bond Trustee are governed by the Trust Deed and Security Agreement. Any liberty or right which may be exercised or determination which may be made under this Agreement by the Bond Trustee may be exercised or made in the Bond Trustee's absolute discretion without any obligation to give reasons therefore and the Bond Trustee shall not be responsible for any liability occasioned by so acting if acting pursuant to Section 18 of the Trust Deed without prejudice to its obligation to act reasonably where so required pursuant to the terms of the Transaction Documents.

ARTICLE 25
AMENDMENTS, VARIATION AND WAIVER

25.1 Any amendments to this Agreement will be made only with the prior written consent of each party to this Agreement provided, for certainty, no such consent shall be required in connection with the amendment or other change to the rate of interest on Advances. No waiver of this Agreement shall be effective unless it is in writing and signed by (or by a person duly authorised by) each of the parties. Subject to Section 3.2 of the Master Definitions and Construction Agreement 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 and the Guarantor (or the Cash Manager on its behalf) shall deliver notice to the Rating Agencies of any amendment or waiver which does not require satisfaction of the Rating Agency Condition provided that failure to deliver such notice shall not constitute a breach of the obligations of the Guarantor under this Agreement. For certainty, any amendment to (a) a Ratings Trigger that (x) lowers the ratings specified therein, or (y) 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. No single or partial exercise of, or failure or delay in exercising, any right under this Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.

ARTICLE 26
NON-PETITION

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

ARTICLE 27
COUNTERPARTS AND SEVERABILITY

27.1 This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement.

27.2 Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

27.3 Where any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations under this Agreement, or of such provision or obligation in any other jurisdiction, shall not be affected or impaired thereby.

ARTICLE 28
GOVERNING LAW

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

28.2 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.

ARTICLE 29
LIABILITY OF LIMITED PARTNERS

29.1 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.

ARTICLE 30
LANGUAGE

30.1 The parties hereto confirm that it is their wish that this Agreement and all documents relating thereto, including notices, be drawn up in the English language. *Les parties aux présentes confirment leur volonté que cette convention de même que tous les documents, y compris tous les avis, s'y rapportant soient rédigés en langue anglaise*.

[The remainder of this page is intentionally left blank]

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

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

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

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

COMPUTERSHARE TRUST COMPANY OF CANADA, as Bond Trustee

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

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

SCHEDULE 1 - THE SERVICES

In addition to the Services set out in the body of this Agreement, the Servicer shall:

(a) keep records and books of account on behalf of the Guarantor in relation to the Portfolio Assets in the Covered Bond Portfolio;

(b) keep any records necessary for all Taxation;

(c) assist the auditors, if applicable, of the Guarantor and provide information to them upon reasonable request;

(d) take all reasonable steps to recover all sums due to the Guarantor, including instituting proceedings and enforcing any relevant Loan or Mortgage or other Related Security using the discretion of a Reasonable and Prudent Mortgage Lender in applying the enforcement procedures forming part of the Seller's Policy or the applicable Originator's Policy;

(e) enforce any Loan which is in default in accordance with the Seller's or the applicable Originator's enforcement procedures or, to the extent that such enforcement procedures are not applicable having regard to the nature of the default in question, with the usual procedures undertaken by a Reasonable and Prudent Mortgage Lender on behalf of the Guarantor;

(f) act as collection agent for the Guarantor under the Direct Debiting System in accordance with the provisions of this Agreement; and

(g) comply and, as applicable, cause any person to which it sub-contracts or delegates the performance of all or any of its powers and obligations under this Agreement to comply with, the provisions of the Security Sharing Agreement applicable to a servicer and not take any action in contravention of the Security Sharing Agreement except pursuant to a written notice or direction in which case Section 12.5 will apply.