Execution Version

TRUST DEED

RELATING TO A

CAD $1.5 BILLION

GLOBAL LEGISLATIVE COVERED BOND PROGRAMME

DATED SEPTEMBER 14, 2026

FAIRSTONE BANK OF CANADA
as Issuer

and

FBOC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP
as Guarantor

and

COMPUTERSHARE TRUST COMPANY OF CANADA
as Bond Trustee

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THIS TRUST DEED (this "**Agreement**" or "**Trust Deed**") is made on September 14, 2026
BETWEEN:

(1) **Fairstone Bank of Canada**, a Canadian Schedule I chartered bank having its head office 145 King Street West, Suite 2300, Toronto, Ontario M5H 1J8 (the "**Issuer**");

(2) **FBOC Covered Bond (Legislative) Guarantor Limited Partnership**, a limited partnership constituted under the *Limited Partnerships Act* (Ontario) and having its principal place of business at 145 King Street West, Suite 2500, Toronto, Ontario M5H 1J8, herein represented by its managing general partner, FBOC Covered Bond (Legislative) GP Inc. (the "**Guarantor**");

(3) **Computershare Trust Company of Canada**, a company incorporated 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 for the Covered Bondholders, the "**Bond Trustee**" which expressions shall, wherever the context so admits, include such company and all other persons or companies for the time being the bond trustee or bond trustees) as bond trustee for the Covered Bondholders.

WHEREAS:

(1) The Issuer has established a Programme pursuant to which the Issuer may from time to time create and issue Covered Bonds as set out herein. Covered Bonds up to a maximum nominal amount (calculated in accordance with Section 2 of the Dealership Agreement) from time to time outstanding of CAD $1.5 billion (subject to increase as provided in the Dealership Agreement) (the "**Programme Limit**") may be issued pursuant to the Programme.

(2) By a resolution of the Board of Directors of FBOC Covered Bond (Legislative) GP Inc. in its capacity as managing general partner of the Guarantor passed on September 14, 2026 the Guarantor has resolved to guarantee all Covered Bonds issued under the said Programme and all other amounts payable by the Issuer hereunder in the circumstances described herein.

(3) The Bond Trustee has agreed to act as bond trustee for the benefit of the Covered Bondholders upon and subject to the terms and conditions hereof.

NOW THIS TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED as follows:

1. Definitions and Interpretations

1.1 In this Trust Deed unless there is anything in the subject or context inconsistent therewith the following shall apply:

words denoting the singular shall include the plural and vice versa;

words denoting one gender only shall include the other genders; and

words denoting persons only shall include firms and corporations and vice versa.

1.2 (a) All references herein to principal and/or principal amount and/or interest in respect of the Covered Bonds or to any moneys payable by the Issuer or the Guarantor hereunder shall, unless the context otherwise requires, be construed in accordance with Condition 8.04.

(b) All references herein to any statute or any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such modification or re-enactment.

(c) All references herein to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than the Province of Ontario, Canada, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to herein.

(d) All references herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include references to any additional or alternative clearing system as is approved by the Issuer, the Issuing and Paying Agent and the Bond Trustee or as may otherwise be specified in the applicable Final Terms.

(e) Unless the context otherwise requires words or expressions used in the trust presents shall bear the same meanings as in the *Bank Act* (Canada).

(f) In this Trust Deed references to Schedules, Clauses, sub clauses, paragraphs and sub paragraphs shall be construed as references to the Schedules to this Trust Deed and to the Clauses, sub clauses, paragraphs and sub paragraphs of this Trust Deed respectively.

(g) In this Trust Deed tables of contents and Clause headings are included for ease of reference and shall not affect the construction hereof.

(h) All references herein to this "Agreement" or "Trust Deed" shall have the same meaning as Trust Deed in the Master Definitions and Construction Agreement.

1.3 The master definitions and construction agreement made between the parties to the Transaction Documents on September 14, 2026 (as the same may be amended, restated, varied or supplemented from time to time with the consent of the parties thereto, the "**Master Definitions and Construction Agreement**") is expressly and specifically incorporated into this Trust Deed 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 Trust Deed, including the recitals hereto and this Trust Deed shall be construed in accordance with the interpretation provisions set out in Section 2 of the Master Definitions and Construction Agreement. In the event of inconsistency between the Master Definitions and Construction Agreement and this Trust Deed, this Trust Deed shall prevail.

1.4 All references herein to the "relevant currency" shall be construed as references to the currency in which payments in respect of the Covered Bonds of the relevant Series are to be made as indicated in the applicable Final Terms.

1.5 All references herein to Covered Bonds having a "**listing**" or being "**listed**" on a Stock Exchange shall (i) in relation to Euronext Dublin, be construed to mean that such Covered Bonds have been admitted to listing on the Official List by Euronext Dublin and admitted to trading on the Main Securities Market, as the case may be, or (ii) in relation to any Stock Exchange in the EEA (other than Euronext Dublin), be construed to mean that such Covered Bonds have been admitted to trading on a Regulated Market, or (iii) in relation to any other Stock Exchange or segment thereof (other than those referred to in (i) and (ii) above), be construed to mean that the Covered Bonds have been listed on that Stock Exchange (or segment thereof) and/or to trading on the relevant market (or segment thereof), as the case may be, and all references in the trust presents to "**listing**" and "**listed**" shall include references to "**quotation**" and "**quoted**" respectively.

2. Amount and Issue of the Covered Bonds

2.1 Amount of the Covered Bonds, Final Terms and Legal Opinions:

The Covered Bonds will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit from time to time and for the purpose of determining such aggregate nominal amount Section 2 of the Dealership Agreement shall apply.

By not later than the third Business Day preceding each proposed Issue Date, the Issuer shall deliver or cause to be delivered to the Bond Trustee a draft of the applicable Final Terms and drafts of all (if any) legal opinions to be given in relation to the relevant issue and shall notify the Bond Trustee in writing without delay of the relevant Issue Date and the nominal amount of the Covered Bonds to be issued. Upon the issue of the relevant Covered Bonds, such Covered Bonds shall become constituted hereby without further formality.

Before the first issue of Covered Bonds occurring after each anniversary of this Trust Deed and on such other occasions as the Bond Trustee so requests (on the basis that the Bond Trustee considers it necessary in view of a change (or proposed change) in Ontario or other applicable law materially affecting the Issuer or the Guarantor (as the case may be), this Trust Deed, the Dealership Agreement, the Agency Agreement or the Security Agreement or the Bond Trustee has other reasonable grounds), the Issuer or, as the case may be, the Guarantor will procure that further legal opinion(s) (relating, if applicable, to any such change or proposed change) in such form and with such content as the Bond Trustee may reasonably require from the legal advisers specified in the Dealership Agreement or such other legal advisers as the Bond Trustee may require is/are delivered to the Bond Trustee. Whenever such a request is made with respect to any Covered Bonds to be issued, the receipt of such opinion in a form satisfactory to the Bond Trustee shall be a further condition precedent to the issue of those Covered Bonds.

2.2 Covenant to repay principal and to pay interest:

The Issuer covenants with the Bond Trustee that it shall, as and when the Covered Bonds of any Series or any of them becomes due to be redeemed, or on such earlier date as the

same or any part thereof may become due and repayable thereunder, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Bond Trustee in the relevant currency in immediately available funds the Principal Amount Outstanding in respect of the Covered Bonds of such Series and (except in the case of Zero Coupon Covered Bonds) shall in the meantime and until redemption in full of the Covered Bonds of such Series (both before and after any decree, judgment or other order of a court of competent jurisdiction) unconditionally pay or procure to be paid in immediately available funds to or to the order of the Bond Trustee as aforesaid interest (which shall accrue from day to day) on the Principal Amount Outstanding of the Covered Bonds outstanding of such Series at rates and/or in amounts calculated from time to time in accordance with, or specified in, and on the dates provided for in, the Conditions (subject to Clause 2.4); PROVIDED THAT:

(a) except for Excess Proceeds, every payment (whether by the Issuer or the Guarantor) of principal or interest or other sum due in respect of the Covered Bonds made to or to the order of the Paying Agent in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the relative covenant by the Issuer contained in this Clause or (as the case may be) by the Guarantor under the Guarantee in relation to the Covered Bonds of such Series except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Covered Bondholders;

(b) every payment of Excess Proceeds in accordance with the Conditions and Clause 11.2 to or to the order of the Bond Trustee shall be in satisfaction (for the benefit of the Issuer only and not the Guarantor) *pro tanto* of the relative covenant by the Issuer in this Clause contained in respect of the Excess Proceeds which are due and payable in relation to the Covered Bonds of such Series (but as provided in Clause 11.2, shall not do so for the purposes of the subrogation rights of the Guarantor contemplated by Clause 7.8 and shall not reduce or discharge any obligations of the Guarantor);

(c) in the case of any payment of principal which is not made to the Bond Trustee or the Paying Agent on or before the due date or which is made on or after accelerated maturity following an Issuer Event of Default or Guarantor Event of Default, interest shall continue to accrue on the Principal Amount Outstanding of the relevant Covered Bonds (except in the case of Zero Coupon Covered Bonds to which the provisions of Condition 5.11 shall apply) (both before and after any demand, maturity, decree, judgment or other order of a court of competent jurisdiction) at the rates aforesaid up to and including the date which the Bond Trustee determines in its absolute discretion to be the date on and after which payment is to be made in respect thereof as stated in a notice given to the holders of such Covered Bonds (such date to be not later than 14 days after the day on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Bond Trustee or the Paying Agent); and

(d) in any case where payment of the whole or any part of the principal amount of any Covered Bond is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by (c) above) interest shall accrue on the Principal Amount Outstanding of such Covered Bond (except in the case of

Zero Coupon Covered Bonds to which the provisions of Condition 5.11 shall apply) payment of which has been so withheld or refused (both before and after any decree, judgment or other order of a court of competent jurisdiction) at the rates aforesaid from the date of such withholding or refusal until the date on which, upon further presentation of the relevant Covered Bond (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Covered Bond is not required as a precondition of payment), the seventh day after the date on which, the Paying Agent having received the funds required to make such payment, notice is given to the relevant Covered Bondholder(s) in accordance with Condition 14 (*Notices*) that the Paying Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Covered Bondholder(s)).

For greater certainty and without limitation, the Bond Trustee will hold the benefit of this covenant on trust for the Covered Bondholders and itself in accordance herewith.

2.3 **Bond Trustee's requirements regarding Paying Agents etc.:**

(a) At any time after an Issuer Event of Default or Potential Issuer Event of Default shall have occurred and is continuing or the Bond Trustee shall have received any money from the Issuer which it proposes to pay under Clause 11 to the relevant Covered Bondholders and/or the Bond Trustee may:

(i) by notice in writing to the Issuer, the Guarantor, the Issuing and Paying Agent and the other Agents require the Issuing and Paying Agent and the other Agents pursuant to the Agency Agreement (A) to act thereafter as Issuing and Paying Agent and other Agents respectively of the Bond Trustee in relation to payments of such moneys to be made by or on behalf of the Bond Trustee under the terms hereof *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out of pocket expenses of the Issuing and Paying Agent and the other Agents shall be limited to the amounts for the time being held by the Bond Trustee on the trusts hereof relating to the Covered Bonds of the relevant Series and available for such purpose) and thereafter to hold all Covered Bonds, and all sums, documents and records held by them in respect of Covered Bonds on behalf of the Bond Trustee, or (B) to deliver up all Covered Bonds, and all sums, documents and records held by them in respect of the Covered Bonds to the Bond Trustee or as the Bond Trustee shall direct in such notice PROVIDED THAT such notice shall be deemed not to apply to any documents or records which the Issuing and Paying Agent and/or the other Agents is/are obliged not to release by any law or regulation; or

(ii) by notice in writing to the Issuer require it (but not the Guarantor) to make all subsequent payments in respect of the Covered Bonds to or to the order of the Bond Trustee and not to the Issuing and Paying Agent and with effect from the issue of any such notice to the Issuer and until such notice is withdrawn, proviso (a) to Clause 2.2 relating to the Covered Bonds shall cease to have effect in respect of the Issuer.

(b) At any time after a Guarantor Event of Default or Potential Guarantor Event of Default shall have occurred and is continuing or the Bond Trustee shall have received any money from the Guarantor which it proposes to pay under Clause 11 to the relevant Covered Bondholders and/or the Bond Trustee may:

(i) by notice in writing to the Issuer, the Guarantor, the Issuing and Paying Agent and the other Agents require the Issuing and Paying Agent and the other Agents pursuant to the Agency Agreement (A) to act thereafter as Issuing and Paying Agent and other Agents respectively of the Bond Trustee in relation to payments of such moneys to be made by or on behalf of the Bond Trustee under the terms hereof *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out of pocket expenses of the Issuing and Paying Agent and the other Agents shall be limited to the amounts for the time being held by the Bond Trustee on the trusts hereof relating to the Covered Bonds of the relevant Series and available for such purpose) and thereafter to hold all Covered Bonds and all sums, documents and records held by them in respect of Covered Bonds on behalf of the Bond Trustee, or (B) to deliver up all Covered Bonds and all sums, documents and records held by them in respect of the Covered Bonds to the Bond Trustee or as the Bond Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the Issuing and Paying Agent and/or the other Agents is/are obliged not to release by any law or regulation; or

(ii) by notice in writing to the Guarantor require it to make all subsequent payments in respect of the Covered Bonds to or to the order of the Bond Trustee and not to the Issuing and Paying Agent and with effect from the issue of any such notice to the Guarantor and until such notice is withdrawn proviso (a) to Clause 2.2 relating to the Covered Bonds shall cease to have effect.

2.4 If the Floating Rate Covered Bonds of any Series become immediately due and repayable following an Issuer Event of Default or a Guarantor Event of Default the rate and/or amount of interest payable in respect of them will be calculated by the Calculation Agent at the same intervals as if such Covered Bonds had not become due and repayable, the first of which will commence on the expiry of the Interest Period during which the Covered Bonds of the relevant Series become so due and repayable *mutatis mutandis* in accordance with the provisions of Condition 5 (*Interest*).

2.5 **Currency of payments:**

All payments in respect of, under and in connection herewith and the Covered Bonds of any Series to the relevant Covered Bondholders shall be made in the relevant currency all in accordance with the Conditions.

2.6 **Further Covered Bonds:**

The Issuer shall be at liberty from time to time (but subject always to the provisions hereof) without the consent of the Covered Bondholders to create and issue further Covered

Bonds having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single series with the outstanding Covered Bonds of such Series.

2.7 **Separate Series:**

Subject to the provisions of the next sentence, the Covered Bonds of each Series shall form a separate Series of Covered Bonds and accordingly, unless for any purpose the Bond Trustee in its absolute discretion shall otherwise determine, the provisions of this sentence and of Clauses 3 to 22 (both inclusive) and Schedule 3 and Schedule 4 shall apply *mutatis mutandis* separately and independently to the Covered Bonds of each Series. However, for the purposes of this Clause 2.7, Condition 7 (*Events of Default*) (insofar as it relates to a Programme Resolution), Condition 13 (*Meetings of Holders of Covered Bonds, Modification and Waiver*), Clauses 18(n), 23 and 25 and 10.1 and (insofar as it relates to Condition 7 (*Events of Default*) or to a Programme Resolution or Clauses 10.1, 23 or 25) Schedule 4, the Covered Bonds shall be deemed to constitute a single Series and the provisions of such Conditions and Clause shall apply to all the Covered Bonds together as if they constituted a single Series. In such Clauses and Schedule the expressions "**Covered Bonds**" and **"Covered Bondholders**" shall be construed accordingly.

3. Forms of the Covered Bonds

3.1 **Registered Global Covered Bonds:**

(a) Registered Global Covered Bonds shall be represented by a Regulation S Global Covered Bond.

(b) Registered Global Covered Bonds will (i) if held under the NSS, be registered in the name of a nominee of, and delivered to, a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg; or (ii) if not held under the NSS, be deposited with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms.

(c) Registered Global Covered Bonds shall be exchangeable and transferable only in accordance with, and subject to, the provisions of the Registered Global Covered Bonds and the Agency Agreement and the rules and operating procedures for the time being of Euroclear and Clearstream, Luxembourg.

(d) Each Registered Global Covered Bond shall be printed or typed in the form of or substantially in the form set out in Part 1 of Schedule 3 and may be a facsimile. Each Registered Global Covered Bond shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or electronically by a person duly authorized by the Issuer on behalf of the Issuer and shall be authenticated (manually or electronically) by or on behalf of the Registrar and shall, in the case of a Registered Global Covered Bond that is to be held under the NSS, be effectuated by the Common Safekeeper on instruction of the Registrar. Each Registered Global Covered Bond as executed and authenticated shall be a binding and valid obligation of the Issuer. For the avoidance of doubt, all references in this

Trust Deed or in any Registered Global Covered Bond to the execution, authentication or storage of a Registered Global Covered Bond shall be deemed to include the option to execute, authenticate and store them electronically.

3.2 **Registered Definitive Covered Bonds:**

(a) The Registered Definitive Covered Bonds shall be in registered form and shall be issued in the form of or substantially in the form set out in Part 2 of Schedule 3, shall be serially numbered, and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the relevant Conditions may be incorporated by reference into such Registered Definitive Covered Bonds unless not permitted by the relevant Stock Exchange (if any), or the Registered Definitive Covered Bonds shall be endorsed with or have attached thereto the relevant Conditions and, in either case, the Registered Definitive Covered Bonds shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Registered Definitive Covered Bonds shall pass upon registration of transfer in the Register kept by the Registrar in respect thereof in accordance with the provisions of the Agency Agreement and these presents.

(b) The Definitive Covered Bonds shall be signed manually or in facsimile by a person duly authorized by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Issuing and Paying Agent or the Registrar (as applicable). The Registered Definitive Covered Bonds so executed and authenticated shall be binding and valid obligations of the Issuer and the Guarantee in respect thereof shall be a binding and valid obligation of the Guarantor.

3.3 **Electronic signatures:**

The Issuer may use scanned signatures delivered electronically by email of any person who at the date such signature is affixed to a Covered Bond is duly authorized by the Issuer notwithstanding that at the time of issue of any of the Covered Bonds he may have ceased for any reason to be the holder of such office or so authorized.

3.4 **Persons to be treated as Covered Bondholders:**

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent, the Registrar, the Transfer Agents and the other Paying Agents (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) may:

(a) in respect of Covered Bonds settled by Euroclear or Clearstream, Luxembourg: (i) for the purpose of making payment thereon or on account thereof deem and treat the registered holder of any Registered Global Covered Bond as the absolute owner thereof and (ii) for all other purposes deem and treat each person for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Covered Bonds represented by a Global Covered Bond (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg, as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and

binding for all purposes save in the case of manifest error), as the absolute owner thereof free from all encumbrances and shall not, in the case of (i) and (ii) above, be required to obtain proof of such ownership (other than, in the case of any person for the time being so shown in such records, a certificate or letter of confirmation signed on behalf of Euroclear or Clearstream, Luxembourg or any other form of record made by either of them) or as to the identity of the registered holder of any Registered Global Covered Bond or Registered Definitive Covered Bond, or

(b) in respect of Covered Bonds settled by such other additional or alternative clearing system approved by the Issuer, the Bond Trustee, and the Issuing and Paying Agent (not including Euroclear or Clearstream, Luxembourg) (the "**Alternative Clearing System**"), may

(i) for the purpose of making payment thereon or on account thereof, voting, giving consents and making requests pursuant to these presents, deem and treat the registered holder of any Registered Global Covered Bond, as the absolute owner thereof and of all rights thereunder free from all encumbrances, and shall not be required to obtain proof of such ownership or as to the identity of the registered holder, and

(ii) for all other purposes deem and treat each person for the time being shown in the records of an Alternative Clearing System, as the holder of a particular principal amount of the Covered Bonds represented by a Global Covered Bond (in which regard any certificate or other document issued by an Alternative Clearing System, as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error), as the absolute owner thereof free from all encumbrances and shall not be required to obtain proof of such ownership (other than, in the case of any person for the time being so shown in such records, a certificate or letter of confirmation signed on behalf of an Alternative Clearing System or any other form of record made by either of them) or as to the identity of the registered holder of any Registered Global Covered Bond or Registered Definitive Covered Bond.

3.5 **Certificates of Euroclear and Clearstream, Luxembourg:**

The Issuer, the Guarantor and the Bond Trustee may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on as sufficient evidence thereof a certificate or letter of confirmation issued on behalf of Euroclear and Clearstream, Luxembourg or any form of record made by any of them or such other form of evidence and/or information and/or certification as it shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Covered Bonds represented by a Registered Global Covered Bond and, if it does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

4. Fees, Duties and Taxes

The Issuer will pay any stamp, issue, registration, documentary and other fees, duties and taxes, including interest and penalties, payable (a) in Canada on or in connection with (i) the execution and delivery of this Trust Deed and the Security Agreement and (ii) the constitution and original issue and initial delivery of the Covered Bonds and the creation of the Security and (b) in any jurisdiction in connection with any action taken by or on behalf of the Bond Trustee or (where permitted hereunder so to do) any Covered Bondholder or any other Secured Creditor to enforce this Trust Deed and/or the other Transaction Documents.

5. Covenant of Compliance

Each of the Issuer and the Guarantor covenants with the Bond Trustee that it will comply with and perform and observe all the provisions hereof and the Security Agreement which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Guarantor and the Covered Bondholders. The Bond Trustee shall be entitled to enforce the obligations of the Issuer and the Guarantor under the Covered Bonds and the Conditions in the manner therein provided as if the same were set out and contained in this Trust Deed, which shall be read and construed as one document with the Covered Bonds. The Bond Trustee shall hold the benefit of this covenant upon trust for itself and the Covered Bondholders according to its and their respective interests.

6. Cancellation of Covered Bonds and Records

6.1 The Issuer shall procure that all Covered Bonds issued by it and which are (i) redeemed or (ii) purchased by or on behalf of the Issuer, or any of its Subsidiaries and surrendered for cancellation or (iii) which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 12 (*Replacement of Covered Bonds*), shall forthwith be cancelled by or on behalf of the Issuer and a certificate signed by two Authorized Signatories of the Issuer stating:

(a) the aggregate principal amount of Covered Bonds which have been redeemed;

(b) the serial numbers of such Covered Bonds;

(c) the aggregate amount of interest paid (and the due dates of such payments) on Registered Global Covered Bonds and/or Registered Definitive Covered Bonds;

(d) the aggregate nominal amount of Covered Bonds (if any) which have been purchased by or on behalf of the Issuer or any of its Subsidiaries and cancelled and the serial numbers of such Covered Bonds in definitive form;

(e) the aggregate nominal amounts of Covered Bonds which have been so surrendered and replaced and the serial numbers of such Covered Bonds in definitive form;

shall be given to the Bond Trustee by or on behalf of the Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, payment, exchange or replacement (as the case may be). The Bond Trustee may accept such certificate as conclusive evidence of redemption, purchase or replacement *pro tanto* of the

Covered Bonds or payment of interest thereon and of cancellation of the relative Covered Bonds.

6.2 The Issuer shall use its best efforts to procure (i) that the Issuing and Paying Agent shall keep a full and complete record of all Covered Bonds issued by it and of their redemption or purchase by or on behalf of the Issuer, any of its Subsidiaries or the Guarantor, any cancellation or any payment or exchange (as the case may be) of such Covered Bonds and of all replacement covered bonds issued in substitution for lost, stolen, mutilated, defaced or destroyed Covered Bonds and (ii) that such records and copies thereof shall be made available to the Bond Trustee at all reasonable times.

7. Covered Bond Guarantee

7.1 (a) In consideration of the Advances to be made by the Issuer to the Guarantor pursuant to the Intercompany Loan Agreement, the payment of any Excess Proceeds to the Guarantor pursuant to Clause 11.2 and the payment by the Issuer to the Guarantor of the Guarantee Fee, the Guarantor unconditionally and irrevocably guarantees to the Bond Trustee, for the benefit of the Covered Bondholders, payment of the Guaranteed Amounts as and when the same become Due for Payment.

(b) The Guarantor shall, as guarantor:

(i) following the occurrence of a Covered Bond Guarantee Activation Event, pay or procure to be paid on each Scheduled Payment Date (or on such later date provided for in Clause 8.1(b)) (in the manner described in Clause 8) to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders), an amount equal to those Guaranteed Amounts which shall have become Due for Payment in accordance with the terms hereof and of the Covered Bonds, but which have not been paid by the Issuer on the relevant date for payment (PROVIDED THAT, for greater certainty, no Notice to Pay shall be so served until an Issuer Acceleration Notice has been served by the Bond Trustee on the Issuer in accordance with Condition 7.01); and

(ii) following the service by the Bond Trustee of a Guarantor Acceleration Notice, in accordance with Condition 7.02, on the Issuer and the Guarantor, in respect of the Covered Bonds which have become immediately due and repayable, pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders) in the manner described in Clause 8.1, the Guaranteed Amounts,

(the "**Covered Bond Guarantee**").

7.2 In relation to the Covered Bonds of each Series, the Covered Bond Guarantee:

(a) is a continuing guarantee;

(b) extends (in the case of the Guarantor) to the ultimate balance of the Guaranteed Amounts due to be paid by the Issuer on the relevant Scheduled Payment Dates in accordance with the terms hereof or the Covered Bonds, regardless of any

intermediate payment or discharge in whole or in part of any Guaranteed Amounts due to be paid on the relevant Scheduled Payment Date;

(c) shall not be discharged except by complete performance of the obligations in this Trust Deed, is additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person (whether from the Guarantor or otherwise); and

(d) shall remain in force, in relation to the Covered Bond Guarantee, until all moneys payable by the Guarantor pursuant to the terms of the Covered Bond Guarantee shall have been irrevocably paid.

7.3 The Guarantor shall in respect of any payment due to be made pursuant hereto not be released from its obligations under or pursuant hereto in any circumstances (notwithstanding anything which but for this provision would release the Guarantor or would affect its liability under or pursuant hereto in respect of such payment) except upon the receipt by or for the account of the Bond Trustee of the full amount of such payment from the Issuer and the Guarantor in the currency, at the place and in the manner provided for herein PROVIDED THAT (except in the case of Excess Proceeds) every payment of principal, premium or interest in respect of the Covered Bonds made to the Issuing and Paying Agent in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the liability of the Guarantor hereunder and shall be deemed for the purpose of this Clause 7.3 to have been paid to the order of the Bond Trustee, except to the extent that the subsequent payment thereof to the Covered Bondholders in accordance with the Conditions is not made.

7.4 If any payment received by the Bond Trustee, the Issuing and Paying Agent or any Covered Bondholder pursuant to the provisions hereof, on the subsequent bankruptcy, sequestration, liquidation, insolvency, corporate reorganisation or other such similar event of the Issuer, the Guarantor or any of its general partners, be set aside or avoided in whole or in part under any laws relating to bankruptcy, sequestration, liquidation, insolvency, corporate reorganisation or other similar event, such payment shall not be considered as having discharged or diminished the liability of the Issuer or, as the case may be, the Guarantor and the Covered Bond Guarantee shall continue to apply in accordance with its terms as if the underlying payment in respect of which the liability of the Guarantor hereunder arose had at all times remained owing by such Issuer.

7.5 Without prejudice to the generality of the foregoing provisions of this Clause, the Guarantor agrees that if any or all of the Guaranteed Amounts are not duly paid by the Issuer and such Guaranteed Amounts are not recoverable under Clause 7.1 in accordance with the terms of Clause 7.1, for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bond Trustee, for the benefit of the Covered Bondholders, from any loss (excluding indirect or consequential losses) resulting from the failure of the Guarantor to pay such Guaranteed Amounts in accordance with the terms of Clause 7.1 and if for any reason whatsoever, the Bond Trustee, for the benefit of the Covered Bondholders, is not indemnified by the Guarantor in accordance with this Clause 7.5, the Guaranteed Amounts will be recoverable from the Guarantor in the manner set out in Clause 7.1, as a separate and distinct obligation of the Guarantor recoverable from the Guarantor, as if it were principal debtor and not merely as surety or guarantor and shall be absolute and unconditional, irrespective of, and unaffected by, any invalidity, irregularity, illegality or unenforceability of, or defect in, any

provisions hereof or any other Transaction Document (including any Covered Bond), or the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee, any of the Covered Bondholders in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer or any action to enforce the same or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor. Accordingly, the validity of the Covered Bond Guarantee shall not be affected by any invalidity, irregularity or unenforceability of all or any of the obligations of the Issuer hereunder or any other Transaction Document and the Covered Bond Guarantee shall not be discharged nor shall the liability of the Guarantor hereunder be affected by any act, thing or omission or means whatsoever whereby its liability would not have been discharged if it had been guarantor, indemnitor or principal debtor.

7.6 The liability of the Guarantor under the Covered Bond Guarantee shall not be lessened, affected, impaired or discharged by:

(a) any time, waiver or indulgence granted to the Issuer by the Bond Trustee or any of the Covered Bondholders;

(b) any dealings or transactions between the Issuer and the Bond Trustee or any of the Covered Bondholders whether or not the Guarantor shall be a party to or cognisant of the same;

(c) the dissolution of the Issuer or any change in the status, functions, control or ownership of the Issuer or any consolidation, amalgamation, merger, conveyance or transfer by the Issuer;

(d) any composition, compromise or arrangement between the Issuer and its creditors or any reorganization or restructuring of its business and affairs or any Insolvency Event regarding the Issuer;

(e) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or any other person or any non presentation or non observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(f) any incapacity or lack of powers, authority or legal personality of the Issuer or any other person;

(g) any variation (however fundamental) or replacement of this Trust Deed or the Covered Bonds;

(h) any failure on the part of the Issuer to pay all or any part of any guarantee fee payable by it to the Guarantor in connection herewith or any other Transaction Document;

(i) any postponement, discharge, reduction, non provability or other similar circumstance affecting any obligation of the Issuer hereunder or any other Transaction Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall

for the purposes of the Guarantor's obligations under the Covered Bond Guarantee be construed as if there were no such circumstance;

(j) any modification or amendment of or supplement to the Guaranteed Amounts, including any increase or decrease in the principal, the rates of interest or other amounts payable thereunder;

(k) the existence of any claim, set-off or other rights which the Guarantor may have at any time against the Issuer, the Bond Trustee or any other Person, whether in connection herewith or any unrelated transactions;

(l) any limitation, postponement, prohibition, subordination or other restriction on the rights of the Bond Trustee or any Covered Bondholder to payment of the Guaranteed Amounts;

(m) any release, substitution or addition of any cosigner, endorser or other guarantor of the Guaranteed Amounts;

(n) any defence arising by reason of any failure of the Bond Trustee or any Covered Bondholder to make any presentment, demand for performance, notice of non-performance, protest, and any other notice, including notice of all of the following: acceptance of this Covered Bond Guarantee, partial payment or non-payment of all or any part of the Guaranteed Amounts and the existence, creation or incurring of new or additional Guaranteed Amounts;

(o) any defence arising by reason of any failure of the Bond Trustee or any Covered Bondholder to proceed against the Issuer or any other person, to proceed against, apply or exhaust any security held from the Issuer or any other person for the Guaranteed Amounts, to proceed against, apply or exhaust any security held from the Guarantor or any other person for this Covered Bond Guarantee or to pursue any other remedy in the power of the Bond Trustee or any Covered Bondholder, whatsoever;

(p) any law which provides that the obligation of a guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal obligation or which reduces a guarantor's obligation in proportion to the principal obligation;

(q) any defence arising by reason of any limitation, postponement or prohibition on the Bond Trustee's right, or the right of any Covered Bondholder to payment of the Guaranteed Amounts or any part thereof, or by reason of the cessation from any cause whatsoever of the liability of the Issuer or any other person with respect to all or any part of the Guaranteed Amounts, or by reason of any act or omission of the Bond Trustee or any Covered Bondholder or others which directly or indirectly results in the discharge or release of the Issuer or any other person or all or any part of the Guaranteed Amounts or any security or guarantee therefor, whether by contract, operation of law or otherwise;

(r) any defence arising by reason of any interest of the Bond Trustee or any Covered Bondholder in any property, whether as owner thereof or the holder of a security interest therein or lien or encumbrance thereon, being invalidated, voided,

declared fraudulent or preferential or otherwise set aside, or by reason of any impairment by the Bond Trustee of any right to recourse or collateral;

(s) any defence arising by reason of the failure of the Bond Trustee or any Covered Bondholder to marshal any assets;

(t) any defence based upon any failure of the Bond Trustee or any Covered Bondholder to give to the Issuer or the Guarantor notice of any sale or other disposition of any property securing any or all of the Guaranteed Amounts or any guarantee thereof, or any defect in any notice that may be given in connection with any sale or other disposition of any such property, or any failure of the Bond Trustee or any Covered Bondholder to comply with any provision of applicable law in enforcing any security interest in or lien upon any such property, including any failure by the Bond Trustee to dispose of any such property in a commercially reasonable manner;

(u) any dealing whatsoever with any security, whether negligently or not, or any failure to do so;

(v) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Issuer or any other person, including any discharge of, or bar against collecting, any of the Guaranteed Amounts, in or as a result of any such proceeding; or

(w) any other act or omission to act or delay of any kind by the Issuer, the Bond Trustee, any Covered Bondholder or any other person or any other circumstance whatsoever, whether similar or dissimilar to the foregoing, which might, but for the provisions of this Clause 7.6, constitute a legal or equitable discharge, limitation or reduction of the Guarantor's obligations hereunder (other than the Guaranteed Amounts).

7.7 Subject to its obligation to deliver a Notice to Pay, the Bond Trustee may determine from time to time whether it will enforce the Covered Bond Guarantee which it is entitled to enforce, without making any demand or taking any proceedings against the Issuer. Subject to the provisions of this Clause 7 with regard to the service of a Notice to Pay on the Guarantor, the Guarantor hereby waives any right to require proceedings first against the Issuer with respect to this Trust Deed or the Covered Bonds, diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of the Issuer, protest or notice and all demands whatsoever.

7.8 To the extent that the Guarantor makes, or there is made on its behalf, a payment under the Covered Bond Guarantee, the Issuer will on such payment being made become indebted to the Guarantor for an amount equal to such payment unless such amount shall have been set-off with amounts owing under the Intercompany Loan Agreement. Until all amounts which may be or become payable by the Issuer hereunder or the Covered Bonds have been irrevocably paid in full, the Guarantor hereby waives irrevocably and unconditionally:

(a) all rights of subrogation, indemnity, contribution or otherwise (arising under this Clause 7.8(a)) or under common law, equity, statute or otherwise whatsoever)

which it might otherwise have against the Issuer by virtue of any payment made by the Guarantor pursuant to the Covered Bond Guarantee; and

(b) all rights to claim, rank, prove or vote as creditor of the Issuer or its estate in competition with the Bond Trustee (on behalf of the Covered Bondholders) or to claim a right of set-off,

subject always to the rights of the Guarantor to set-off amounts owing by the Issuer to the Guarantor, in accordance with the Priorities of Payments, (x) in respect of amounts paid by the Guarantor under the Covered Bond Guarantee, against any amounts repayable by the Guarantor under the terms of the Intercompany Loan Agreement, and (y) against amounts payable by the Guarantor to any Swap Provider (provided that such Swap Provider is the Issuer) under the terms of any Interest Rate Swap Transaction or Covered Bond Swap Transaction, which shall remain unaffected.

7.9 Any amounts from time to time received by the Bond Trustee under the Covered Bond Guarantee shall be applied by the Bond Trustee in accordance with the provisions of Clause 11.1 PROVIDED THAT any Excess Proceeds received by the Bond Trustee shall be applied by the Bond Trustee in accordance with the provisions of Clause 11.2.

8. Payments Under the Covered Bond Guarantee

8.1 (a) The Issuer shall notify the Bond Trustee in writing (copied to the Guarantor), no later than close of business on the fifth Canadian Business Day before each Interest Payment Date, of the amount of Scheduled Interest and/or Scheduled Principal which is due and payable by the Issuer on such Interest Payment Date and shall confirm whether or not it shall have sufficient funds to make such payments of Scheduled Interest and/or Scheduled Principal on such Interest Payment Date. If the amount available for payment by the Issuer in respect of Scheduled Interest and/or Scheduled Principal on such Interest Payment Date will be insufficient to meet the amount of Scheduled Interest and/or Scheduled Principal due and payable on such Interest Payment Date (the "**Shortfall**"), the Issuer shall inform the Bond Trustee in writing (copied to the Guarantor) of the amount of the Shortfall. Following the occurrence of an Issuer Event of Default and service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer pursuant to Condition 7.01, the Bond Trustee shall promptly deliver a Notice to Pay to the Issuer and the Guarantor with a copy to the Issuing and Paying Agent requiring the Guarantor to pay the Guaranteed Amounts on the later of (i) the day which is two Canadian Business Days after service of the Notice to Pay on the Guarantor; and (ii) the date on which the Guaranteed Amounts would otherwise be Due for Payment.

(b) Following the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer and the service by the Bond Trustee of a Notice to Pay on the Guarantor but prior to a Guarantor Event of Default and delivery by the Bond Trustee of a Guarantor Acceleration Notice, payment by the Guarantor of the Guaranteed Amounts pursuant to the Covered Bond Guarantee shall be made in accordance with the Guarantee Priority of Payments set out in Section 6.4 of the Guarantor Agreement by noon (local time in the relevant financial centre of the payment or, in the case of a payment in euro, London time) on the later of (i) the second Canadian Business Day following service of a Notice to Pay on the Guarantor; and

(ii) the Scheduled Payment Date on which the relevant Guaranteed Amount is Due for Payment.

8.2 The Bond Trustee shall direct the Guarantor to pay (or to procure the payment of) all sums payable under the Covered Bond Guarantee to the Issuing and Paying Agent subject always to the provisions of Clause 2.3.

8.3 At least one Business Day before the date on which the Guarantor is obliged to make a payment under the Covered Bond Guarantee, it shall notify or procure the notification of the Issuing and Paying Agent of the irrevocable instructions to the Account Bank through which payment to the Issuing and Paying Agent is to be made.

8.4 All payments of Guaranteed Amounts by or on behalf of the Guarantor will be made without withholding or deduction for, or on account of, any present or future tax, duties, assessment or other governmental charges of whatever nature, imposed or levied by or on behalf of Canada or any province or territory thereof, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Guarantor will not pay any additional amounts to the Bond Trustee or any holder of Covered Bonds in respect of the amount of such withholding or deduction. If any such withholding or deduction is required, the Guarantor shall pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. In the event that such withholding or deduction is required, the Issuer shall be required to pay such additional amounts as will result in the holders of Covered Bonds receiving such amounts as they would have received in respect of such Covered Bonds had no such withholding or deduction been required in accordance with Condition 8.01.

8.5 The Issuer shall not be discharged from its obligations under the Covered Bonds and this Trust Deed by any payment made by the Guarantor under the Covered Bond Guarantee, PROVIDED THAT this Clause 8.5 shall operate only for the purpose of the subrogation rights of the Guarantor contemplated by Clause 7.8.

8.6 Except in relation to Excess Proceeds, any payment made by the Guarantor to the Covered Bondholders in respect of the Covered Bonds may be made in accordance with the Conditions and the Agency Agreement, and any payments so made shall be a good discharge *pro tanto* of the relative covenant by the Guarantor (as the case may be) contained in Clauses 7 or 8 (as the case may be) save to the extent that there is default in the subsequent payment thereof in accordance with the trust presents to the relevant Covered Bondholders (as the case may be).

9. Non Payment

Proof that with respect to any specified Covered Bond the Issuer or, as the case may be, the Guarantor has made default in paying any amount due in respect of such Covered Bond shall (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Covered Bonds (as the case may be) in respect of which the relevant amount is due and payable.

10. Proceedings, Action and Indemnification

10.1 The Bond Trustee may at any time after an Issuer Acceleration Notice (in the case of the Issuer) or a Guarantor Acceleration Notice (in the case of the Guarantor), at its discretion and without further notice, take such proceedings as it may think fit against or in relation to the Issuer or, as the case may be, the Guarantor to enforce the provisions of this Trust Deed and the Covered Bonds. However, the Bond Trustee shall not be bound to take any such enforcement proceedings in relation to this Trust Deed, the Covered Bonds or any other Transaction Document unless directed or requested to do so (i) by an Extraordinary Resolution (with the Covered Bonds of all Series taken together as a single Series as provided in Clause 2.7) or (ii) in writing by the holders of not less than twenty five per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series as aforesaid) and in either case then only if it shall be indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

10.2 Subject to Clause 10.1, the Bond Trustee shall not be bound to take any other action hereunder or any other Transaction Document unless directed or requested to do so (i) by an Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series or (ii) in writing by the holders of not less than twenty five per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series, and in either case then only if it shall be indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

10.3 Only the Bond Trustee may enforce the provisions hereof. No Covered Bondholder shall be entitled to proceed directly against the Issuer or the Guarantor to enforce the performance of any of the provisions hereof or to directly enforce the provisions of the Security Agreement or any other Transaction Document unless the Bond Trustee having become bound as aforesaid to take proceedings fails to do so within 30 days and such failure is continuing (in which case each Covered Bondholder shall be entitled to take any such steps and proceedings as it shall deem necessary other than the presentation of a petition for the winding up of, or for an administration order or liquidation in respect of, the Issuer, the Guarantor or any of the General Partners).

11. Application of Moneys

11.1 All moneys (other than Excess Proceeds which shall be applied in the manner set out in Clause 11.2 below) received by the Bond Trustee hereunder from the Issuer or, as the case may be, the Guarantor or any administrator, administrative receiver, receiver, liquidator, trustee in sequestration or other similar official appointed in relation to the Issuer or the Guarantor (including any moneys which represent principal or interest in respect of Covered Bonds which have become void or in respect of which claims have become prescribed under Condition 10 (*Prescription*) and including the proceeds of any enforcement of the Security) shall, unless and to the extent attributable, as expressly provided for in the Transaction Documents including after giving effect to the applicable Priorities of Payments, if applicable, or in the opinion of the Bond Trustee and only as expressly permitted by the CMHC Guide, to a particular Series of the Covered Bonds, be apportioned *pari passu* and rateably between each Series of the Covered Bonds, and all moneys received by the Bond Trustee hereunder from the Issuer or, as the case may be, the Guarantor (i) to the extent so attributable to a particular Series of the Covered Bonds

or (ii) which are apportioned to such Series as aforesaid, be held by the Bond Trustee upon trust to apply them:

FIRST, (except in relation to any such moneys received by the Bond Trustee following the occurrence of an Issuer Event of Default and the service by the Bond Trustee of an Issuer Acceleration Notice and a Notice to Pay) in payment or satisfaction of all amounts then due and unpaid under Clauses 17 and/or 18(j) to the Bond Trustee and/or any Appointee;

SECOND, in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Covered Bonds of that Series;

THIRD, in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Covered Bonds of each other Series; and

FOURTH, in payment of the balance (if any) to the Issuer (to the extent received from the Issuer) or the Guarantor (if received from the Guarantor).

Without prejudice to this Clause 11.1, if the Bond Trustee holds any moneys (other than Excess Proceeds) which represent principal or interest in respect of Covered Bonds which have become void or in respect of which claims have been prescribed under Condition 10 (*Prescription*), the Bond Trustee will hold such moneys on the above trusts.

11.2 (a) Following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice, any moneys received by the Bond Trustee from the Issuer or any administrator, administrative receiver, receiver, liquidator, trustee in sequestration or other similar official appointed in relation to the Issuer (the "**Excess Proceeds**") shall be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Guarantor (or the Cash Manager on its behalf) for the account of the Guarantor, as soon as practicable, and shall be held by the Guarantor in the Guarantor Accounts and the Excess Proceeds shall thereafter form part of the Security and shall be paid and used by the Guarantor (or the Cash Manager on its behalf) in the same manner as all other moneys from time to time held by the Cash Manager and/or standing to the credit of the Guarantor in the Guarantor Accounts. Any Excess Proceeds received by the Bond Trustee shall discharge the obligations of the Issuer in respect of the Covered Bonds (to the extent of the amount so received) (subject to restitution of the same if such Excess Proceeds will be required to be repaid by the Guarantor as contemplated by Clause 7.8). However, the obligations of the Guarantor under the Covered Bond Guarantee are direct and, following a Covered Bond Guarantee Activation Event, unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds shall not reduce or discharge any such obligations.

(b) By subscribing for Covered Bond(s), each Covered Bondholder shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Guarantor in the manner as described above.

(c) For the avoidance of doubt, any payments by the Guarantor to the Covered Bondholders out of the Excess Proceeds, shall reduce the Guaranteed Amounts *pro tanto*.

12. Notice of Payments

The Bond Trustee shall give notice to the relevant Covered Bondholders in accordance with Condition 14 (*Notices*) of the day fixed for any payment to them under Clause 11.1 Such payment may be made in accordance with Condition 9 (*Payments*) and any payment so made shall be a good discharge to the Bond Trustee.

13. Partial Payments

Upon any payment under Clause 11.1 (other than payment in full against surrender of a Covered Bond) the Covered Bond in respect of which such payment is made shall be produced to the Bond Trustee, the Paying Agent by or through whom such payment is made and the Bond Trustee shall or shall cause the Paying Agent to enface thereon a memorandum of the amount and the date of payment but the Trustee may in any particular case and generally in relation to Registered Covered Bonds dispense with such production and enfacement upon such indemnity being given as it shall think sufficient.

14. Covenants by the Issuer

14.1 The Issuer hereby covenants with the Bond Trustee that, so long as any of the Covered Bonds remain outstanding, the maximum Asset Percentage shall not exceed 95 per cent.

14.2 As long as Covered Bonds are outstanding, the Issuer will prepare and make available to covered bondholders at the Issuer's website at https://www.fairstonebank.ca/covered-bonds, (i) its audited consolidated financial statements for each completed fiscal year following the date of the Prospectus, together with the notes to the consolidated financial statements, including a summary of material accounting policy information and the independent auditor's report thereon, within 90 days after the end of its fiscal year, and (ii) its quarterly unaudited interim condensed consolidated financial statements for each three, six and nine month period ending before the end of its fiscal year commencing with the nine-month period ending September 30, 2026, together with the notes thereto, within 45 days following the end of such period.

15. Covenants by the Issuer and the Guarantor

15.1 Each of the Issuer and the Guarantor hereby covenants with the Bond Trustee that, so long as any of the Covered Bonds remains outstanding, it will:

(a) at all times maintain an Issuing and Paying Agent, Registrar(s), Transfer Agent(s) and other Paying Agents with specified offices in accordance with the Conditions and at all times maintain any other agents required by the Conditions;

(b) give notice in writing to the Bond Trustee of the occurrence of any Issuer Event of Default or Potential Issuer Event of Default or Guarantor Event of Default or Potential Guarantor Event of Default (as applicable) without waiting for the Bond Trustee to take any further action;

(c) at all times keep proper books of account;

(d) give to the Bond Trustee at all times such information as it shall reasonably require for the purpose of the discharge of the duties, powers, trusts, authorities and

discretions vested in it hereunder or by operation of law provided always that the foregoing shall not oblige the Issuer or the Guarantor to give any information non disclosure of which is required by any applicable law;

(e) if requested by the Bond Trustee, and unless publicly available, send to the Bond Trustee (if same are produced) (i) as promptly as practicable after the time of issue or publication thereof and in any event within 180 days after the end of each of its financial years (or financial periods, as appropriate, in the event of a change of accounting reference date) a copy (by email) (in addition to any copies to which it may be entitled as a holder of any security in or of any Issuer or Guarantor) in the English language of each report and accounts for the relevant financial year/financial period (as appropriate) containing a balance sheet and profit and loss account of the Issuer, (ii) in the case of the Issuer only, as promptly as practicable after the issue or publication thereof a copy (by email) of every balance sheet of the Issuer, profit and loss account of the Issuer, report or other notice, statement or circular issued to the shareholders of the Issuer in their capacity as such; and (iii) upon the execution hereof and thereafter forthwith upon any change of the same a list of the Authorized Signatories of the Issuer, or as the case may be, the Guarantor, however, there shall be no obligation upon the Bond Trustee to review any financial statement, report, balance sheet, profit and loss account, report or other notice received by the Bond Trustee pursuant to this paragraph (e) of Clause 15.1;

(f) so far as permitted by law at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the reasonable opinion of the Bond Trustee to give effect to the terms and conditions of the trust presents;

(g) procure that the Issuing and Paying Agent or the Registrar, as the case may be, notifies the Bond Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Covered Bonds or any of them, receive unconditionally in the manner provided by the Agency Agreement the full amount of the moneys payable on such due date on all such Covered Bonds;

(h) in relation to any Covered Bonds agreed by the Issuer and the relevant Dealer(s) to be listed and admitted to trading on any Stock Exchange(s), use all reasonable efforts to procure the admission of the relevant Covered Bonds to listing and trading on such Stock Exchange(s) and to maintain the same until none of the Covered Bonds of the relevant Series is outstanding provided that, if it should be impracticable or unduly burdensome to maintain any such listing, the Issuer shall use all reasonable efforts to procure and maintain as aforesaid a listing or a quotation for the relevant Covered Bonds on such other Stock Exchange(s) (including a market which is not a regulated market for the purposes of MiFID II or a market outside the EEA) as it may reasonably determine, provided however that such Stock Exchange is commonly used for the listing and trading of debt securities in the international debt markets, and the Issuer shall notify the Bond Trustee and Covered Bondholders in accordance with Condition 14 (Notices) of any such change of listing. However, if such alternative listing is not available or is, in the opinion of the Issuer, impracticable or unduly burdensome, an alternative listing for such Covered Bonds may not be obtained;

(i) observe and comply with its obligations, and use all reasonable endeavours to procure that the Paying Agents, Transfer Agent(s), Registrars and Calculation Agent(s) observe and comply with all their respective obligations under the Agency Agreement and not modify or amend the same without the previous consent in writing of the Bond Trustee;

(j) send to the Bond Trustee a copy of the form of any notice to be given to the Covered Bondholders in accordance with Condition 14 (*Notices*) and, upon publication, two copies of such notice, such notice being in the form approved by the Bond Trustee (such approval not to be unreasonably withheld or delayed and, unless so expressed, not to constitute approval for the purposes of Section 21 of the FSMA, of a communication constituting a financial promotion);

(k) send or procure to be sent to the Bond Trustee at the time of delivery to the Bond Trustee of the Issuer's report and accounts pursuant to paragraph (e)(i) of this Clause 15.1, if so required, and within 30 days after any request by the Bond Trustee, a certificate signed by two Authorized Signatories of the Issuer or, as the case may be, the Guarantor certifying that, to the best of their knowledge and belief after making all reasonable enquiries, (i) during such financial year (or financial period, as appropriate, in the event of a change of accounting reference date) (or during such period as the Bond Trustee may reasonably specify in such request) and since the completion thereof and up to a specified date not earlier than 10 days prior to the date of such certificate, the Issuer or, as the case may be, the Guarantor has complied with its material obligations hereunder and under the Agency Agreement and the other Transaction Documents or (if such is not the case) giving details of the circumstances of such non compliance and (ii) without prejudice to the generality of this paragraph (k) or of paragraph (b) of this Clause there did not exist on the part of the Issuer, or as the case may be, the Guarantor, as at the date mentioned in (i) above, any Issuer Event of Default or Potential Issuer Event of Default or Guarantor Event of Default or Potential Guarantor Event of Default (as applicable) or, if any Issuer Event of Default or Potential Issuer Event of Default or Guarantor Event of Default or Potential Guarantor Event of Default (as applicable) exists, giving details of the same;

(l) in the event of the unconditional payment to the Issuing and Paying Agent or the Bond Trustee (in any case) of any sum due in respect of principal, redemption amount, premium (if any) and/or interest on the Covered Bonds of such Series or any of them being made after the due date for payment thereof, forthwith give or procure the Issuing and Paying Agent to give notice to the Covered Bondholders of such Series in accordance with Condition 14 (*Notices*) that such payment has been made;

(m) if while any of the Covered Bonds remains outstanding the Issuer shall become subject generally to the taxing jurisdiction of any territory or any authority or political sub division therein or thereof having power to tax other than or in addition to Canada, unless the Bond Trustee otherwise agrees, the Issuer shall give to the Bond Trustee notice forthwith upon becoming aware thereof and, as soon as practicable thereafter, an undertaking or covenant in form and substance and manner satisfactory to the Bond Trustee in terms corresponding to the relevant Condition 8 (*Taxation*) or Clause 8.4 (as the case may be) with the substitution for (or, as the case may be, addition to) the references therein to Canada or that other

or additional territory or any authority or political sub division therein or thereof having power to tax to whose taxing jurisdiction such Issuer shall have become subject as aforesaid and, where such undertaking or covenant is provided, references in Condition 6.02 (*Early Redemption for Taxation Reasons*) to Canada shall be deemed to be amended accordingly;

(n) give notice to the Covered Bondholders in accordance with the Conditions of any appointment (other than the initial appointment), resignation or removal of any Paying Agent, Calculation Agent, Registrar or Transfer Agent as shown on the Covered Bonds or so published in accordance with the Conditions as soon as practicable and in any event within 14 days after such event taking effect and within 30 days of notice received from a Paying Agent, Calculation Agent, Registrar or Transfer Agent of a change in its specified office, give notice to the Bond Trustee and to the Covered Bondholders of such change, PROVIDED ALWAYS THAT in the case of the termination at any time of the appointment of (i) the Issuing and Paying Agent or the Registrar, (ii) so long as the Covered Bonds are admitted to the Official List and to trading on Euronext Dublin and/or admitted to listing or trading on any other stock exchange or relevant authority, a Transfer Agent, which may be the Issuing and Paying Agent, with a specified office in London and/or in such other place as may be required by the rules of such other stock exchange or other relevant authority, or (iii) where required by the Conditions applicable to any Covered Bonds, the Calculation Agent, no such termination shall take effect until a successor thereto has been appointed and notice of such appointment has been given to the Covered Bondholders in accordance with the Conditions;

(o) in order to enable the Bond Trustee to ascertain the amount of Covered Bonds of each Series for the time being outstanding (other than for the purpose of ascertaining the amount of Covered Bonds of each Series for the time being outstanding for the purpose of the Programme Limit), deliver to the Bond Trustee forthwith after being so requested in writing by the Bond Trustee a certificate in writing signed by any two Authorized Signatories setting out the total numbers and aggregate nominal amount of Covered Bonds of each Series which up to and including the date of such certificate have been purchased by or for the account of the Issuer or the Guarantor, the aggregate nominal amount of Covered Bonds of each Series which are held beneficially at such date by the Issuer or the Guarantor, and the aggregate nominal amount of Covered Bonds of each Series so purchased which have been cancelled;

(p) ensure that each Covered Bond to be issued or other transactions to be effected hereunder shall comply with all applicable laws and regulations of any governmental or other regulatory authority of the country of any relevant currency for the purposes of any relevant Covered Bond and that all necessary consents and approvals of, and registrations and filings with, any such authority in connection therewith are obtained and maintained in full force and effect; and

(q) if it intends to redeem all or any of the Covered Bonds prior to their stated maturity date (if any) not less than 7 days prior to the latest date for the publication of the notice of redemption required to be given to the Holders of any Covered Bonds, give written notice of such intention to the Issuing and Paying Agent and the Bond Trustee stating the date on which such Covered Bonds are to be redeemed and whether the relevant Series of Covered Bonds is to be redeemed in part only.

16. Representations, Warranties and Covenants of the Bond Trustee

The Bond Trustee hereby represents and warrants to, and covenants with, each of the Issuer, the Cash Manager and the Guarantor at the date hereof, and so long as it remains the Bond Trustee, that:

(a) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under this Trust Deed 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 Trust Deed, the other Transaction Documents to which it is a party and the CMHC Guide;

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

(d) 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 Trust Deed and the other Transaction Documents to which it is a party; and

(e) 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 Trust Deed and the other Transaction Documents to which it is a party.

17. Remuneration and Indemnification of Bond Trustee

17.1 The Issuer (failing which, and, following an Issuer Event of Default and service of a Notice to Pay to the Guarantor, the Guarantor) shall pay to the Bond Trustee, by way of remuneration for its services as Bond Trustee hereunder, such amount as shall be agreed from time to time by exchange of letters between the Issuer, the Guarantor and the Bond Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to Covered Bondholders and any other Secured Creditors) up to and including the date when all the Covered Bonds having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Issuing and Paying Agent or the Bond Trustee, PROVIDED THAT if upon due presentation of any Covered Bond or any cheque payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will be deemed not to have ceased to accrue and will continue to accrue until payment to such Covered Bondholder is duly made.

17.2 In the event of the occurrence of an Issuer Event of Default, Guarantor Event of Default, Potential Issuer Event of Default or Potential Guarantor Event of Default or the Bond Trustee considering it expedient or necessary or being requested by the Issuer or the Guarantor (as the case may be) to undertake duties which the Bond Trustee and the Issuer or the Guarantor agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee hereunder the Issuer or the Guarantor shall pay to the Bond Trustee such additional remuneration as shall be agreed between them.

17.3 The Issuer (failing which, and, following an Issuer Event of Default and service of a Notice to Pay to the Guarantor, the Guarantor) shall in addition pay to the Bond Trustee an

amount equal to the amount of any GST or similar tax chargeable in respect of its remuneration hereunder subject to receipt of a proper GST (or similar tax) invoice.

17.4 In the event of the Bond Trustee and the Issuer (failing which, and, following any Issuer Event of Default and service of a Notice to Pay to the Guarantor, the Guarantor) failing to agree:

(a) (in a case to which Clause 17.1 above applies) upon the amount of the remuneration; or

(b) (in a case to which Clause 17.2 above applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee hereunder, or upon such additional remuneration,

such matters shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Bond Trustee and approved by the Issuer or the Guarantor or, failing such approval, nominated (on the application of the Bond Trustee) by the Chief Executive Officer of the Canadian Investment Regulatory Organization (the expenses involved in such nomination and the fees of such investment bank being payable by the Issuer or the Guarantor) and the determination of any such investment bank shall be final and binding upon the Bond Trustee and the Issuer or the Guarantor.

17.5 The Issuer (failing which, and, following any Issuer Event of Default and service of a Notice to Pay to the Guarantor, the Guarantor) shall also pay or discharge all Liabilities properly incurred by the Bond Trustee in relation to the negotiation, preparation and execution of the exercise of its powers and the performance of its duties hereunder and any other Transaction Document to which the Bond Trustee is a party paid or payable by the Bond Trustee in connection with any action taken by or on behalf of the Bond Trustee for enforcing this Trust Deed or any other Transaction Documents to which it is a party.

17.6 All amounts payable pursuant to Clause 17.5 above and/or Clause 18(j) below shall be payable by the Issuer (failing which, and, following any Issuer Event of Default and service of a Notice to Pay to the Guarantor, the Guarantor) on the date specified in a demand by the Bond Trustee and in the case of payments actually made by the Bond Trustee prior to such demand shall (if not paid within five days after such demand and the Bond Trustee so requires) carry interest at the reasonable prevailing rate charged by the Bond Trustee from time to time from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within five days after such demand and, in either case, the Bond Trustee so requires) carry interest at such rate from the date specified in such demand. All remuneration payable to the Bond Trustee shall carry interest at such rate from the due date therefor.

17.7 Unless otherwise specifically stated in any discharge hereof the provisions of this Clause, Clause 18(j) and Clause 23 shall continue in full force and effect in relation to the period during which the Bond Trustee was bond trustee hereunder notwithstanding such discharge and whether or not the Bond Trustee is then the bond trustee hereunder.

17.8 The Bond Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Covered Bonds any Liabilities incurred hereunder have been incurred or to allocate any such Liabilities between the Covered Bonds of any Series.

18. Powers of the Bond Trustee

Where there are any inconsistencies between the other Transaction Documents and the provisions hereof, the provisions hereof shall, to the extent allowed by law, prevail. In addition to any powers conferred by this Trust Deed or which the Bond Trustee may have by virtue of any present or future statute or rule of law, the Bond Trustee shall have the following powers:

(a) The Bond Trustee may in relation hereto and the other Transaction Documents rely and/or act on the advice or report or opinion of or any information obtained from any Auditor, lawyer, valuer, accountant, surveyor, banker, professional adviser, broker, financial adviser, auctioneer or other expert whether obtained by the Issuer, the Guarantor, the Issuing and Paying Agent, the Bond Trustee or otherwise and whether or not addressed to the Bond Trustee notwithstanding that such advice, report, opinion, information, or any engagement letter or any other document entered into by the Bond Trustee and the relevant person in connection therewith, contains any monetary or other limit on the liability of the relevant person and the Bond Trustee shall not be responsible for any Liability occasioned by so acting or relying.

(b) Any such advice, opinion or information may be sent or obtained by, letter, telex, telegram, facsimile transmission, cable or e-mail and the Bond Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission, cable or e-mail although the same shall contain some error or shall not be authentic.

(c) The Bond Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by two Authorized Signatories of the Issuer or, as the case may be, the Guarantor or a managing general partner of the Guarantor and the Bond Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by it or any other person acting on such certificate.

(d) The Bond Trustee shall be at liberty to hold this Trust Deed and any other documents relating thereto or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Bond Trustee to be of good repute and the Bond Trustee shall not be responsible for or required to insure against any Liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit.

(e) The Bond Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Covered Bonds by the Issuer, the exchange of any Global Covered Bond for another Global Covered Bond or Definitive Covered Bonds or the delivery of any Global Covered Bond or Definitive Covered Bonds to the person(s) entitled to it or them.

(f) The Bond Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to herein or to take any steps to ascertain

whether any Issuer Event of Default, Potential Issuer Event of Default, Guarantor Event of Default or Potential Guarantor Event of Default has occurred and, until it shall have actual knowledge or express notice pursuant hereto to the contrary, the Bond Trustee shall be entitled to assume that no Issuer Event of Default, Potential Issuer Event of Default, Guarantor Event of Default or Potential Guarantor Event of Default has occurred and that each of the Issuer and the Guarantor is observing and performing all its obligations hereunder.

(g) Save as expressly otherwise provided herein, the Bond Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions hereunder (the exercise or non-exercise of which as between the Bond Trustee and the Covered Bondholders shall be conclusive and binding on the Covered Bondholders) and shall not be responsible for any Liability which may result from their exercise or non-exercise and in particular the Bond Trustee shall not be bound to act at the request or direction of the Holders or otherwise under any provision hereof or to take at such request or direction or otherwise any other action under any provision hereof, without prejudice to the generality of Clause 10.1, unless it shall first be indemnified and/or secured to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing.

(h) The Bond Trustee shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the holders of Covered Bonds of all or any Series in respect whereof minutes have been made and signed or any direction or request of the holders of the Covered Bonds of all or any Series even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution, (in the case of an Extraordinary Resolution in writing) that not all such holders had signed the Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of holders or that for any reason the resolution, direction or request was not valid or binding upon such holders.

(i) The Bond Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Covered Bond purporting to be such and subsequently found to be forged or not authentic.

(j) Without prejudice to the right of indemnity by law given to trustees, each of the Issuer and, following the occurrence of a Covered Bond Guarantee Activation Event the Guarantor, shall jointly and severally indemnify the Bond Trustee, its officers, directors and employees and successors and every Appointee and keep it or him indemnified against all Liabilities to which it or he may properly be or become subject or which may be properly incurred by it or him in the execution or purported execution of any of its or his trusts, powers, authorities and discretions hereunder or any other Transaction Document to which the Bond Trustee is a party or its or his functions under any such appointment (including all Liabilities incurred in disputing or defending any of the foregoing). This indemnification shall survive the termination or discharge of this Trust Deed and the retirement or replacement of the Bond Trustee.

(k) Any consent or approval given by the Bond Trustee for the purposes hereof may be given on such terms and subject to such conditions (if any) as the Bond Trustee thinks fit and notwithstanding anything to the contrary herein may be given retrospectively.

(l) The Bond Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Covered Bondholder or any other Secured Creditor any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Bond Trustee by the Issuer, the Guarantor or any other person in connection herewith or the Security Agreement and no Covered Bondholder or other Secured Creditor shall be entitled to take any action to obtain from the Bond Trustee any such information.

(m) Where it is necessary or desirable for any purpose in connection herewith to convert any sum from one currency to another it shall (unless otherwise provided herein or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Bond Trustee in consultation with the Issuer and any rate, method and date so agreed shall be binding on the Issuer, the Guarantor, the Covered Bondholders and the other Secured Creditors.

(n) The Bond Trustee may certify whether or not any of the conditions, events and acts set out in Clause 21.2(a) is in its opinion materially prejudicial to the interests of the Covered Bondholders of any Series and any such certificate shall be conclusive and binding upon the Issuer, the Guarantor, the Covered Bondholders.

(o) The Bond Trustee as between itself and the Covered Bondholders may determine all questions and doubts arising in relation to any of the provisions hereof. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Bond Trustee, shall be conclusive and shall bind the Bond Trustee and the Covered Bondholders and the other Secured Creditors.

(p) In connection with the exercise by it of any of its trusts, powers, authorities or discretions hereunder (including any modification, waiver, authorization, determination or substitution), the Bond Trustee shall have regard to the general interests of the Covered Bondholders of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Covered Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub division thereof and the Bond Trustee shall not be entitled to require, nor shall any Covered Bondholder be entitled to claim, from the Issuer, the Guarantor, the Bond Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, except to the extent already provided for in Condition 8 (*Taxation*) and/or in any undertaking or covenant given in addition thereto or in substitution therefor hereunder.

(q) Any trustee hereof being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual and proper professional and other charges for business transacted and acts done by him or his firm in connection with the trusts hereof or any other of the Transaction Documents to which the Bond Trustee is a party and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection herewith including matters which might or should have been attended to in person by a trustee not being a lawyer, accountant, broker or other professional person.

(r) Upon consent of the Issuer or, if applicable, the Guarantor, the Bond Trustee may delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of the trust presents or not) all or any of its trusts, powers, authorities and discretions hereunder. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Bond Trustee may determine to be in the interests of the Covered Bondholders and consented to by the Issuer or, if applicable, the Guarantor. Provided the Bond Trustee has exercised reasonable care in the selection of any such delegate, the Bond Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate but will remain responsible for any Liability incurred by reason of any act, omission, misconduct or default on the part of any such delegate or sub-delegate. The Issuer or, if applicable, the Guarantor may require the Bond Trustee to terminate or procure the termination of any delegation or sub-delegation where, in the reasonable opinion of the Issuer or, if applicable, the Guarantor, the engagement of a delegate or sub-delegate is likely (including as a result of the identity or activities of any person or entity with whom the relevant delegate or sub-delegate is associated) to bring the Issuer, the Guarantor, or any Issuer Group Member into disrepute or otherwise compromise or adversely affect the reputation and standing of the Issuer, the Guarantor, or any Issuer Group Member. The Bond Trustee shall within a reasonable time after any renewal, extension or termination of such delegation or sub-delegation give notice thereof to the Issuer.

(s) The Bond Trustee may in the conduct of the trusts hereof instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection herewith (including the receipt and payment of money). Provided the Bond Trustee has exercised reasonable care in the selection of any such agent, the Bond Trustee shall not be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent.

(t) The Bond Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Trust Deed and the Transaction Documents or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Trust Deed and the Transaction

Documents or any other document relating or expressed to be supplemental thereto.

(u) The Bond Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted hereby as the Bond Trustee may determine, including for the purpose of depositing with a custodian this Trust Deed or any document relating to the trusts constituted hereby and the Bond Trustee shall not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of such person; the Bond Trustee is not obliged to appoint a custodian if the Bond Trustee invests in securities payable to bearer.

(v) Subject to the requirements, if any, of the Stock Exchange, any corporation into which the Bond Trustee shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation shall be a party hereto and shall be the Bond Trustee under the trust presents without executing or filing any paper or document or any further act on the part of the parties thereto.

(w) Unless notified to the contrary, the Bond Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to Clause 15(o)) that no Covered Bonds are held by, for the benefit of, or on behalf of, the Issuer or the Guarantor.

(x) The Bond Trustee shall have no responsibility whatsoever to the Issuer, the Guarantor, any Covered Bondholder or any other person for the maintenance of or failure to maintain any rating of any of the Covered Bonds by any Rating Agency.

(y) The Bond Trustee shall not be liable or responsible for any Liabilities or inconvenience which may result from anything done or omitted to be done by it in accordance with the provisions hereof.

(z) If, in connection with the exercise of its powers, trusts, authorities or discretions, the Bond Trustee is of the opinion that the interest of the holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, the Bond Trustee shall not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders by Extraordinary Resolution or by a written resolution of such Covered Bondholders of not less than fifty per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant Series then outstanding.

(aa) The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Loans or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Bond Trustee. The Bond Trustee will not be responsible for (i) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Bond Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted

by the Issuer or any other party to the Transaction Documents under the Transaction Documents; (iii) monitoring the Portfolio, including, without limitation, whether the Portfolio is in compliance with the Asset Coverage Test and/or the Amortization Test; or (iv) monitoring whether Loans and Related Security satisfy the Eligibility Criteria. The Bond Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.

(bb) Where hereunder, the Bond Trustee is required to consider whether any event or the exercise by it of any of its powers, authorities or discretions is or will be materially prejudicial to the interests of the Covered Bondholders of one or more Series, the Bond Trustee shall be entitled to call for and rely and act upon the advice or opinion of any reputable financial or other adviser (whether or not such financial adviser shall be a Secured Creditor or otherwise party to any Transaction Document) and if relied upon by the Bond Trustee shall be binding on the Covered Bondholders of all Series and the Bond Trustee shall not incur any Liability by reason of so acting or relying.

None of the provisions contained in this Trust Deed shall require the Bond Trustee to expend or risk its own funds or otherwise incur financial liability on the performance of any of its duties or in the exercise of any of its rights or powers if there are any reasonable grounds for believing that the reimbursement of such expenditure or indemnity satisfactory to the Bond Trustee against such risk or liability is not assured to it, provided that the Bond Trustee, shall forthwith upon making such a determination, deliver notice of the same to the Issuer and the Guarantor, which notice shall include the grounds for such belief.

19. Bond Trustee's Liability

19.1 Nothing herein shall in any case in which the Bond Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions hereof conferring on it any trusts, powers, authorities or discretions exempt the Bond Trustee from or indemnify it against any liability for breach of trust.

19.2 Without detracting from the obligations of Computershare Trust Company of Canada as the Custodian under the Custodial Agreement or as the Corporate Services Provider under the Corporate Services Agreement, Computershare Trust Company of Canada, in its capacity as Bond Trustee, has entered into this Trust Deed and the other Transaction Documents to which the Bond Trustee is a party in its capacity as Bond Trustee. Whenever any reference is made in this Trust Deed, any other Transaction Document to which the Bond Trustee is a party or in any document delivered in connection herewith or therewith, to an act to be performed by the Bond Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by the Bond Trustee for and on behalf of the Covered Bondholders and the other Secured Creditors.

19.3 Except for the payment obligations of the Issuer and the Guarantor under the Covered Bonds and the Covered Bond Guarantee, no party to this Trust Deed shall be liable to any other party, or held in breach of this Trust Deed, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God,

riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Trust Deed shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Clause 19.3.

19.4 Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, in respect of this Agreement, Computershare Trust Company of Canada shall not be liable under any circumstances whatsoever for any special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

19.5 The Bond Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Bond Trustee, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Bond Trustee, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Issuer and the Guarantor, provided that (a) the Bond Trustee's written notice shall describe the circumstances of such non-compliance; and (b) if such circumstances are rectified to the Bond Trustee's satisfaction within such 10-day period, then such resignation shall not be effective.

20. Bond Trustee Contracting with the Issuer and the Guarantor

Neither the Bond Trustee nor any director or officer or holding company, Subsidiary or associated company of a corporation acting as a trustee hereunder shall by reason of its or his fiduciary position be in any way precluded from:

(a) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or the Guarantor or any of their respective Subsidiaries and affiliates (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Covered Bonds or any other covered bonds, bonds, stocks, shares, debenture stock, debentures or other securities of, the Issuer, the Guarantor or any of their respective Subsidiaries or affiliates); or

(b) accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or guaranteed by, or relating to the Issuer or the Guarantor or any of their respective Subsidiaries or affiliates, or any other office of profit under the Issuer or the Guarantor or any of their respective Subsidiaries or affiliates,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (a) above or, as the case may be, any such trusteeship or office of profit as is referred to in (b) above without regard to the interests of, or consequences for the

Covered Bondholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Covered Bondholders and shall not be responsible for any Liability occasioned to the Covered Bondholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, Subsidiary or associated company of the Bond Trustee or any director or officer of the Bond Trustee acting other than in his capacity as such a director or officer has any information, the Bond Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Covered Bondholders resulting from the Bond Trustee's failing to take such information into account in acting or refraining from acting hereunder or in relation hereto.

21. Waiver, Authorization and Determination and Substitution

21.1 The Bond Trustee may without the consent of any of the Covered Bondholders of any Series or any of the other Secured Creditors and without prejudice to its rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Guarantor Event of Default or Potential Guarantor Event of Default from time to time and at any time but only if (i) in so far as in its opinion the interests of the Covered Bondholders of any Series shall not be materially prejudiced thereby and (ii) it has not been informed by any Covered Bondholders of any Series that such Covered Bondholder(s) will be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer or the Guarantor of any of the covenants or provisions contained herein or the other Transaction Documents or determine that any Issuer Event of Default, Potential Issuer Event of Default, Guarantor Event of Default or Potential Guarantor Event of Default shall not be treated as such for the purposes hereof, PROVIDED ALWAYS THAT the Bond Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 7 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorization or determination previously given or made. Any such waiver, authorization or determination may be made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding upon the Secured Creditors and, if, but only if, the Bond Trustee shall so require, shall be notified by the Issuer to the Covered Bondholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

MODIFICATION

21.2 (a) Subject to Clause 21.2(b) and Clause 21.2(c) (including Conditions 13.02(c) and (d) referred to in Clause 21.2(c)), the Bond Trustee may without the consent or sanction of any of the Secured Creditors at any time and from time to time concur with the Issuer and the Guarantor and any other party in making any modification (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter) (i) to this Trust Deed and/or the other Transaction Documents which in the opinion of the Bond Trustee may be expedient to make, PROVIDED THAT (a) the Bond Trustee is of the opinion that such modification will not be materially prejudicial to the interests of any of the Covered Bondholders of any Series and (b) the Bond Trustee has not been informed by any Covered Bondholders of any Series that such Covered

Bondholder(s) will be materially prejudiced thereby or (ii) to this Trust Deed or the other Transaction Documents which is of a formal, minor or technical nature or to correct a manifest error or an error established as such to the satisfaction of the Bond Trustee or to comply with mandatory provisions of law. Any such modification may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding on the Secured Creditors and, if, but only if, the Bond Trustee shall so require, shall be notified by the Issuer to the Covered Bondholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

(b) The prior consent of the Bond Trustee and the Secured Creditors will not be required and will not be obtained in relation to the accession of any New Seller to the Programme, PROVIDED THAT the relevant conditions precedent in the Transaction Documents are satisfied at the time of the intended accession.

(c) The Bond Trustee agrees to perform all matters expressed to be performed by it in, and otherwise comply with, Conditions 13.02(c) and (d) in respect of Covered Bonds issued after the date hereof, and, in connection therewith, shall take all such action as may be incidental thereto.

SUBSTITUTION

21.3 (a) If so requested by the Issuer, the Bond Trustee shall, if it is satisfied based on advice from its legal advisors that to do so would not be materially prejudicial to the Covered Bondholders and the Rating Agency Condition has been satisfied, without the consent of the Covered Bondholders, agree with the Issuer and the Guarantor to the substitution in place of the Issuer (or of the previous substitute under this Clause) as the principal debtor hereunder and all other Transaction Documents of any Subsidiary of the Issuer (such substituted issuer being hereinafter called the "**New Company**"), PROVIDED THAT in each case a trust deed is executed and other forms of undertaking are given by the New Company in the form and manner satisfactory to the Bond Trustee, agreeing to be bound by the provisions hereof and the other Transaction Documents and with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the New Company had been named herein and the other Transaction Documents as the principal debtor in place of the Issuer (or of the previous substitute under this Clause).

(b) The following further conditions shall apply to (a) above:

(i) the Issuer and the Guarantor shall deliver to the Bond Trustee a certificate of two directors of the Issuer and a certificate of the Managing GP of the Guarantor stating that immediately after giving effect to such transaction no Issuer Event of Default (in respect of the Issuer) or Guarantor Event of Default, respectively and no Potential Issuer Event of Default (in respect of the Issuer) or Potential Guarantor Event of Default, respectively, shall have happened and be continuing;

(ii) the Issuer shall execute and deliver to the Bond Trustee (in such form reasonably acceptable to the Bond Trustee) an undertaking to guarantee

the obligations of the New Company in respect of the Covered Bonds and this Trust Deed;

(iii) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the original taxing jurisdiction, undertakings or covenants shall be given by the New Company in terms corresponding to the provisions of Condition 8 (*Taxation*) with the substitution for (or, as the case may be, the addition to) the references to the original taxing jurisdiction of references to that other or additional territory in which the New Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and, where such undertaking or covenant is provided, references in Condition 6.02 (*Early Redemption for Taxation Reasons*) to the original taxing jurisdiction shall be deemed to be amended accordingly;

(iv) the Covered Bond Guarantee remaining in place *mutatis mutandis* in relation to the obligations of the New Company; and

(v) the New Company shall deliver to the Bond Trustee such legal opinions of internationally recognised counsel as may be reasonably requested by the Bond Trustee.

BREACH

21.4 Any breach of or failure to comply by the Issuer or the Guarantor with any such terms and conditions as are referred to in this Clause 21 shall constitute a default by the Issuer or the Guarantor in the performance or observance of a covenant or provision binding on it under or pursuant hereto.

22. Currency Indemnity

Each of the Issuer and, following the occurrence of a Covered Bond Guarantee Activation Event, the Guarantor shall, jointly and severally indemnify the Bond Trustee, every Appointee and the Covered Bondholders and keep them indemnified against:

(a) any Liability incurred by any of them arising from the non-payment by the Issuer or the Guarantor of any amount due to the Bond Trustee or the holders of the Covered Bonds hereunder by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the Issuer or the Guarantor; and

(b) any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which the local currency equivalent of the amounts due or contingently due hereunder (other than this Clause) is calculated for the purposes of any bankruptcy, insolvency, winding up or liquidation of the Issuer or, as the case may be, the Guarantor and (ii) the final date for ascertaining the amount of claims in such bankruptcy, insolvency, winding up or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

The above indemnities shall constitute obligations of the Issuer and the Guarantor separate and independent from their other obligations under the other provisions hereof and shall apply irrespective of any indulgence granted by the Bond Trustee or the Covered Bondholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the Issuer or, as the case may be, the Guarantor for a liquidated sum or sums in respect of amounts due hereunder (other than this Clause). Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Covered Bondholders and no proof or evidence of any actual loss shall be required by the Issuer or the Guarantor or its or their liquidator or liquidators.

23. New Bond Trustee

The power to appoint a new bond trustee hereof shall be vested solely in the Issuer and the Guarantor jointly but, subject to the exceptions under Clause 25(b), no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of all the Covered Bondholders. One or more persons may hold office as bond trustee or bond trustees hereof but such bond trustee or bond trustees shall (a) meet the requirements for a bond trustee in the CMHC Guide, and (b) be or include a Trust Corporation. Whenever there shall be more than two bond trustees the majority of such bond trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Bond Trustee hereby, PROVIDED THAT a Trust Corporation shall be included in such majority. Any appointment of a new bond trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Issuing and Paying Agent, the Covered Bondholders and the Rating Agencies.

24. Separate and Co-Trustees

Notwithstanding the provisions of Clause 23 above, the Bond Trustee may, upon giving prior notice to the Issuer, the Guarantor and the Rating Agencies (but without the consent of the Issuer, the Guarantor, the Rating Agencies or the Covered Bondholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) that meets the requirements for a bond trustee in the CMHC Guide to act either as a separate bond trustee or as a co-bond trustee jointly with the Bond Trustee:

(a) if the Bond Trustee considers such appointment to be in the interests of the Covered Bondholders;

(b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or

(c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions hereof against the Issuer or the Guarantor.

Each of the Issuer and the Guarantor irrevocably appoints the Bond Trustee to be its attorney coupled with an interest in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions hereof) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Bond Trustee hereby) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Bond Trustee shall have power in like

manner to remove any such person. Such reasonable remuneration as the Bond Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate bond trustee or co bond trustee, shall for the purposes hereof be treated as Liabilities incurred by the Bond Trustee.

25. Bond Trustee's Retirement and Removal

(a) A bond trustee hereof may retire at any time on giving not less than three months' prior written notice to the Issuer, the Guarantor and the Rating Agencies without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Covered Bondholders may by Extraordinary Resolution of all the Covered Bondholders remove any bond trustee or bond trustees for the time being hereof. Each of the Issuer and the Guarantor undertakes that in the event of the only bond trustee hereof which is a Trust Corporation giving notice under this Clause or being removed by Extraordinary Resolution it will use all reasonable endeavours to procure that a new bond trustee hereof being a Trust Corporation that meets the requirements for a bond trustee in the CMHC Guide is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such bond trustee shall not become effective until a successor bond trustee being a Trust Corporation that meets the requirements for a bond trustee in the CMHC Guide is appointed and notice thereof has been provided to the Rating Agencies and CMHC prior to such effective date. If, in such circumstances, no appointment of such new bond trustee has become effective within 60 days of the date of such notice or Extraordinary Resolution, the Bond Trustee shall be entitled to appoint a Trust Corporation that meets the requirements for a bond trustee in the CMHC Guide as bond trustee hereof, but no such appointment shall take effect unless previously approved by an Extraordinary Resolution.

(b) Notwithstanding the provisions of Clause 25(a) and without any requirement of approval by Covered Bondholders, should the Bond Trustee be in breach of any of the representations, warranties or covenants provided in Article 16, the Issuer or the Guarantor may terminate the Bond Trustee. The Issuer or the Guarantor will use all reasonable endeavours to procure that a new bond trustee hereof being a Trust Corporation that meets the requirements for a bond trustee in the CMHC Guide is appointed as soon as reasonably practicable thereafter. The removal of any such bond trustee shall not become effective until a successor bond trustee being a Trust Corporation that meets the requirements for a bond trustee in the CMHC Guide is appointed and notice thereof has been provided to the Rating Agencies and CMHC prior to such effective date.

(c) The Guarantor or the Issuer shall provide notice to CMHC of the retirement or removal of the Bond Trustee and of the Bond Trustee's replacement contemporaneously with the earlier of (i) notice of such retirement or removal and replacement to a Rating Agency, (ii) notice of such retirement or removal and replacement being provided to or otherwise made available to Covered Bondholders and (iii) five Business Days following such retirement or removal 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 retirement or removal of the Bond Trustee, all information relating to the replacement required

by the CMHC Guide and a revised and amended copy of this Trust Deed with such replacement.

26. Bond Trustee's Powers to be Additional

The powers conferred upon the Bond Trustee hereby shall be in addition to any powers which may from time to time be vested in the Bond Trustee by the general law or as a holder of any of the Covered Bonds.

27. Notices

Any notice or demand to the Issuer, the Guarantor or the Bond Trustee to be given, made or served for any purposes hereunder or the Security Agreement shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas), or electronic mail ("**email**") or by delivering it by hand as follows:

to the Issuer:

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]

to the Guarantor:

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]

to the Bond Trustee: Computershare Trust Company of Canada
320 Bay Street
14th Floor
Toronto, Ontario
Canada M5H 4A6

Attention: Manager, Corporate Trust
Email: [redacted]

or to such other address, or email address as shall have been notified (in accordance with this Clause). Any notice or demand sent by post shall be deemed to have been given, made or served three days in the case of inland post or seven days in the case of overseas post after dispatch and any notice or demand sent by email shall be deemed to be given, made or served 24 hours after the time of transmission, PROVIDED THAT in the case of any notice or demand sent by email, no delivery failure notification is received by the sender within 24 hours of sending the notice.

28. Confidentiality

In addition to the obligations imposed under Clause 18(l) of this Agreement, and notwithstanding any termination of this Agreement, the Bond Trustee shall not at any time (i) use any confidential information for any purpose other than as provided under this Agreement and (ii) disclose to any person, firm or company whatsoever and shall treat as confidential, any information relating to the subject matter of this Agreement and shall not at any time disclose to any person, firm or company whatsoever any information relating to the business, finances or other matters of the Issuer, the Guarantor or any affiliate of the Issuer or Guarantor which it may have obtained as a result of its role as Bond Trustee and fulfilling its obligations under this Agreement, provided however that the provisions of this Clause 28 shall not apply:

(a) to the disclosure of any information already known to the recipient otherwise than as a result of a breach of this Paragraph or other unauthorised or improper conduct of such person;

(b) to the disclosure of any information which is or becomes public knowledge otherwise than as a result of a breach of this Paragraph or other unauthorised or improper conduct of such person;

(c) to the extent that the disclosure is required pursuant to the CMHC Guide, the Covered Bond Legislative Framework, any law or order of any court or other governmental authority pursuant to any direction, request or requirement (whether or not having the force of law);

(d) to the disclosure of any information to professional advisers and, where permitted under this Agreement, sub-contractors, who receive the same under a duty of confidentiality or from whom it obtained an undertaking substantially in the form of this section;

(e) to the disclosure of any information with the consent of the parties hereto; and

(f) to the disclosure on behalf of the Issuer (or on behalf of the Guarantor if applicable), in circumstances required by the terms of any contract or agreement, to which the Issuer (or the Guarantor Agreement) is now or hereinafter becomes a party, to the persons to whom such disclosure is required by the terms of the relevant contract or agreement,

notwithstanding any permissible disclosure set out above, the powers of the Bond Trustee set out under Clause 18(l) shall be paramount.

29. Amendments

Subject to the terms of Clause 21, and except as otherwise expressly provided in this Trust Deed, the provisions in this Trust Deed may be amended only by written agreement of all of the parties hereto, and if any such amendment (or any waiver given in accordance with Clause 21) is determined to be material in the opinion of the Guarantor, the Rating Agency Condition shall be required to be satisfied in respect thereof. For certainty, any increase in the maximum Asset Percentage set forth in Clause 14 shall be deemed to be a material amendment to this Trust Deed. 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 Trust Deed. This Trust Deed (and the benefits and obligations contained in it) may not be assigned by any party without the prior written consent of each of the other parties hereto and the Rating Agency Condition having been satisfied in respect of such assignment.

30. Non-Petition

The Issuer and the Bond Trustee 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 proceeding or 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 Trust Deed by either party hereto.

31. Governing Law

This Trust Deed 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.

32. Submission to Jurisdiction

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

33. Counterparts and Electronic Execution

This Trust Deed and any trust deed supplemental hereto may be executed in one or more counterparts, each of which when executed shall be deemed to be an original and all of which taken together shall constitute one and the same deed and any party to this Trust Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart. Delivery of an executed signature page to this Trust Deed by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Trust Deed by such party.

34. Liability of Limited Partners

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

35. Language

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 this Trust Deed has been executed as a deed by the Issuer, the Guarantor and the Bond Trustee and delivered on the date first stated on page 1.

FAIRSTONE BANK OF CANADA

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

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

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

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

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

COMPUTERSHARE TRUST COMPANY OF CANADA

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

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

SCHEDULE 1
TERMS AND CONDITIONS OF THE COVERED BONDS

See attached.

TERMS AND CONDITIONS OF THE COVERED BONDS

*The following are the terms and conditions of the Covered Bonds (the "**Terms and Conditions**" or the "**Conditions**") which will, as completed by the applicable Final Terms in relation to a Tranche of Covered Bonds, apply to each Registered Global Covered Bond and each Registered Definitive Covered Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such Registered Definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Registered Global Covered Bond and Registered Definitive Covered Bond.*

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Fairstone Bank of Canada (the "**Bank**" or the "**Issuer**") as part of the Issuer's CAD 1,500,000,000 global legislative covered bond programme (the "**Programme**") and constituted by a trust deed initially dated as of the Programme Date (such trust deed as may be amended, restated, supplemented or replaced, the "**Trust Deed**") made between the Issuer, FBOC Covered Bond (Legislative) Guarantor Limited Partnership, as guarantor (the "**Guarantor**") and Computershare Trust Company of Canada, as bond trustee (in such capacity, the "**Bond Trustee**" which expression shall include any successor as bond trustee).

The Covered Bonds have the benefit of an agency agreement initially dated as of the Programme Date (as may be amended, supplemented or replaced, the "**Agency Agreement**") and made between the Issuer, the Guarantor, the Bond Trustee, The Bank of New York Mellon, London Branch, in its capacities as issuing and principal paying agent (the "**Issuing and Paying Agent**", and which expression shall include any successor in such capacity), and as calculation agent (the "**Calculation Agent**", which expression shall include any successor in such capacity and any substitute calculation agent appointed in accordance with the Agency Agreement either with respect to the Programme or with respect to a particular Series) and as paying agent named therein (the "**Paying Agent**", which expression shall include the Issuing and Paying Agent, and any substitute or additional paying agent appointed in accordance with the Agency Agreement either with respect to the Programme or with respect to a particular Series) and The Bank of New York Mellon SA/NV, Dublin Branch, in its capacities as transfer agent, (the "**Transfer Agent**" which expression shall include any Registrar and any additional or successor transfer agents), and as European registrar (the "**European Registrar**", which expression shall include any successor in such capacity, and the "**Registrar**" or "**Registrars**" for a Tranche (as defined below) shall be as specified in the applicable Final Terms (as defined below)). As used herein, "**Agents**" shall mean the Paying Agents, the Registrar or Registrars, and the Transfer Agents.

Save as provided in Conditions 7 and 13, references in these Terms and Conditions to "**Covered Bonds**" are to Covered Bonds of this Series and shall mean:

(a) in relation to any Registered Global Covered Bond, units of the lowest Specified Denomination in the Specified Currency; and

(b) any Registered Definitive Covered Bonds (whether or not issued in exchange for a Registered Global Covered Bond).

References in these Terms and Conditions to the Final Terms are to Part A of the Final Terms(s) prepared in relation to the Covered Bonds of the relevant Tranche or Series.

In respect of any Covered Bonds, references herein to these "Terms and Conditions" are to these terms and conditions as completed by the Final Terms, and any reference herein to a "**Condition**" is a reference to the relevant Condition of the Terms and Conditions of the relevant Covered Bonds.

The Covered Bonds are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Covered Bonds. Each Tranche will be the subject of Final Terms (each, "**Final Terms**"), a copy of which will be available free of charge during normal business hours

at the specified office of the Issuing and Paying Agent and/or, as the case may be, the applicable Registrar and each other Paying Agent. Copies of the Final Terms will only be available for inspection by a Holder of or, as the case may be, a Relevant Account Holder (each as defined herein) in respect of, such Covered Bonds.

The Bond Trustee acts for the benefit of the holders for the time being of the Covered Bonds (the "**holders of the Covered Bonds**", which expression shall, in relation to any Covered Bonds represented by a Registered Global Covered Bond, be construed as provided below) and for holders of each other series of Covered Bonds in accordance with the provisions of the Trust Deed.

The Guarantor has, in the Trust Deed, irrevocably and unconditionally guaranteed the due and punctual payment of the Guaranteed Amounts in respect of the Covered Bonds as and when the same shall become due for payment on certain dates and in accordance with the Trust Deed ("**Due for Payment**"), but only after the occurrence of a Covered Bond Guarantee Activation Event.

The security for the obligations of the Guarantor under the Covered Bond Guarantee and the other Transaction Documents to which it is a party has been created in and pursuant to, and on the terms set out in, a security agreement (such security agreement as amended, restated, supplemented or replaced the "**Security Agreement**") dated the Programme Date and made between the Guarantor, the Bond Trustee and certain other Secured Creditors.

These Terms and Conditions include summaries of and are subject to, the provisions of the Trust Deed, the Security Agreement, the Agency Agreement and the other Transaction Documents.

Copies of the Trust Deed, the Security Agreement, the Master Definitions and Construction Agreement (as defined below), the Agency Agreement and each of the other Transaction Documents (other than the Dealership Agreement and any subscription agreements) are available for inspection during normal business hours at the registered office for the time being of the Bond Trustee being at the date of this Base Prospectus at 320 Bay Street, 14th Floor, Toronto, Ontario, Canada M5H 4A6 and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms of all Covered Bonds of each Series are obtainable during normal business hours of the specified office of each of the Paying Agents and/or, as the case may be, the applicable Registrar, and any holder of the Covered Bonds must produce evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, relevant Paying Agent as to its holding of Covered Bonds and identity. The holders of the Covered Bonds are deemed to have notice of, or are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Trust Deed, the Security Agreement, the Master Definitions and Construction Agreement, the Agency Agreement, each of the other Transaction Documents (other than the Dealership Agreement and any subscription agreements) and the applicable Final Terms which are applicable to them and to have notice of each set of Final Terms relating to each other Series.

Except where the context otherwise requires, capitalized terms used or otherwise defined in these Terms and Conditions shall bear the meanings given to them in the master definitions and construction agreement made between certain parties to the Transaction Documents dated as of the Programme Date (such master definitions and construction agreement as may be amended, supplemented or replaced, the "**Master Definitions and Construction Agreement**"), a copy of each of which may be obtained as described above.

1. Form and Denomination

1.01 Covered Bonds are issued in registered form ("**Registered Covered Bonds**") and are serially numbered. The Covered Bond is a Fixed Rate Covered Bond, a Floating Rate Covered Bond or a Zero Coupon Covered Bond or any appropriate combination thereof, depending on the Interest Basis specified in the applicable Final Terms.

1.02 For so long as a Registered Global Covered Bond is held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the

time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Covered Bonds (a "**Relevant Account Holder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent, the Registrar and any other Agent as the holder of such principal amount of such Covered Bonds for all purposes, in accordance with and subject to the Terms and Conditions of the relevant Registered Global Covered Bond and the Trust Deed, other than with respect to the payment of principal or interest on the Covered Bonds, where the registered holder shall be treated by the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent and any Agent and any Registrar as the holder of such principal amount of such Covered Bonds in accordance with and subject to the terms of the relevant Registered Global Covered Bond and the expression "Holder" and related expressions shall be construed accordingly. Covered Bonds which are represented by a Registered Global Covered Bond will be transferable only in accordance with the then current rules and procedures of Euroclear or Clearstream, Luxembourg, or any other relevant clearing system, as the case may be.

References to Euroclear or Clearstream, Luxembourg, shall, whenever the context so permits, (but not in the case of any Registered Global Covered Bond to be held under the NSS), be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms as may otherwise be approved by the Issuer, the Issuing and Paying Agent and the Bond Trustee.

Denomination

1.03 The Covered Bonds are in the Specified Denominations specified in the Final Terms.

Currency of Covered Bonds

1.04 The Covered Bonds are denominated in such currency as may be specified in the Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

2. Title and Transfer

2.01 Title to Registered Covered Bonds passes by due endorsement in the relevant register. The Issuer shall procure that the Registrar keep a register or registers in which shall be entered the names and addresses of the Holders of Registered Covered Bonds and particulars of the Registered Covered Bonds held by them. Such registration shall be noted on the Registered Covered Bonds by the Registrar. References herein to the "**Holders**" of Registered Covered Bonds are to the persons in whose names such Registered Covered Bonds are so registered in the relevant register.

2.02 The Holder of any Registered Covered Bond will for all purposes of the Trust Deed, Security Agreement and Agency Agreement (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof and no person shall be liable for so treating such Holder.

Transfer of Registered Covered Bonds

2.03 A Registered Covered Bond may, upon the terms and subject to the terms and conditions set forth in the Agency Agreement and as required by law, be transferred in whole or in part only (provided that such part is a Specified Denomination specified in the Final Terms) upon the surrender of the Registered Covered Bond to be transferred, together with a form of transfer duly completed and executed, at the specified office of the Registrar. A new Registered Covered Bond will be issued to the transferee and, in the case of a transfer of part only of a Registered Covered Bond, a new Registered Covered Bond in respect of the balance not transferred will be issued to the transferor.

2.04 Each new Registered Covered Bond to be issued upon the registration of the transfer of a Registered Covered Bond will, within three Relevant Banking Days of the transfer date be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such transfer, be mailed (by uninsured mail at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer received by the Registrar or the Issuing and Paying Agent after the Record Date in respect of any payment due in respect of Registered Covered Bonds shall be deemed not to be effectively received by the Registrar or the Issuing and Paying Agent until the day following the due date for such payment.

2.05 Transfers of beneficial interests in Registered Global Covered Bonds will be effected by Euroclear or Clearstream, Luxembourg as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. A beneficial interest in a Registered Global Covered Bond will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Registered Definitive Covered Bonds or for a beneficial interest in another Registered Global Covered Bond only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

2.06 Subject as provided in Conditions 2.08 and 2.09, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Definitive Covered Bond may be transferred in whole or in part in the authorised denominations set out in the applicable Final Terms. In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their, attorney or attorneys duly authorised in writing, and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent, and (b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer, the Bond Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in the Agency Agreement).

Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with, any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Definitive Covered Bond of a like aggregate nominal amount to the Registered Definitive Covered Bond (or the relevant part of the Registered Definitive Covered Bond) transferred.

In the case of the transfer of part only of a Registered Definitive Covered Bond, a new Registered Definitive Covered Bond in respect of the balance of the Registered Definitive Covered Bond not transferred will (in addition to the new Registered Definitive Covered Bond in respect of the nominal amount transferred) be so authenticated and delivered or (at the risk of the transferor) so sent by uninsured mail to the address specified by the transferor.

2.07 For the purposes of these Terms and Conditions:

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

(b) "**Regulation S**" means Regulation S under the Securities Act;

(c) "**Registered Global Covered Bond**" means a Registered Global Covered Bond representing Covered Bonds sold outside the United States in reliance on Regulation S;

(d) "**Securities Act**" means the United States Securities Act of 1933, as amended; and

(e) the "**transfer date**" shall be the Relevant Banking Day following the day on which the relevant Registered Covered Bond shall have been surrendered for transfer in accordance with Condition 2.03.

2.08 The issue of new Registered Covered Bonds on transfer will be effected without charge by or on behalf of the Issuer, the Issuing and Paying Agent or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Issuing and Paying Agent or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

2.09 In the event of a partial redemption of Covered Bonds under Condition 6, the Issuer shall not be required to register the transfer of any Registered Covered Bond, or part of a Registered Covered Bond called for partial redemption.

2.10 Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Registered Global Covered Bond to a transferee in the United States or who is a U.S. person will only be made pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of United States counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States.

3. Status of the Covered Bonds

The Covered Bonds constitute deposit liabilities of the Issuer for purposes of the Bank Act, however the Covered Bonds will not be insured under the *Canada Deposit Insurance Corporation Act* (Canada) or any other governmental insurance scheme of any other country, and will constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* with all deposit liabilities of the Issuer without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (except as otherwise prescribed by law). The deposits to be evidenced by the Covered Bonds will be taken by the head office of the Issuer in Toronto, but without prejudice to the provisions of Condition 9.

4. Guarantee

Payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment has been unconditionally and irrevocably guaranteed by the Guarantor (the "**Covered Bond Guarantee**") in favour of the Bond Trustee (for and on behalf of the Covered Bondholders) following a Covered Bond Guarantee Activation Event pursuant to the terms of the Trust Deed. The Guarantor shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until a Covered Bond Guarantee Activation Event (as defined below) has occurred. The obligations of the Guarantor under the Covered Bond Guarantee are direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and, except as provided in the Guarantee Priorities of Payments, unsubordinated obligations of the Guarantor, which are secured as provided in the Security Agreement.

For the purposes of these Terms and Conditions, a "**Covered Bond Guarantee Activation Event**" means the earlier to occur of (i) an Issuer Event of Default together with the service of an Issuer Acceleration Notice on the Issuer and the service of a Notice to Pay on the Guarantor; and (ii) a Guarantor Event of Default together with the service of a Guarantor Acceleration Notice on the Issuer and the Guarantor. If a Notice to Pay is served on the Guarantor, the Guarantor shall pay Guaranteed Amounts in respect of the Covered Bonds on the Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

Any payment made by the Guarantor under the Covered Bond Guarantee shall (unless such obligation shall have been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to Condition 7) discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Covered Bonds, except where such payment has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the holders of the Covered Bonds.

5. Interest

Interest

5.01 Covered Bonds may be interest-bearing or non-interest-bearing. The Interest Basis is specified in the applicable Final Terms. Words and expressions appearing in this Condition 5 and not otherwise defined herein shall have the meanings given to them in Condition 5.09.

Interest on Fixed Rate Covered Bonds

5.02 Each Fixed Rate Covered Bond bears interest on its Outstanding Principal Amount from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year up to and including the Final Maturity Date if that does not fall on an Interest Payment Date.

Unless otherwise provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on, but excluding, such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

As used in these Terms and Conditions, "**Fixed Interest Period**" means the period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first) Interest Payment Date.

Interest will be calculated on the Calculation Amount of the Fixed Rate Covered Bonds and will be paid to the Holders of the Covered Bonds (provided that, in the case of a Registered Global Covered Bond, interest will be paid to Euroclear and/or Clearstream, Luxembourg for distribution by them to Relevant Account Holders in accordance with their usual rules and operating procedures). If interest is required to be calculated for a period ending other than on an Interest Payment Date, or if no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated in accordance with Condition 5.08.

Notwithstanding anything else in this Condition 5.02, if an Extended Due for Payment Date is specified in the Final Terms, interest following the Original Due for Payment Date will continue to accrue and be payable on any unpaid amount in accordance with Condition 5 at a Rate of Interest specified in the applicable Final Terms which may provide that such Series of Fixed Rate Covered Bonds will continue to bear interest at a fixed rate or at a floating rate determined in accordance with Condition 5.03 despite the fact that interest accrued and was payable on such Covered Bonds prior to the Final Maturity Date at a fixed rate.

Interest on Floating Rate Covered Bonds

5.03 Interest Payment Dates

Each Floating Rate Covered Bond bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

(a) the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year specified in the applicable Final Terms; or

(b) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period(s) in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (provided that, in the case of a Registered Global Covered Bond, interest will be paid to Clearstream, Luxembourg and/or Euroclear for distribution by them to Relevant Account Holders in accordance with their usual rules and operating procedures).

Rate of Interest

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below and subject to the provisions of Condition 13.02, be determined by the Calculation Agent on the following basis:

(a) the Calculation Agent will determine the Reference Rate as it appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(b) if, on any Interest Determination Date no rate so appears or if the Relevant Screen Page is unavailable, the Issuer will request appropriate quotations of the Reference Rate be provided to the Calculation Agent and the Calculation Agent will determine the arithmetic mean (rounded as described above) of the rates at which deposits in the relevant currency are offered by the Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the Euro-zone (as defined herein) interbank market in the case of EURIBOR for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

(c) if, on any Interest Determination Date, only two or three rates are so quoted pursuant to the Issuer's request, the Issuer will request the Calculation Agent to and the Calculation Agent will determine the arithmetic mean (rounded as described above) of the rates so quoted; or

(d) if fewer than two rates are so quoted pursuant to the Issuer's request, the Issuer will request the Calculation Agent to and the Calculation Agent will determine the arithmetic mean (rounded as described above) of the rates quoted by major banks in the Euro-zone in the case of EURIBOR as selected by the Issuer, at approximately the Relevant Time on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period for the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Covered Bonds during each Interest Period will be the sum of the Margin specified in the Final Terms and the Reference Rate, or, as the case may be, the arithmetic mean (rounded as described above) of the rates so determined, provided however that if the Calculation Agent is unable to determine a Reference Rate or an arithmetic mean of rates in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Covered Bonds during such Interest Period will be the sum of the Margin and the rate or, as the case may be, the arithmetic mean (rounded as described above) of the rates determined in relation to such Covered Bonds in respect of the last preceding Interest Period.

ISDA Rate Covered Bonds

5.04 Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin, if any provided that in any circumstances where under the ISDA definitions the Calculation Agent would be required to exercise any discretion, including the selection of any Reference Banks and seeking quotations from Reference Banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee. For purposes of this Condition 5.04, "**ISDA Rate**" for an Interest Period means a rate equal to the Fixed Rates, Fixed Amounts, Floating Rates or Floating Amounts, as the case may be, as set out in the applicable Final Terms, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into a schedule, credit support annex and confirmation(s) in respect of the relevant Tranche or Series of Covered Bonds, as applicable, with the Holder of such Covered Bond under the terms of an agreement to which the ISDA Definitions applied and under which:

- the Fixed Rate Payer, Fixed Amount Payer, Floating Rate Payer or, as the case may be, Floating Amount Payer is the Issuer (as specified in the Final Terms);
- the Effective Date is the Interest Commencement Date;
- the Floating Rate Option is as specified in the applicable Final Terms;
- the Designated Maturity, if applicable, is the period specified in the applicable Final Terms;
- the Agent is the Calculation Agent;
- the Calculation Periods are the Interest Periods;
- the Payment Dates are the Interest Payment Dates;
- the relevant Reset Date is the day specified in the applicable Final Terms;
- if applicable, the Applicable Benchmark, Fixing Day, Fixing Time and /or any other items specified in the applicable Final Terms as relating to ISDA Determination are as specified in the applicable Final Terms;
- the Calculation Amount is the principal amount of such Covered Bond;
- the Day Count Fraction applicable to the calculation of any amount is that specified in the Final Terms (which may be Actual/Actual (ISDA), Actual/365 (Fixed), Actual/360, 30E/360, Eurobond Basis, 30/360, 360/360, Bond Basis, 30E/360 (ISDA), Actual/Actual (ICMA) or Act/Act (ICMA)), or if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- the Business Day Convention applicable to any date is that specified in the Final Terms (which may be Following Business Day Convention, Modified Following Business Day Convention, Modified Business

Day Convention, Preceding Business Day Convention, FRN Convention or Eurodollar Convention), or if none is so specified, as may be determined in accordance with the ISDA Definitions.

For the purposes of this Condition 5.04, "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**", "**Applicable Benchmark**", "**Fixing Day**" and "**Fixing Time**" have the meanings given to those terms in the ISDA Definitions.

Maximum or Minimum Interest Rate

5.05 If any Maximum or Minimum Interest Rate is specified in the Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified and in any event will not be less than zero.

Accrual of Interest after the due date

5.06 Interest will cease to accrue as from the due date for redemption therefor unless upon due presentation or surrender thereof (if required), payment in full of the Final Redemption Amount is improperly withheld or refused or default is otherwise made in the payment thereof. In such event, interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Rate of Interest then applicable or such other rate as may be specified for this purpose in the Final Terms if permitted by applicable law ("**Default Rate**") until the date on which, upon due presentation or surrender of the relevant Covered Bond (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Covered Bond is not required as a precondition of payment), the seventh day after the date on which, the applicable Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Covered Bonds in accordance with Condition 14 that the applicable Paying Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Amount(s), Calculation Agent and Reference Banks

5.07 If a Calculation Agent is specified in the Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time (or, if appropriate, such other time as is customary in the principal financial centre of the country of the Specified Currency), on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Final Redemption Amount or make any determination or calculation) will determine the Rate of Interest and calculate the amount(s) of interest payable (the "**Interest Amount(s)**") in the manner specified in Condition 5.08 below, calculate the Final Redemption Amount or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or the Final Redemption Amount to be notified to the Paying Agents, the Registrar, the Issuer and the Holders in accordance with Condition 14, and if the Covered Bonds are listed on a stock exchange or admitted to listing by any other authority and the rules of such exchange or other relevant authority so require, such exchange or listing authority as soon as possible after their determination or calculation but in no event later than the time required by the relevant stock exchange or listing authority. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Covered Bonds become due and payable under Condition 7, the Rate of Interest and the accrued interest payable in respect of the Covered Bonds shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount and Final Redemption Amount and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, or rate made or provided by it.

The Issuer will procure that there shall at all times be a Calculation Agent, if provision is made for one in the Terms and Conditions.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts or any other requirements, the Bond Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having regard as it shall think fit to the foregoing provision of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all circumstances or, as the case may be, the Bond Trustee shall calculate (or appoint an agent to calculate) the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent. The Calculation Agent may not resign its duties without a successor having been appointed as described above.

Calculations and Adjustments

5.08 The amount of interest payable in respect of any Covered Bond for any period shall be calculated by applying the Rate of Interest to the Calculation Amount, and, in each case, multiplying such sum by the Day Count Fraction, save that if the Final Terms specifies a specific amount in respect of such period, the amount of interest payable in respect of such Covered Bond for such Interest Period will be equal to such specified amount.

For the purposes of any calculations referred to in these Terms and Conditions, (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 percent being rounded up to 0.00001 percent) and (b) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

Where the Covered Bonds are represented by a Registered Global Covered Bond or where the Specified Denomination of a Covered Bond in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Outstanding Principal Amount of the Registered Global Covered Bond or the Specified Denomination of a Covered Bond in definitive form, without any further rounding.

Definitions

5.09 In the Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Banking Day**" means, in respect of any city, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that city.

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

"**Business Day Convention**" means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Final Terms in relation to any date applicable to any Covered Bonds, shall have the following meanings:

(a) "**Following Business Day Convention**" means that such date shall be postponed to the first following day that is a Business Day;

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

(c) "**Preceding Business Day Convention**" means that such date shall be brought forward to the first preceding day that is a Business Day; and

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

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

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

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

"**Calculation Agent**" means the Issuing and Paying Agent or such other agent as may be specified in the Final Terms as the Calculation Agent.

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

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (each such period from and including the first day of such period to but excluding the last, an "**Accrual Period**"), such day count fraction as may be specified in the Final Terms and:

(a) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Accrual Period divided by 365 (or, if any portion of the Accrual Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365);

(b) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Accrual Period divided by 365;

(c) if "**Actual/360**" is so specified, means the actual number of days in the Accrual Period divided by 360;

(d) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_{(2)} - Y_{(I)})] + [30 \times (M_{(2)} - M_{(1)})] + (D_{(2)} - D_{(1)})}{360}$$

where:

"Y_I" is the year, expressed as a number, in which the first day of such period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in such period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of such period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in such period falls;

"D_I" is the first calendar day, expressed as a number, of such period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in such period, unless such number would be 31, in which case D_2, will be 30.

(e) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30; and

(f) if "**30E/360 (ISDA)**" is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Accrual Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included the Accrual Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"D_1" is the first calendar day, expressed as a number, of the Accrual Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless (i) that day is the last day of February but not the Final Maturity Date or (ii) such number would be 31, in which case D_2 will be 30; and

(g) if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is specified in the applicable Final Terms, then:

(A) in the case of Covered Bonds where the Accrual Period is equal to or shorter than the Determination Period during which the Accrual Period ends, it means the number of days in such Accrual Period divided by the product of: (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, it means the sum of:

(I) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of: (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(II) the number of days in such Accrual Period falling in the next Determination Period divided by the product of: (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

"Designated Maturity" means, in relation to Screen Rate Determination, the period of time designated on the Reference Rate.

"**Determination Date**" means such dates as specified in the applicable Final Terms.

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

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

"Independent Financial Adviser" means an independent financial institution of international repute or other independent financial adviser, if any, experienced in the international capital markets, in each case appointed by the Issuer at its own expense.

"**Interest Commencement Date**" means the date of issue (the "**Issue Date**") of the Covered Bonds (as specified in the Final Terms) or such other date as may be specified as such in the Final Terms.

"**Interest Determination Date**" means, in respect of any Interest Period, the date specified as such in the applicable Final Terms, or if none is so specified, the date falling two T2 Business Days prior to the first day of such Interest Period.

"**Interest Payment Date**" means the date or dates specified as such in the Final Terms and, as the same may be adjusted in accordance with the Business Day Convention, if any, specified in the Final Terms or if the Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Issue Date of the Covered Bonds (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

"**Interest Period**" means: (i) each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date, provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the Final Maturity Date, or the Extended Due for Payment Date, as applicable; or (ii) such other period (if any) in respect of which interest is to be calculated being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which in the case of the scheduled final or early redemption of any Covered Bonds, shall be such redemption date and in other cases where the relevant Covered Bonds become due and payable in accordance with Condition 9, shall be the date on which such Covered Bonds become due and payable).

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

"**Outstanding Principal Amount**" means, in respect of a Covered Bond, its principal amount as indicated in the Final Terms.

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Covered Bonds specified in, or calculated or determined in accordance with the provisions of, the Final Terms.

"**Reference Banks**" means such banks as may be specified in the Final Terms as the Reference Banks, or, if none are specified or "Not Applicable" is specified in the Final Terms, "Reference Banks" has the meaning given in the ISDA Definitions, *mutatis mutandis*.

"**Reference Rate**" means EURIBOR or such other benchmark rate specified in the applicable Final Terms.

"**Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

(a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof.

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the "Relevant Screen Page" in the applicable Final Terms, or such other page, section or other part as may replace it in that information service (or any successor page thereto or any page of any successor information service, as applicable), in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

"**Relevant Time**" means the time as of which any rate is to be determined as specified in the applicable Final Terms (which in the case of EURIBOR means Central European Time), or if none is specified, at which it is customary to determine such rate.

"**Reuters Screen Page**" means, when used in connection with a designated page and any designated information, the display page so designated on the Reuters Market 3000 (or such other page as may replace that page on that service for the purpose of displaying such information).

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

"T2 Business Day" means a day on which T2 is open.

Linear Interpolation

5.10 Where "**Linear Interpolation**" is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Issuing and Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuing and Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as the Issuer determines appropriate.

Zero Coupon Covered Bonds

5.11 If any Final Redemption Amount in respect of any Zero Coupon Covered Bond is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortization Yield defined in the Final Terms or at such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Covered Bond (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Covered Bond is not required as a precondition of payment), the seventh day after the date on which, the applicable Paying Agent having received the funds required to make such

payment, notice is given to the Holders of the Covered Bonds in accordance with Condition 14 that the applicable Paying Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 5.08 as if the Rate of Interest was the Amortization Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Final Terms or, if not so specified, 30E/360 (ISDA) (as defined in Condition 5.09).

6. Redemption and Purchase Redemption at Maturity

6.01 Unless previously redeemed, or purchased and cancelled, this Covered Bond shall be redeemed at its Final Redemption Amount specified in the applicable Final Terms in the Specified Currency on the Final Maturity Date.

Without prejudice to Condition 7, if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms (or after expiry of the grace period set out in Condition 7.01(a)) and, following service of a Notice to Pay on the Guarantor by no later than the date falling one Business Day prior to the Extension Determination Date, the Guarantor has insufficient moneys available in accordance with the Guarantee Priority of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds on the date falling on the earlier of (a) the date which falls two Canadian Business Days after service of such Notice to Pay on the Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 7.02) under the terms of the Covered Bond Guarantee or (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Guarantor under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date, provided that in respect of any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above, the Guarantor will apply any moneys available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) to pay the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds on any Interest Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

The Issuer shall confirm to the Paying Agents as soon as reasonably practicable and in any event at least 4 Business Days prior to the Final Maturity Date of a Series of Covered Bonds whether payment will be made in full of the Final Redemption Amount in respect of such Series of Covered Bonds on that Final Maturity Date. Any failure by the Issuer to notify the Paying Agents shall not affect the validity or effectiveness of the extension of maturity.

The Guarantor shall notify the relevant holders of the Covered Bonds (in accordance with Condition 14), the Rating Agencies, the Bond Trustee, the Paying Agents and the Registrar as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) of the second paragraph of this Condition 6.01 of any inability of the Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Guarantor to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

In the circumstances outlined above, the Guarantor shall on the earlier of (a) the date falling two Canadian Business Days after the service of a Notice to Pay on the Guarantor or if later the Final Maturity Date (or, in each case, after the expiry of the applicable grace period set out in Condition 7.02) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) *pro rata* in part payment of an amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds and shall pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such Covered Bond on such date. The obligation of the Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount not so paid shall be deferred as described above. Such failure to pay by the Guarantor shall not constitute a Guarantor Event of Default.

Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee shall be disregarded for the purposes of determining the amounts to be paid by the Guarantor under the Covered Bond Guarantee in connection with this Condition 6.01.

For the purposes of these Terms and Conditions:

"**Extended Due for Payment Date**" means, in relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date, provided that such date shall not be more than 12 months following the applicable Final Maturity Date.

"**Extension Determination Date**" means, in respect of a Series of Covered Bonds, the date falling two Business Days after the expiry of seven days from (and including) the Final Maturity Date of such Series of Covered Bonds provided that such date shall not occur later than the last day of the remedy period afforded to the Issuer to repay the Final Redemption Amount.

"**Guarantee Priority of Payments**" means the priority of payments relating to moneys received by the Cash Manager for and on behalf of the Guarantor and moneys standing to the credit of the Guarantor Accounts, to be paid on each Guarantor Payment Date in accordance with the Guarantor Agreement.

"**Rating Agency**" means any one of (i) DBRS Limited and Moody's Ratings to the extent that at the relevant time it provides ratings in respect of the then outstanding Covered Bonds, its successors or any other credit rating agency that the Issuer may in the future designate to provide ratings in respect of the Covered Bonds; or (ii) any other rating agency rating a particular Series of Covered Bonds, as specified in the applicable Final Terms; and "**Rating Agencies**" means more than one Rating Agency.

Early Redemption for Taxation Reasons

6.02 If, in relation to any Series of Covered Bonds (i) as a result of any amendment to, clarification of, or change, including any announced proposed change, in the laws or regulations, or the application or interpretation thereof of Canada or any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date of such Covered Bonds or any other date specified in the Final Terms; (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an "administrative action"); or (iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any administrative action or any interpretation or pronouncement that provides for a position with respect to such administrative action that differs from the theretofore generally accepted position, in each of case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, administrative action, interpretation or pronouncement is made known, which amendment, clarification, change or administrative action is effective or which interpretation, pronouncement or administrative action is announced on or after the date of issue of the Covered Bonds, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or administrative action is effective and applicable in respect of clauses (i), (ii) or (iii)) the Issuer would be required to pay additional amounts as provided in Condition 8, and such circumstances are evidenced by the delivery by the Issuer to the Paying Agents and Bond Trustee of (x) a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto, and (y) an opinion of independent legal advisers of recognised standing to the effect that the circumstances set forth in (i), (ii) or (iii) above prevail, the Issuer may, at its option and at any time, and having given no less than 30 nor more than 60 days' notice (ending, in the case of Floating Rate Covered Bonds, on an Interest Payment Date) to the Holders of the Covered Bonds in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Covered Bonds at their Outstanding Principal Amount or,

in the case of Zero Coupon Covered Bonds, their Amortized Face Amount (as defined in Condition 6.10) or such Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the Final Terms, together with accrued interest (if any) thereon.

The Issuer may not exercise such option in respect of any Covered Bond which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Covered Bond under Condition 6.06.

Call Option

6.03 If a Call Option is specified in the Final Terms as being applicable, then the Issuer may, having given the appropriate notice to the Holders in accordance with Condition 14, which Notice shall be irrevocable, and shall specify the date fixed for redemption, redeem all, or if so specified in the applicable Final Terms, some only of the Covered Bonds of this Series outstanding on any Optional Redemption Date at the Optional Redemption Amount(s) specified in, or determined in the manner specified in the applicable Final Terms together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Covered Bond which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Covered Bond under Condition 6.06.

6.04 The appropriate notice referred to in Condition 6.03 is a notice given by the Issuer to the Holders of the Covered Bonds of the relevant Series in accordance with Condition 14, which notice shall be irrevocable and shall specify:

- the Series of Covered Bonds subject to redemption;

- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Registered Global Covered Bond) the serial numbers of the Covered Bonds of the relevant Series which are to be redeemed;

- the due date for such redemption, which shall be not less than 30 days nor more than 60 days after the date on which such notice is given and which shall be such date or the next of such dates ("**Call Option Date(s)**") or a day falling within such period ("**Call Option Period**"), as may be specified in the Final Terms and which is, in the case of Covered Bonds which bear interest at a floating rate, a date upon which interest is payable; and

- the Optional Redemption Amount at which such Covered Bonds are to be redeemed.

Partial Redemption

6.05 If the Covered Bonds are to be redeemed in part only on any date in accordance with Condition 6.03:

- such redemption must be for an amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms;

- in the case of a Registered Global Covered Bond, the Covered Bonds to be redeemed shall be selected in accordance with the then rules of Euroclear and Clearstream, Luxembourg, and/or any other relevant clearing system (to be reflected in the records of Euroclear and Clearstream, Luxembourg, and/or such other relevant clearing system as either a pool factor or a reduction in principal amount, at their discretion); and

- in the case of Registered Definitive Covered Bonds, the Covered Bonds shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, provided always that the amount redeemed in respect of each Covered Bond shall be equal to a Specified Denomination,

subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Covered Bonds may be listed.

In the case of the redemption of part only of a Registered Definitive Covered Bond, a new Registered Definitive Covered Bond in respect of the unredeemed balance shall be issued in accordance with Conditions 2.03 to 2.06, which shall apply as in the case of a transfer of Registered Definitive Covered Bonds as if such new Registered Definitive Covered Bond were in respect of the untransferred balance.

Put Option

6.06 If a Put Option is specified in the Final Terms as being applicable, upon the Holder of any Covered Bond of this Series giving the required notice to the Issuer specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon expiry of such notice, redeem such Covered Bond subject to and in accordance with the terms specified in the applicable Final Terms in whole (but not in part only) on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than 45 days before the Optional Redemption Date where the Covered Bond is a Covered Bond in definitive form held outside Euroclear and Clearstream, Luxembourg, deposit the relevant Covered Bond during normal business hours at the specified office of the Registrar together with a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of the Registrar specifying, in the case of a Registered Global Covered Bond, the aggregate principal amount in respect of which such option is exercised (which must be a Specified Denomination specified in the Final Terms). Notwithstanding the foregoing, Covered Bonds represented by a Registered Global Covered Bond shall be deemed to be deposited with the Registrar for purposes of this Condition 6.06 at the time a Put Notice has been received by the Registrar in respect of such Covered Bonds. No Covered Bond so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement).

In the case of the redemption of part only of a Registered Covered Bond, a new Registered Definitive Covered Bond in respect of the unredeemed balance shall be issued in accordance with Conditions 2.03 to 2.06 which shall apply as in the case of a transfer of Registered Definitive Covered Bonds as if such new Registered Definitive Covered Bond were in respect of the untransferred balance.

The Holder of a Covered Bond may not exercise such Put Option (i) in respect of any Covered Bond which is the subject of an exercise by the Issuer of its option to redeem such Covered Bond under either Condition 6.02 or 6.03, or (ii) following an Issuer Event of Default.

Purchase of Covered Bonds

6.07 The Issuer or any of its subsidiaries may at any time, but will at no time be obligated to, purchase Covered Bonds in the open market, by tender or otherwise and at any price.

Cancellation of Redeemed and Purchased Covered Bonds

6.08 All unmatured Covered Bonds redeemed in accordance with this Condition 6 will be cancelled forthwith and may not be reissued or resold. All unmatured Covered Bonds purchased in accordance with Condition 6.07 may be cancelled or may be reissued or resold.

Further Provisions applicable to Redemption Amount

6.09 The provisions of Condition 5.07 and the last paragraph of Condition 5.08 shall apply to any determination or calculation of the Redemption Amount required by the Final Terms to be made by the Calculation Agent (as defined in Condition 5.09).

References herein to "**Redemption Amount**" shall mean, as appropriate, the Final Redemption Amount, the Optional Redemption Amount, the Early Redemption Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with, the provisions of the applicable Final Terms.

6.10 In the case of any Zero Coupon Covered Bond, the "**Amortized Face Amount**" shall be an amount equal to the sum of:

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

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

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 5.09) specified in the Final Terms.

6.11 If any Redemption Amount (other than the Final Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortized Face Amount shall be calculated as provided in Condition 6.10 but as if references in subparagraph (b) to the date fixed for redemption or the date upon which such Zero Coupon Covered Bond becomes due and repayable were replaced by references to the earlier of:

(a) the date on which, upon due presentation or surrender of the relevant Covered Bond (if required), the relevant payment is made; and

(b) (except where presentation or surrender of the relevant Covered Bond is not required as a precondition of payment), the seventh day after the date on which, the Paying Agents or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Covered Bonds in accordance with Condition 14 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

Redemption due to Illegality

6.12 The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the Paying Agents, the Registrar and, in accordance with Condition 14, all holders of the Covered Bonds (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Issuer to make, fund or allow to remain outstanding any advance made by it to the Guarantor pursuant to the Intercompany Loan Agreement, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 6.12 will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 6.12, the Issuer shall deliver to the Paying Agents and Bond Trustee a certificate signed by two senior officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Paying Agents and Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the Covered Bonds.

7. Events of Default

Issuer Events of Default

7.01 The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 percent of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose or the purpose of any Extraordinary Resolution (as defined in the Trust Deed) referred to in this Condition 7.01 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in CAD converted into CAD at the applicable Covered Bond FX Rate) or if so directed by an Extraordinary Resolution of all the holders of the Covered Bonds shall, (but in the case of the happening of any of the events mentioned in sub-paragraphs (b) to (f) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor, that such event is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series) (subject in each case to being indemnified and/or secured to its satisfaction), give notice (an "**Issuer Acceleration Notice**") in writing to the Issuer that as against the Issuer (but, for the avoidance of doubt, not against the Guarantor under the Covered Bond Guarantee) each Covered Bond of each Series is, and each such Covered Bond shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each, an "**Issuer Event of Default**") shall occur and be continuing:

(a) the Issuer fails to pay any principal or interest in respect of the Covered Bonds within 10 Business Days in the case of principal and 30 days in the case of interest, in each case of the respective due date; or

(b) the Issuer fails to perform or observe any obligations under the Covered Bonds of any Series, the Trust Deed or any other Transaction Document (other than the Dealership Agreement and any subscription agreement for the Covered Bonds) to which the Issuer is a party (other than any obligation of the Issuer to comply with the Asset Coverage Test and any other obligation of the Issuer specifically provided for in this Condition 7.01) and such failure continues for a period of 30 days (or such longer period as the Bond Trustee may permit) next following the service by the Bond Trustee on the Issuer of notice requiring the same to be remedied (except in circumstances where the Bond Trustee considers such failure to be incapable of remedy in which case no period of continuation will apply and no notice by the Bond Trustee will be required); or

(c) an Insolvency Event in respect of the Issuer; or

(d) an Asset Coverage Test Breach Notice has been served and not revoked (in accordance with the terms of the Transaction Documents) on or before the Guarantor Payment Date immediately following the next Calculation Date after service of such Asset Coverage Test Breach Notice; or

(e) to the extent any Series of Hard Bullet Covered Bonds is issued and outstanding and the Pre-Maturity Test in respect of any such Series of Hard Bullet Covered Bonds is breached less than six months prior to the Final Maturity Date of that Series of Hard Bullet Covered Bonds, and the Guarantor has not cured the breach before the earlier to occur of: (i) ten Canadian Business Days from the date that the Seller is notified of the breach of the Pre-Maturity Test and (ii) the Final Maturity Date of that Series of Hard Bullet Covered Bonds; or

(f) if a ratings trigger prescribed by the Conditions or the Transaction Documents (and not otherwise specifically provided for in this Condition 7.01) is breached and the prescribed remedial action is not taken within the specified time period, unless, in respect of any ratings trigger other than the Account Bank Threshold Ratings, the Standby Account Bank Threshold Ratings, the Cash Manager Required Ratings and the Servicer Deposit Threshold Ratings, such breach occurs at a time that the Guarantor is Independently Controlled and Governed; or

(g) the designation of an "Early Termination Date" (as defined under the Issuer Swap Transaction) in respect of the Issuer under the Issuer Swap Transaction.

For the purposes of these Terms and Conditions "**Calculation Date**" means the last Canadian Business Day of each month.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer pursuant to this Condition 7.01, the Bond Trustee shall forthwith serve a notice to pay (the "**Notice to Pay**") on the Guarantor pursuant to the Covered Bond Guarantee and the Guarantor shall be required to make payments of Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of the Covered Bond Guarantee.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may or shall take such proceedings against the Issuer in accordance with the first paragraph of Condition 7.03.

The Trust Deed provides that all moneys (the "**Excess Proceeds**") received by the Bond Trustee from the Issuer or any receiver, liquidator, administrator or other similar official appointed in relation to the Issuer following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, shall be paid by the Bond Trustee, as soon as practicable after receipt thereof by the Bond Trustee, on behalf of the holders of the Covered Bonds of the relevant Series to the Guarantor (or the Cash Manager on its behalf) for the account of the Guarantor and shall be held in the Guarantor Accounts and the Excess Proceeds shall thereafter form part of the Security granted pursuant to the Security Agreement and shall be used by the Guarantor (or the Cash Manager on its behalf) in the same manner as all other moneys from time to time held by the Cash Manager and/or standing to the credit of the Guarantor in the Guarantor Accounts. Any Excess Proceeds received by the Bond Trustee shall discharge *pro tanto* the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds. However, the obligations of the Guarantor under the Covered Bond Guarantee are, following a Covered Bond Guarantee Activation Event, unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds shall not reduce or discharge any of such obligations.

By subscribing for Covered Bonds, each holder of the Covered Bonds shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Guarantor in the manner as described above.

Guarantor Events of Default

7.02 The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 percent of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 7.02 means the Covered Bonds

of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in CAD converted into CAD at the applicable Covered Bond FX Rate) or if so directed by an Extraordinary Resolution of all the holders of the Covered Bonds shall (but in the case of the happening of any of the events described in paragraphs (b) to (f) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series) (subject in each case to being indemnified and/or secured to its satisfaction) give notice (the "**Guarantor Acceleration Notice**") in writing to the Issuer and to the Guarantor, that (x) each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following an Issuer Event of Default), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) all amounts payable by the Guarantor under the Covered Bond Guarantee shall thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest, in each case as provided in the Trust Deed and thereafter the Security shall become enforceable if any of the following events (each, a "**Guarantor Event of Default**") shall occur and be continuing:

(a) default is made by the Guarantor for a period of seven days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the Covered Bonds of any Series, except in the case of the payment of a Guaranteed Amount when Due for Payment under Condition 6.01 where the Guarantor shall be required to make payments of Guaranteed Amounts which are Due for Payment on the dates specified therein; or

(b) if default is made by the Guarantor in the performance or observance of any obligation, condition or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series and any other obligation specifically provided for in this Condition 7.02) under the Trust Deed, the Security Agreement or any other Transaction Document (other than the obligation of the Guarantor to (i) repay the Demand Loan pursuant to the terms of the Intercompany Loan Agreement, or (ii) make a payment under a Swap Agreement if it has insufficient funds therefor) to which the Guarantor is a party and, except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Guarantor requiring the same to be remedied; or

(c) an Insolvency Event in respect of the Guarantor; or

(d) a failure to satisfy the Amortization Test on any Calculation Date following the occurrence and during the continuance of an Issuer Event of Default; or

(e) the Covered Bond Guarantee is not, or is claimed by the Guarantor not to be, in full force and effect; or

(f) if a ratings trigger prescribed by the Conditions or the Transaction Documents (and not otherwise specifically provided for in this Condition 7.02) is breached and the prescribed remedial action is not taken within the specified time period, unless, in respect of any ratings trigger other than the Account Bank Threshold Ratings, the Standby Account Bank Threshold Ratings, the Cash Manager Required Ratings and the Servicer Deposit Threshold Ratings, such breach occurs at a time that the Guarantor is Independently Controlled and Governed; or

(g) the designation of an "Early Termination Date" (as defined under the Interest Rate Swap Agreement or the Covered Bond Swap Agreement, as applicable) in respect of the

Guarantor under the Interest Rate Swap Agreement or the Covered Bond Swap Agreement.

Following the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice on the Guarantor, the Bond Trustee may or shall take such proceedings or steps in accordance with the first and second paragraphs, respectively, of Condition 7.03 and the holders of the Covered Bonds shall have a claim against the Guarantor, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount together with accrued but unpaid interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 8) as provided in the Trust Deed in respect of each Covered Bond.

For greater certainty, the acceleration of the Covered Bonds against the Issuer does not accelerate the payment obligations of the Guarantor under the Covered Bonds to holders of the Covered Bonds.

Enforcement

7.03 The Bond Trustee may at any time, at its discretion and without further notice, take such proceedings against the Issuer and/or the Guarantor, as the case may be, and/or any other person as it may think fit to enforce the provisions of the Trust Deed, the Covered Bonds and any other Transaction Document, but it shall not be bound to take any such enforcement proceedings in relation to the Trust Deed, the Covered Bonds or any other Transaction Document unless (i) it shall have been so directed by an Extraordinary Resolution of all the holders of the Covered Bonds of all Series (with the Covered Bonds of all Series taken together as a single Series as described above) or so requested in writing by the holders of not less than 25 percent of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (taken together and converted into CAD at the applicable Covered Bond FX Rate) and (ii) it shall have been indemnified and/or secured to its satisfaction.

The Bond Trustee may at any time, at its discretion and without further notice, take such proceedings against the Guarantor and/or any other person as it may think fit to enforce the provisions of the Security Agreement and may, at any time after the Security has become enforceable, take such steps as it may think fit to enforce the Security, but it shall not be bound to take any such steps unless (i) it shall have been so directed by an Extraordinary Resolution of all the holders of the Covered Bonds of all Series (with the Covered Bonds of all Series taken together as a single Series as described above) or a request in writing by the holders of not less than 25 percent of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (taken together and converted into CAD at the applicable Covered Bond FX Rate); and (ii) it shall have been indemnified and/or secured to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions the Bond Trustee shall, subject to applicable law, only have regard to the interests of the holders of the Covered Bonds of all Series and shall not have regard to the interests of any other Secured Creditors.

No holder of the Covered Bonds shall be entitled to proceed directly against the Issuer or the Guarantor or to take any action with respect to the Trust Deed, the Covered Bonds, or the Security unless the Bond Trustee, having become bound so to proceed, fails so to do within a reasonable time and such failure shall be continuing.

8. Taxation

8.01 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Covered Bonds by or on behalf of the Issuer will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such Taxes is required by law or the interpretation or administration thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts

received by the Holder after such withholding or deduction shall equal the respective amounts of principal, interest or other amounts which would have been received in respect of the Covered Bonds in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Covered Bond:

(a) to, or to a third party on behalf of, a Holder who is liable for such Taxes in respect of such Covered Bond by reason of such person having some connection with Canada (for these purposes "connection" includes but is not limited to any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over such holder if such holder is an estate, trust, partnership, limited liability company or corporation) and such jurisdiction) otherwise than the mere holding of (but not the enforcement of) such Covered Bond; or

(b) to, or to a third party on behalf of, a Holder in respect of whom such Taxes are required to be withheld or deducted by reason of the Holder or any other person entitled to payments under the Covered Bond, being a person with whom the Issuer or Guarantor is not dealing at arm's length (for purposes of the ITA), or being a person who is, or does not deal at arm's length (for purposes of the ITA) with any person who is, a "specified shareholder" as defined in subsection 18(5) of the ITA) of the Issuer or of a direct or indirect partner of the Guarantor for purposes of the thin capitalization rules in the ITA, or as a result of the Holder or recipient of the payment being an entity in respect of which the Issuer or Guarantor is a "specified entity" (as defined in subsection 18.4(1) of the ITA); or

(c) that is in respect of a debt or other obligation to pay an amount to a person with whom the Issuer or payor is not dealing at arm's length within the meaning of the ITA; or

(d) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day assuming that day to have been a Payment Day (as defined in Condition 9.04); or

(e) to, or to a third party on behalf of, a Holder who is liable for such Taxes by reason of such Holder's failure to comply with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with Canada or the country in which such branch is located of such Holder, if (i) compliance is required by law as a precondition to, exemption from, or reduction in the rate of, the Tax and (ii) the Issuer has given Holders at least 30 days' notice that Holders will be required to provide such certification, identification, documentation or other reporting requirement; or

(f) in respect of any estate, inheritance, gift, sales, transfer, personal property Tax or any similar Tax; or

(g) for or on account of any withholding tax or deduction imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (or any amended or successor version), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, whether currently in effect or as published and amended from time to time (the "**FATCA Withholding Tax Rules**"); or

(h) where any combination of items (a) - (g) applies;

nor will such additional amounts be payable with respect to any payment in respect of the Covered Bonds to a holder that is a fiduciary or partnership to the extent that the beneficiary or settlor with respect to such fiduciary, or member of such partnership would not have been entitled to receive a payment of such additional amounts had such beneficiary, settlor or member received directly its beneficial or distributive share of such payment.

For the purposes of this Condition 8.01, the term "**Holder**" shall be deemed to refer to the beneficial owner for the time being of the Covered Bonds and the term "person" shall include a partnership.

8.02 For the purposes of these Terms and Conditions, the "**Relevant Date**" means, in respect of any Covered Bond, the date on which payment thereof first becomes due and payable, or, if the full amount of the moneys payable has not been received by the Paying Agent, or as the case may be, the Registrar on or prior to such due date, the date on which, the full amount of such moneys shall have been so received and notice to that effect shall have been duly given to the Holders in accordance with Condition 14.

8.03 If the Issuer and/or the Guarantor become subject generally at any time to any taxing jurisdiction other than or in addition to Canada, references in Condition 6.02, Condition 8.01 and Condition 8.05, as applicable, to Canada shall be read and construed as references to Canada and/or to such other jurisdiction, provided, for the avoidance of doubt, that the Issuer shall not be considered to be subject generally to the taxing jurisdiction of the United States for purposes of this Condition 8.03 solely because payments in respect of the Covered Bonds are subject to the FATCA Withholding Tax Rules.

8.04 Any reference in these Terms and Conditions to any payment due in respect of the Covered Bonds shall be deemed to include any additional amounts which may be payable under this Condition 8. Unless the context otherwise requires, any reference in these Terms and Conditions to "principal" shall include any premium payable in respect of a Covered Bond, any Final Redemption Amount, any Excess Proceeds which may be payable by the Bond Trustee under or in respect of the Covered Bonds and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and "interest" shall include all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

8.05 Should any payments made by the Guarantor under the Covered Bond Guarantee be made subject to any withholding or deduction for or on account of Taxes imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or by any authority or agency therein or thereof having power to tax, the Guarantor will not be obliged to pay any additional amounts as a consequence.

9. Payments

9.01 Payments of principal in respect of each Registered Covered Bond (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Covered Bond at the specified office of any of the Paying Agents. Notwithstanding Condition 9.02, such payments will be made by electronic transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the register (the "**Register**") of holders of the Registered Covered Bonds maintained by the Registrar at the close of business (i) the first day on which Euroclear or Clearstream, Luxembourg are open (in relation to Global Covered Bonds) or (ii) on the third Business Day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (in respect of payments of principal, the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a "**Designated Account**" or (ii) the principal amount of the Covered Bonds held by a holder is less than CAD250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "Designated Account" means the account maintained by a holder with a "Designated Bank" and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than Euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in Euro) any bank which processes payments in Euro.

Payments of interest in respect of each Registered Covered Bond (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the Business Day in the city where the specified office of the Paying Agent is located on the relevant due date to the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the Register at the close of business on the following record date for the applicable Covered Bonds (in respect of payments of interest, the "**Record Date**"):

(i) in the case of Registered Global Covered Bonds held in Euroclear and/or Clearstream, Luxembourg, the Clearing System Business Day before the relevant due date for such payment, where "**Clearing System Business Day**" means a day on which each clearing system for which the Registered Global Covered Bonds are being held is open for business;

(ii) in the case of Registered Global Covered Bonds held in any other Clearing System, the "Business Day" as defined in Condition 5.09 before the relevant due date; and

(iii) in the case of Registered Definitive Covered Bonds, the fifteenth day, whether or not such fifteenth day is a Business Day, before the relevant due date.

Each such payment shall be at the holder's address shown in the Register on the Record Date and at the holder's risk. Upon application of the holder to the specified office of the Paying Agent not less than three Business Days in the city where the specified office of the Paying Agent is located before the due date for any payment of interest in respect of a Registered Covered Bond, the payment may be made by electronic transfer on the due date in the manner provided in the preceding paragraph. Any such application for electronic transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption and installments of principal (other than the final installments)) in respect of the Registered Covered Bonds which become payable to the holder who has made the initial application until such time as the Paying Agent is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Covered Bond on redemption and the final installment of principal will be made in the same manner as payment of the principal in respect of such Registered Covered Bond.

Holders of Registered Covered Bonds will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Covered Bond as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Paying Agent in respect of any payments of principal or interest in respect of the Registered Covered Bonds.

None of the Issuer, the Guarantor, the Bond Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

If the due date for payment of any amount due in respect of any Registered Covered Bond is not a Payment Day (as defined in Condition 9.04), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Payment Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, if appropriate, Condition 5.11.

9.02 Payments of amounts due (whether principal, interest or otherwise) in respect of Covered Bonds will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee,

by transfer to an account denominated in the relevant currency specified by the payee. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment and (ii) any withholding or deduction required pursuant to the FATCA Withholding Tax Rules.

9.03 Canadian usury laws

Pursuant to Condition 5.05, a maximum interest rate may be specified in the Final Terms. The Criminal Code (Canada) prohibits entering into an agreement or arrangement to receive "interest" at a "criminal rate" and the receipt of a payment or partial payment of "interest" at a "criminal rate". As of 1 January 2025, the "criminal rate" of interest is an annual percentage rate of interest that exceeds 35 percent, subject to certain exemptions with respect to loans for commercial or business purposes not made to a natural person (commercial loans), including as follows: (a) commercial loans over $500,000 are exempt from the criminal interest rate; and (b) commercial loans over $10,000 but equal to or less than $500,000 are subject to a criminal interest rate cap of an annual percentage rate of 48 percent. Accordingly, the provisions for the payment of interest or a redemption amount in excess of the aggregate principal amount of the Covered Bonds may not be enforceable if the provision provides for the payment of "interest" in excess of the prohibited criminal rate, to the extent applicable.

9.04 For the purposes of these Terms and Conditions:

(a) "**Clearing System Business Day**" is defined in Condition 9.01;

(b) "**local banking day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Covered Bond; and

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

9.05 No commissions or expenses shall be charged to the Holders of Covered Bonds in respect of such payments.

10. Prescription

10.01 Subject to applicable law, the Issuer's obligation to pay an amount of principal and interest in respect of Covered Bonds will cease if the Covered Bonds are not presented within two years after the Relevant Date (as defined in Condition 8.02) for payment thereof.

11. The Paying Agents, the Registrar, the Transfer Agent, and the Calculation Agent

11.01 The initial Paying Agents, the Registrar and the Transfer Agent and their respective initial specified offices are specified herein. Each of the Issuer and the Guarantor (in respect of itself only) reserves the right, without approval of the Bond Trustee, at any time to vary or terminate the appointment of any Paying Agent (including the Issuing and Paying Agent), any Transfer Agent(s), the Registrar, or the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents or another Registrar, or Calculation Agent provided that the Issuer and the Guarantor will at all times maintain (i) an Issuing and Paying Agent, (ii) the Registrar, (iii) so long as the Covered Bonds are admitted to the Official List and to trading on

Euronext Dublin and/or admitted to listing or trading on any other stock exchange or relevant authority, a Transfer Agent, which may be the Issuing and Paying Agent, each with a specified office in such place as may be required by the rules of Euronext Dublin or such other stock exchange or other relevant authority, and (iv) a Calculation Agent where required by the Terms and Conditions applicable to any Covered Bonds, (in the case of (i), (ii), and (iii) with a specified office located in such place (if any) as may be required by the Terms and Conditions). The Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office provided that (i) there will at all times be a Paying Agent in a jurisdiction other than the jurisdiction in which the Issuer is incorporated; and (ii) so long as the Covered Bonds are listed on a stock exchange, there will at all times be an agent having its specified office in such place as may be required by the rules and regulations of such exchange or other relevant authority. Notice of all changes in the identities or specified offices of any Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer or the Guarantor to the Holders in accordance with Condition 14.

11.02 The Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer and the Guarantor, and, in certain circumstances of the Bond Trustee, and save as provided in the Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Covered Bond and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

11.03 Notwithstanding the foregoing, the Issuing and Paying Agent, on behalf of itself and the other Paying Agents, shall have the right to decline to act as the Paying Agent with respect of any Covered Bonds issued pursuant to the Programme that are payable and/or dischargeable by the Issuer by the payment or delivery of securities and/or other property or any combination of cash, securities and/or property whereupon the Issuer or an affiliate thereof shall either (i) act as Paying Agent or (ii) engage another financial institution to act as Paying Agent in respect of such Covered Bonds. The Final Terms relating to such Covered Bonds shall include the relevant details regarding the applicable Paying Agent.

12. Replacement of Covered Bonds

If any Covered Bond is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar or any Transfer Agent (the "**Replacement Agent**"), subject to all applicable laws and the requirements of any stock exchange on which the Covered Bonds are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Covered Bonds must be surrendered before replacements will be delivered therefor.

13. Meetings of Holders of the Covered Bonds, Modification and Waiver

13.01 Meetings of Holders of the Covered Bonds

The Trust Deed contains provisions for convening meetings of the holders of the Covered Bonds (including at a physical location or by means of an electronic platform (such as a conference call or videoconference) or a combination thereof) to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions or the provisions of the Trust Deed. The quorum at any such meeting in respect of any Covered Bonds of any Series for passing an Extraordinary Resolution is one or more persons holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing holders of the Covered Bonds whatever the nominal amount of the Covered Bonds of such Series so held or represented, except that at any meeting the business of which includes the modification of any Series Reserved Matter (as defined below), the quorum shall be one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being

outstanding. An Extraordinary Resolution passed at any meeting of the holders of the Covered Bonds of a Series shall, subject as provided below, be binding on all the holders of the Covered Bonds of such Series, whether or not they are present at the meeting and, signed a written resolution in respect of such Series of Covered Bonds. Pursuant to the Trust Deed, the Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the holders of such Covered Bonds, in which event the provisions of this paragraph shall apply thereto mutatis mutandis.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Bond Trustee to accelerate the Covered Bonds pursuant to Condition 7 or to direct the Bond Trustee to take any enforcement action (a "**Programme Resolution**") shall only be capable of being passed at a single meeting of the holders of the Covered Bonds of all Series then outstanding. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Guarantor or the Bond Trustee or by holders of the Covered Bonds of any Series. The quorum at any such meeting for passing a Programme Resolution is one or more persons holding or representing at least a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding or at any adjourned such meeting one or more persons holding or representing Covered Bonds whatever the nominal amount of the Covered Bonds of any Series so held or represented. A Programme Resolution passed at any meeting of the holders of the Covered Bonds of all Series shall be binding on all holders of the Covered Bonds of all Series, whether or not they are present at the meeting.

In connection with any meeting of the holders of Covered Bonds of more than one Series the Covered Bonds of any Series not denominated in CAD shall be converted into CAD at the applicable Covered Bond FX Rate.

13.02 Modification and Waiver

The Bond Trustee, the Guarantor and the Issuer may also agree, without the consent of the holders of the Covered Bonds of any Series and without the consent of the other Secured Creditors (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter), to:

(a) any modification of the Covered Bonds of one or more Series or any Transaction Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of any of the holders of the Covered Bonds of any Series; or

(b) any modification of the Covered Bonds of any one or more Series or any Transaction Document which is of a formal, minor or technical nature or is in the opinion of the Bond Trustee made to correct a manifest error or to comply with mandatory provisions of law; or

(c) any modification (other than in respect of a Series Reserved Matter, provided that a Base Rate Modification (as defined below) will not constitute a Series Reserved Matter) to the Conditions and/or any Transaction Document (including, for the avoidance of doubt but without limitation, the Issuer Swap Transaction (without reference to the Issuer Swap Master Agreement), the Novation Agreement and the Novated Transaction, in each case, in relation to the relevant Series of Covered Bonds and subject to the consent only of the Secured Creditors (i) party to the relevant Transaction Document being amended or (ii) whose ranking in any Priorities of Payments is affected) that the Issuer considers necessary for the purpose of changing the base rate in respect of the Covered Bonds from a Reference Rate to an alternative base rate (any such rate, an "**Alternative Base Rate**") and making such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Base Rate Modification**"), provided that:

(i) the Issuer certifies to the Bond Trustee in writing (such certificate, a "**Base Rate Modification Certificate**") that:

(1) such Base Rate Modification is being undertaken due to:

(I) a material disruption to the relevant Reference Rate, an adverse change in the methodology of calculating the relevant Reference Rate or the relevant Reference Rate ceasing to exist or be published;

(II) the insolvency or cessation of business of the administrator of the Reference Rate (in circumstances where no successor administrator has been appointed);

(III) a public statement by the administrator of the relevant Reference Rate that it will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator for the Reference Rate has been appointed that will continue publication of the relevant Reference Rate) and such cessation is reasonably expected by the Issuer to occur prior to the Final Maturity Date or the Extended Due for Payment Date, as applicable;

(IV) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner and such cessation is reasonably expected by the Issuer to occur prior to the Final Maturity Date or the Extended Due for Payment Date, as applicable;

(V) a public statement by the supervisor of the administrator of the relevant Reference Rate that means such Reference Rate may no longer be used or that its use is or will be subject to restrictions or adverse consequences;

(VI) an official announcement by the supervisor of the administrator of the original Reference Rate that the original Reference Rate is no longer representative of its relevant underlying market;

(VII) it has become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any holders of the Covered Bonds of any Series using the relevant Reference Rate; or

(VIII) the reasonable expectation of the Issuer that any of the events specified in sub-paragraphs (I), (II), (III), (IV), (V), (VI) or (VII) above will occur or exist within six months of the proposed effective date of such Base Rate Modification,

(2) the modifications proposed are required solely for the purpose of applying the Alternative Base Rate and making consequential modifications to the Conditions and/or any Transaction Document which are, as reasonably determined by the Issuer as necessary or advisable in its reasonable judgment, and the modifications have been drafted solely to such effect; and

(3) the consent of each Secured Creditor (x) which is party to the relevant Transaction Document being amended, or (y) whose ranking in any Priorities of

Payments is affected has been obtained (evidence of which shall be provided by the Issuer to the Bond Trustee with the Base Rate Modification Certificate) and, subject to Condition 13.02(c)(i)(vi), no other consents are required to be obtained in relation to the Base Rate Modification; and

(ii) such Alternative Base Rate is:

(1) a base rate published, endorsed, approved or recognised by the European Commission or the European Central Bank, any regulator in the European Union or any stock exchange on which the Covered Bonds are listed, any Relevant Nominating Body for the Specified Currency to which the Reference Rate relates (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or

(2) a base rate utilised in a material number of publicly-listed, publicly-offered or benchmark new issues of floating rate covered bonds or floating rate senior unsecured notes prior to the effective date of such Base Rate Modification (for these purposes, five such issues shall be considered material); or

(3) a base rate utilised in a publicly-listed, publicly-offered or benchmark new issue of floating rate covered bonds where the issuer (or, in the case of asset backed securities, the originator of the relevant assets) is the Issuer or a Subsidiary of the Issuer,

(iii) at least 30 days' prior written notice of any Base Rate Modification has been given to the Bond Trustee;

(iv) the Base Rate Modification Certificate is provided to the Bond Trustee at the time the Bond Trustee is notified of the Base Rate Modification and on the effective date of such Base Rate Modification;

(v) with respect to each Rating Agency, the Rating Agency Condition (as specified in Condition 20) has been satisfied;

(vi) the Issuer pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Bond Trustee in connection with such Base Rate Modification; and

(vii) the Issuer has provided at least 30 days' notice to the Covered Bondholders of the relevant Series of Covered Bonds of the Base Rate Modification in accordance with Condition 14 and by publication on Bloomberg on the "Company News" screen relating to the Covered Bonds (in each case specifying the date and time by which Covered Bondholders must respond), and Covered Bondholders representing at least 10 percent of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds then outstanding have not notified the Issuer or the Issuing and Paying Agent in accordance with the then current practice of any applicable Clearing System through which such Covered Bonds may be held by the time specified in such notice that such Covered Bondholders do not consent to the Base Rate Modification.

If Covered Bondholders representing at least 10 percent of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds then outstanding have notified the Issuer or the Issuing and Paying Agent in accordance with the then current practice of any applicable Clearing System through which the Covered Bonds may be held or in the manner specified in the next following paragraph of

this Condition 13.02 where there is no applicable Clearing System by the time specified in such notice that such Covered Bondholders do not consent to the Base Rate Modification, then the Base Rate Modification will not be made unless an Extraordinary Resolution of the Covered Bondholders of the relevant Series then outstanding is passed in favour of the Base Rate Modification in accordance with Condition 13.01 and the Trust Deed.

Where there is no applicable Clearing System, Covered Bondholders may object in writing to a Base Rate Modification by notifying the Issuer or the Issuing and Paying Agent but any such objection in writing must be accompanied by evidence to the Bond Trustee's satisfaction (having regard to prevailing market practices) of the relevant Covered Bondholder's holding of the Covered Bonds.

With respect to the above-referenced modifications, the Issuer, may determine (acting in good faith and a commercially reasonable manner), or may, in its sole discretion appoint an Independent Financial Adviser to assist in determining, the Alternative Base Rate, as soon as reasonably practicable, following the satisfaction of the requirements of this Condition 13.02(c).

An Independent Financial Adviser appointed pursuant to this Condition 13.02(c) shall act in good faith and a commercially reasonable manner (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, Issuing and Paying Agent and/or the Covered Bondholders, for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 13.02(c).

(d) When implementing any modification pursuant to Condition 13.02(c):

(i) the Bond Trustee shall not consider the interests of the Covered Bondholders, any other Secured Creditor or any other person and shall act and rely solely and without investigation or liability on any direction of the Issuer relating to any Base Rate Modification Certificate or other certificate or evidence provided to it by the Issuer and shall not be liable to the Covered Bondholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and

(ii) the Bond Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Bond Trustee, would have the effect of (i) exposing the Bond Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights, powers, authorisations, discretions, indemnification or protections, of the Bond Trustee in the Transaction Documents and/or these Conditions.

The Bond Trustee may also agree, without the consent of the holders of the Covered Bonds of any Series, to the waiver or authorization of any breach or proposed breach of any of the provisions of the Covered Bonds of any Series, or determine, without any such consent as described above, that any Issuer Event of Default or Guarantor Event of Default or Potential Issuer Event of Default or Potential Guarantor Event of Default shall not be treated as such, provided that, in any such case, it is not, in the opinion of the Bond Trustee, materially prejudicial to the interests of any of the holders of the Covered Bonds of any Series.

Any such modification, waiver, authorization or determination shall be binding on all holders of the Covered Bonds of all Series of Covered Bonds for the time being outstanding and the other Secured Creditors, and unless the Bond Trustee otherwise agrees, any such modification shall be notified by the Issuer to the

holders of the Covered Bonds of all Series of Covered Bonds for the time being outstanding and the other Secured Creditors in accordance with the relevant terms and conditions as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorization or determination), the Bond Trustee shall have regard to the general interests of the holders of the Covered Bonds of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual holders of the Covered Bonds whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual holders of the Covered Bonds (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Bond Trustee shall not be entitled to require, nor shall any holder of the Covered Bonds be entitled to claim, from the Issuer, the Guarantor, the Bond Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual holders of the Covered Bonds, except to the extent already provided for in Condition 8 and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

For the purposes of these Terms and Conditions:

"**Potential Issuer Event of Default**" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Issuer Event of Default;

"**Potential Guarantor Event of Default**" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute a Guarantor Event of Default; and

"**Series Reserved Matter**" in relation to Covered Bonds of a Series means (other than, for the avoidance of doubt, a Base Rate Modification): (i) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds; (ii) alteration of the currency in which payments under the Covered Bonds are to be made; (iii) alteration of the majority required to pass an Extraordinary Resolution; (iv) any amendment to the Covered Bond Guarantee or the Security Agreement (except in a manner determined by the Bond Trustee not to be materially prejudicial to the interests of the holders of the Covered Bonds of any Series); (v) except in accordance with Condition 13, the sanctioning of any such scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds in consideration of, shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations and/or securities as described above and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the holders of the Covered Bonds to execute an instrument of transfer of the Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively; and (vi) alteration of specific sections of the Trust Deed relating to the quorum and procedure required for meetings of holders of Covered Bonds.

14. Notices

To Holders of Registered Definitive Covered Bonds

14.01 Notices to Holders of Registered Definitive Covered Bonds, save where another means of effective communication has been specified herein, will be deemed to be validly given if sent by first class mail (or equivalent) or, if posted to an overseas address, by air mail to them (or, in the case of joint Holders, to the

first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day. The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Covered Bonds are listed.

To Issuer

14.02 Notices to be given by any holder of Covered Bonds to the Issuer shall be in writing and given by lodging the same, together with the relevant Covered Bond or Covered Bonds, with the Issuing and Paying Agent or the Registrar, as the case may be. While any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any accountholder to the Issuing and Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as Euroclear and Clearstream, Luxembourg may approve for this purpose.

To Holders of Registered Global Covered Bonds

14.03 So long as the Covered Bonds are represented in their entirety by any Registered Global Covered Bonds held on behalf of Euroclear and Clearstream, Luxembourg, there may be substituted for publication in accordance with Condition 14.01, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg, for communication by them to the holders of the Covered Bonds. In addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to listing by any other relevant authority and the rules of the stock exchange, or as the case may be, other relevant authority so require, such notice will also be published in a manner which complies with the rules and regulations of that stock exchange, as the case may be, or any other relevant authority. Any such notice shall be deemed to have been given to the holders of the Covered Bonds on the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

15. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Covered Bonds, create and issue further Covered Bonds so as to form a single series with the Covered Bonds of any particular Series. Each Series may comprise one or more Tranches issued on different issue dates. The Covered Bonds of each Series will all be subject to identical terms, except that (i) the issue date, issue price, first interest payment date and the amount of the first payment of interest may be different in respect of different Tranches and (ii) a Series may comprise Covered Bonds in more than one denomination.

16. Currency Indemnity

The currency in which the Covered Bonds are denominated or, if different, payable, as specified in the Final Terms (the "**Contractual Currency**"), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Covered Bonds, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of a Covered Bond in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Covered Bond in respect of such Covered Bond, the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Covered Bond and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Covered Bonds or any judgment or order. Any such loss shall be deemed to constitute

a loss suffered by the relevant Holder of a Covered Bond and no proof or evidence of any actual loss will be required by the Issuer.

17. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Covered Bond, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

18. Branch of Account

18.01 For the purposes of the Bank Act, the branch of the Bank set out in a Covered Bond or the related Final Terms shall be the branch of account (the "**Branch of Account**") for the deposits evidenced by such Covered Bond.

18.02 Each Covered Bond will be paid without the necessity of first being presented for payment at the Branch of Account.

19. Substitution

Subject as provided in the Trust Deed, the Bond Trustee, if it is satisfied that to do so would not be materially prejudicial to the interests of the holders of the Covered Bonds, may agree, without the consent of the holders of the Covered Bonds, to the substitution of a Subsidiary of the Issuer in place of the Issuer as principal debtor under the Covered Bonds and the Trust Deed, provided that the obligations of such Subsidiary in respect of the Covered Bonds and the Trust Deed shall be guaranteed by the Issuer in such form as the Bond Trustee may require.

Any substitution pursuant to this Condition 19 shall be binding on the holders of the Covered Bonds, and, unless the Bond Trustee agrees otherwise, shall be notified to the holders of the Covered Bonds as soon as practicable thereafter in accordance with Condition 14.

It shall be a condition of any substitution pursuant to this Condition 19 that (i) the Covered Bond Guarantee shall remain in place or be modified to apply mutatis mutandis and continue in full force and effect in relation to any Subsidiary of the Issuer which is proposed to be substituted for the Issuer as principal debtor under the Covered Bonds and the Trust Deed; and (ii) any Subsidiary of the Issuer which is proposed to be substituted for the Issuer is included in the Registry as a registered issuer and that all other provisions of the Covered Bond Legislative Framework and the CMHC Guide are satisfied prior to the substitution of the Issuer.

20. Rating Agency Condition

20.01 By subscribing for or purchasing Covered Bond(s), each holder of Covered Bonds shall be deemed to have acknowledged and agreed that a credit rating of a Series of Covered Bonds by the applicable Rating Agencies is an assessment of credit risk and does not address other matters that may be of relevance to holders of Covered Bonds, including, without limitation, in the case of a confirmation by each Rating Agency that any action proposed to be taken by the Issuer, the Guarantor, the Seller, the Servicer, the Cash Manager, the Bond Trustee or any other party to a Transaction Document will not result in a reduction or withdrawal of the rating of the Covered Bonds in effect immediately before the taking of such action (a "**Rating Agency Condition**"), whether such action is either (i) permitted by the terms of the relevant Transaction Document or (ii) in the best interests of, or not prejudicial to, some or all of the holders of Covered Bonds.

20.02 In being entitled to have regard to the fact that a Rating Agency has confirmed that the then current rating of the relevant Series of Covered Bonds would not be reduced or withdrawn, each of the Issuer, the Guarantor, the Bond Trustee, and the Secured Creditors (including the Holders of Covered Bonds) is deemed to have acknowledged and agreed that confirmation of the satisfaction of the Rating Agency Condition does not impose or extend any actual or contingent liability on the Rating Agencies to the Issuer, the Guarantor, the Bond Trustee, the Secured Creditors (including the Holders of Covered Bonds) or any other person or create any legal relations between the Rating Agencies and the Issuer, the Guarantor, the Bond Trustee, the Secured Creditors (including the Holders of Covered Bonds) or any other person whether by way of contract or otherwise.

20.03 By subscribing for or purchasing Covered Bond(s), each holder of Covered Bonds shall be deemed to have acknowledged and agreed that:

(a) a confirmation of the satisfaction of the Rating Agency Condition may or may not be given at the sole discretion of each Rating Agency;

(b) depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot confirm the satisfaction of the Rating Agency Condition in the time available, or at all, and the Rating Agency shall not be responsible for the consequences thereof;

(c) a confirmation of the satisfaction of the Rating Agency Condition, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the Covered Bonds forms a part; and

(d) a confirmation of the satisfaction of the Rating Agency Condition represents only a restatement of the opinions given and shall not be construed as advice for the benefit of any holder of Covered Bonds or any other party.

20.04 If a confirmation of the satisfaction of the Rating Agency Condition or some other response by a Rating Agency is a condition to any action or step or is otherwise required under any Transaction Document and a written request for such confirmation of the satisfaction of the Rating Agency Condition or response is delivered to that Rating Agency by any of the Issuer, the Guarantor and/or the Bond Trustee, as applicable (each a "**Requesting Party**"), and either (i) the Rating Agency indicates that it does not consider such confirmation or response necessary in the circumstances or (ii) within 30 days (or 10 Canadian Business Days in the case of Moody's) of actual receipt of such request by the applicable Rating Agency, such request elicits no confirmation or response and/or such request elicits no statement by the applicable Rating Agency that such confirmation or response could not be given, the Requesting Party will be entitled to disregard the requirement for satisfaction of the Rating Agency Condition or affirmation of rating or other response by the applicable Rating Agency and proceed on the basis that such confirmation or affirmation of rating or other response by the applicable Rating Agency is not required in the particular circumstances of the request. The failure by a Rating Agency to respond to a written request for a confirmation or affirmation shall not be interpreted to mean that such Rating Agency has given any deemed confirmation of the satisfaction of the Rating Agency Condition or affirmation of rating or other response in respect of such action or step.

21. Indemnification of Bond Trustee and Bond Trustee contracting with the Issuer and/or the Guarantor

If, in connection with the exercise of its powers, trusts, authorities or discretions the Bond Trustee is of the opinion that the interests of the holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, the Bond Trustee shall not exercise such power, trust, authority or discretion without the approval by Extraordinary Resolution of such holders of the relevant Series of Covered Bonds then outstanding or by a direction in writing of such holders of the Covered Bonds of at least 25 percent of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding.

The Trust Deed and the Security Agreement contain provisions for the indemnification of the Bond Trustee and for relief from responsibility, including provisions relieving the Bond Trustee from taking any action unless indemnified and/or secured to the satisfaction of the Bond Trustee.

The Trust Deed and the Security Agreement also contain provisions pursuant to which the Bond Trustee is entitled, among other things: (i) to enter into business transactions with the Issuer, the Guarantor and/or any of their respective Subsidiaries and affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Guarantor and/or any of their respective Subsidiaries and affiliates; (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the holders of the Covered Bonds or the other Secured Creditors; and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Portfolio Assets, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organizations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Bond Trustee. The Bond Trustee will not be responsible for: (i) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Bond Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents; (iii) monitoring the Covered Bond Portfolio, including, without limitation, whether the Covered Bond Portfolio is in compliance with the Asset Coverage Test and/or the Amortization Test; or (iv) monitoring whether the Portfolio Assets satisfy the Eligibility Criteria. The Bond Trustee will not be liable to any holder of the Covered Bonds or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by reasonable and prudent institutional mortgage lenders in the Seller's market in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.

22. Law and Jurisdiction

The Trust Deed, the Agency Agreement, the Covered Bonds and the other Transaction Documents, other than as specified therein, are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

SCHEDULE 2
RESERVED

Reserved.

SCHEDULE 3
FORMS OF REGISTERED GLOBAL AND DEFINITIVE COVERED BONDS

PART 1
FORM OF REGULATION S GLOBAL COVERED BOND

THIS GLOBAL COVERED BOND DOES NOT CONSTITUTE A DEPOSIT THAT IS INSURED UNDER THE CANADA DEPOSIT INSURANCE CORPORATION ACT.

LE PRÉSENT DOCUMENT NE CONSTITUE PAS UN DÉPÔT ASSURÉ EN VERTU DE LA LOI SUR LA SOCIÉTÉ D'ASSURANCE - DÉPÔTS DU CANADA

Series Number:

Common Code:
ISIN No.:
Certificate No.:
Serial Number:

THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "AGENCY AGREEMENT") AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT.

Fairstone Bank of Canada
(the "**Issuer**")
(*a Canadian chartered Bank*)

REGULATION S GLOBAL COVERED BOND

and

unconditionally and irrevocably guaranteed as to payments of interest and principal by

FBOC Covered Bond (Legislative) Guarantor Limited Partnership
(*established under the Limited Partnerships Act (Ontario)*)
(the "**Guarantor**")

The Issuer hereby certifies that _____[1] is, at the date hereof, entered in the Register as the holder of the aggregate nominal amount of _____ of a duly

[1] If issued under the NSS, replace with "the person whose name is entered in the Register".

authorized issue of Covered Bonds of the Issuer (the "**Covered Bonds**") of the aggregate nominal amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the "**Final Terms**"), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Covered Bonds as set out in Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Covered Bond.

This Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a Trust Deed dated September 14, 2026 (such Trust Deed as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") made between the Issuer, the Guarantor and Computershare Trust Company of Canada, as Bond Trustee, for, *inter alios*, the Covered Bondholders.

For value received, the Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to such registered holder on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Global Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Global Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Covered Bond.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Global Covered Bond details of such redemption, payment, purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in the Register. Upon any such redemption, purchase and cancellation the nominal amount of this Global Covered Bond and the Covered Bonds represented by this Global Covered Bond shall be reduced by the Principal Amount Outstanding of such Covered Bonds so redeemed or purchased and cancelled. The Principal Amount Outstanding from time to time of this Global Covered Bond and of the Covered Bonds represented by this Global Covered Bond following any such redemption, purchase and cancellation as aforesaid or any exchange as referred to below shall be the Principal Amount Outstanding most recently entered in the Register.

This Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Registered Definitive Covered Bonds (on the basis that all the appropriate details have been included on the face of such Registered Definitive Covered Bonds and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Registered Definitive Covered Bonds) either, as specified in the applicable Final Terms:

(i) upon not less than 60 days' written notice being given to the Registrar by Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking SA ("**Clearstream, Luxembourg**") acting on the instructions of any holder of an interest in this Global Covered Bond; or

(ii) upon the occurrence of an Exchange Event.

An "**Exchange Event**" means:

1. in the case of Covered Bonds registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, or if the applicable Final Terms specifies that this Global Covered Bond is to be held under the NSS, a Common Safekeeper for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of at least 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or

2. the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Covered Bonds in definitive form and a certificate to such effect from two Authorized Signatories of the Issuer has been given to the Bond Trustee.

If this Global Covered Bond is exchangeable following the occurrence of an Exchange Event:

(i) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 14 (*Notices*) upon the occurrence of such Exchange Event; and

(ii) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Global Covered Bond) may give notice to the Registrar requesting exchange in the event of the occurrence of an Exchange Event as described in (1) above and, in the event of the occurrence of an Exchange Event as described in (2) above, the Issuer may give notice to the Registrar requesting exchange.

Any such exchange shall occur on a date specified in the notice not more than 10 days after the date of receipt of the first relevant notice by the Registrar.

The first notice requesting exchange in accordance with the above provisions shall give rise to the issue of Registered Definitive Covered Bonds for the Principal Amount Outstanding of Covered Bonds represented by this Global Covered Bond.

Registered Definitive Covered Bonds will be issued in the minimum denominations specified in the Final Terms.

Any such exchange as aforesaid will be made upon presentation of this Global Covered Bond by the registered holder at the office of the Registrar on any Business Day in the place of presentation.

Covered Bonds represented by this Global Covered Bond are transferable only in accordance with, and subject to, the provisions hereof, the Trust Deed and the Agency Agreement dated September 14, 2026 (as amended and/or supplemented and/or restated from time to time) and the rules and operating procedures of Euroclear and Clearstream, Luxembourg.

On any exchange or transfer as aforesaid pursuant to which either (i) Covered Bonds represented by this Global Covered Bond are no longer so represented or (ii) if Covered Bonds not so represented are to be so represented details of such exchange or transfer shall be entered by or on behalf of the Issuer in the Register, whereupon the nominal amount of this Global Covered

Bond and the Covered Bonds held by the registered holder hereof shall be increased or reduced (as the case may be) by the nominal amount so exchanged or transferred.

Until the exchange of the whole of this Global Covered Bond as aforesaid, the registered holder hereof shall (subject as provided in the next paragraph) in all respects be entitled to the same benefits as if he were the registered holder of Registered Definitive Covered Bonds in the form(s) set out in Part 2 of Schedule 3 to the Trust Deed.

In the case of Covered Bonds registered in the name of a nominee of a common depositary, or if the applicable Final Terms specifies that this Global Covered Bond is to be held under the NSS, a Common Safekeeper for Euroclear and Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Covered Bonds represented by this Global Covered Bond (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Bond Trustee, the Registrar and any other Agent as the holder of such principal amount of such Covered Bonds for all purposes other than with respect to the payment of principal and interest on such principal amount of such Covered Bonds, the right to which shall be vested, as against the Issuer and the Guarantor, solely in the registered holder of this Global Covered Bond in accordance with and subject to the terms of this Global Covered Bond and the Trust Deed.

For the purposes of disclosure pursuant to the *Interest Act* (Canada) and not for any other purpose, where in any Covered Bond (i) a rate of interest is to be calculated on the basis of a year of 360 days, the yearly rate of interest to which the 360 day rate is equivalent is such rate multiplied by the number of days in the year of which such calculation is made and divided by 360, or (ii) a rate of interest is to be calculated during a leap year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by 366 and divided by 365.

The Issuer confirms that it fully understands and is able to calculate the rate of interest applicable to the Covered Bonds based on the methodology for calculating per annum rates provided for in the preceding paragraph above. The Issuer hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Covered Bonds or any transaction document, that the interest payable under the Covered Bonds and the calculation thereof has not been adequately disclosed to the Issuer, whether pursuant to Section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.

This Global Covered Bond is governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

This Global Covered Bond shall not be valid unless authenticated by The Bank of New York Mellon SA/NV, Dublin Branch, as Registrar and, if the Final Terms indicate that this Global Covered Bond is intended to be held under the NSS, effectuated by the entity appointed as common safekeeper by the relevant Clearing System

IN WITNESS whereof the Issuer has caused this Global Covered Bond to be signed manually or in facsimile by persons duly authorized on its behalf.

Issued as of [ ].

Fairstone Bank of Canada

By: _____ By: _____
Duly Authorized **Duly Authorized**

Authenticated by:

The Bank of New York Mellon SA/NV, Dublin Branch

as Registrar without recourse, warranty or liability.

By: _____
Authorized Officer

Effectuated without recourse,
warranty or liability

as Common Safekeeper

By: _____

FINAL TERMS

(See Attached)

PART 2
FORM OF REGISTERED DEFINITIVE COVERED BOND

THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "AGENCY AGREEMENT") AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT.

Fairstone Bank of Canada
(the "**Issuer**")
(*a Canadian chartered Bank*)

[Specified Currency and aggregate nominal amount of Tranche]
COVERED BONDS DUE
[Year of Maturity]

unconditionally and irrevocably guaranteed as to payments of interest and principal by

FBOC Covered Bond (Legislative) Guarantor Limited Partnership
(*established under the Limited Partnerships Act (Ontario)*)
(the **"Guarantor"**)

This Covered Bond is one of a Series of Covered Bonds of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer ("**Covered Bonds**"). References herein to the Conditions shall be to the Terms and Conditions [endorsed hereon/set out in Schedule 1 to the Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out herein] as supplemented, replaced and modified by the relevant information appearing in the Final Terms (the "**Final Terms**") endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and such information in the Final Terms, such information will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Covered Bond.

This Covered Bond is issued subject to, and with the benefit of, the Conditions and a Trust Deed dated September 14, 2026 (such Trust Deed as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") made between the Issuer, the Guarantor and Computershare Trust Company of Canada, as Bond Trustee, for, *inter alios*, the Covered Bondholders.

For value received, the Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to _____ (being the person registered in the Register or, if more than one person is so registered, the first of such named persons) on the Final Maturity

Date or on such earlier date as this Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable on redemption of this Covered Bond and to pay interest (if any) on the Principal Amount Outstanding of this Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

For the purposes of disclosure pursuant to the *Interest Act* (Canada) and not for any other purpose, where in any Covered Bond (i) a rate of interest is to be calculated on the basis of a year of 360 days, the yearly rate of interest to which the 360 day rate is equivalent is such rate multiplied by the number of days in the year for which such calculation is made and divided by 360, or (ii) a rate of interest is to be calculated during a leap year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by 366 and divided by 365.

The Issuer confirms that it fully understands and is able to calculate the rate of interest applicable to the Covered Bonds based on the methodology for calculating per annum rates provided for in the preceding paragraph above. The Issuer hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Covered Bonds or any transaction document, that the interest payable under the Covered Bonds and the calculation thereof has not been adequately disclosed to the Issuer, whether pursuant to Section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.

This Covered Bond shall not be valid unless authenticated by The Bank of New York Mellon, Dublin Branch, as Registrar.

IN WITNESS whereof this Covered Bond has been executed on behalf of the Issuer.

Issued as of [ ].

Fairstone Bank of Canada

By: _____ By: _____
Duly Authorized **Duly Authorized**

Authenticated by one of the following:

The Bank of New York Mellon SA/NV, Dublin Branch

as Registrar.

By: _____
Authorized Officer

FORM OF TRANSFER OF REGISTERED COVERED BOND

.....
...

.....
...

.....
...

(Please print or type name and address (including postal code) of transferee)

[Specified Currency] [ ] nominal amount of this Covered Bond and all rights hereunder, hereby irrevocably constituting and appointing ..... as attorney to transfer such nominal amount of this Covered Bond in the register maintained by The Bank of New York Mellon SA/NV, Dublin Branch with full power of substitution.

Signature(s) .....

.....

Date: .....

N.B. This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Conditions and must be executed under the hand of the transferor or, if the transferor is a corporation, either under its common seal or under the hand of two of its officers duly authorized in writing and, in such latter case, the document so authorizing such offices must be delivered with this form of transfer.

[CONDITIONS]

[Conditions to be as set out in Schedule 1 to this Trust Deed or such other form as may be agreed between the Issuer, the Issuing and Paying Agent, the Bond Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange]

FINAL TERMS

[Here to be set out the text of the relevant information supplementing, replacing or modifying the Conditions which appears in the Final Terms relating to the Covered Bonds]

SCHEDULE 4
FORM OF NOTICE TO PAY

[*On the letterhead of the Bond Trustee*]

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

and

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

[insert date]

Dear Sirs/Mesdames,

Notice to Pay under Covered Bond Guarantee

We refer to the CAD $1.5 billion Global Legislative Covered Bond Programme of the Issuer and the trust deed dated September 14, 2026 made between the Issuer, Computershare Trust Company of Canada, as Bond Trustee, and the Guarantor (the "**Trust Deed**") as the same may be amended, restated, supplemented or replaced.

We hereby confirm that an [ ] Event of Default has occurred and that we have served an [ ] Acceleration Notice on the Issuer. Accordingly, this notice shall constitute a Notice to Pay which is served upon the Issuer and the Guarantor pursuant to Clause 7 of the Trust Deed.

Unless the context otherwise requires, capitalised terms used in this Notice to Pay and not defined herein shall have the meanings provided in the Master Definitions and Construction Agreement.

Yours faithfully,

[ ]

SCHEDULE 5
PROVISIONS FOR MEETINGS OF COVERED BONDHOLDERS

1. (A) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:

(i) "**24 hours**" shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid;

(ii) "**48 hours**" shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.

(iii) "**electronic platform**" shall mean any form of telephony or electronic platform or facility and includes, without limitation, telephone and video conference call and application technology systems;

(iv) "**hybrid meeting**" shall mean a combined physical meeting and virtual meeting convened pursuant to this Schedule by the Issuer, the Guarantor or the Bond Trustee and which persons may attend either at the physical location specified in the notice of such meeting or via an electronic platform;

(v) "**meeting**" references to meeting are to a physical meeting, a virtual meeting or a hybrid meeting of Covered Bondholders of any Series convened pursuant to this Schedule by the Issuer, the Guarantor or the Bond Trustee and include, unless the context otherwise requires, any adjournment;

(vi) "**physical meeting**" shall mean any meeting attended by persons present in person at the physical location specified in the notice of such meeting;

(vii) "**present**" shall mean physically present in person at a physical meeting or a hybrid meeting, or able to participate in or join a virtual meeting or a hybrid meeting held via an electronic platform; and

(viii) "**virtual meeting**" means any meeting held via an electronic platform.

(B) (i) A holder of Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) may, by an instrument in writing in the English language (a "**form of proxy**") signed by the holder

or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorized officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a proxy) to act on his or its behalf in connection with any meeting of the Bondholders and any adjourned such meeting.

(ii) Any holder of Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) which is a corporation may by resolution of its directors or other governing body authorize any person to act as its representative (a "representative") in connection with any meeting of the Bondholders and any adjourned such meeting.

(iii) Any proxy appointed pursuant to subparagraph (i) above or representative appointed pursuant to subparagraph (ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Bondholders, to be the holder of the Registered Covered Bonds to which such appointment relates and the holder of the Registered Covered Bonds shall be deemed for such purposes not to be the holder.

2. The Issuer, the Guarantor or the Bond Trustee or (in relation to a meeting for the passing of a Programme Resolution) the Covered Bondholders of any Series may at any time and the Issuer shall upon a requisition in writing in the English language signed by the holders of not less than five per cent. of the Principal Amount Outstanding of the Covered Bonds for the time being outstanding convene a meeting of the Covered Bondholders and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Bond Trustee or the requisitionists. Every such physical meeting shall be held at such time and place as the Bond Trustee may appoint or approve. Every virtual meeting shall be held via an electronic platform and at a time approved by the Bond Trustee. With respect to a virtual meeting or a hybrid meeting, each such notice shall set out such other and further details as required under paragraph 22(A).

3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the day and hour of meeting and manner in which it is to be held and, if a physical meeting or hybrid meeting is to be held, the place of the meeting shall be given to the holders of the relevant Covered Bonds prior to any meeting of such holders in the manner provided by Condition 14 (*Notices*). Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that the holder of Registered Covered Bonds may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of the directors or other governing body. A copy of the notice shall be sent by post to the Bond Trustee (unless the meeting is convened by the Bond Trustee), and to the Issuer (unless the meeting is convened by the Issuer) and to the Guarantor (unless the meeting is convened by the Guarantor).

4. A meeting that has been validly convened in accordance with paragraph 3 above, may be cancelled by the person who convened such meeting by giving at least 2 days' notice (exclusive

of the day on which the notice is given or deemed to be given and of the day of the meeting) to the Covered Bondholders (with a copy to the Bond Trustee where such meeting was convened by the Issuer or to the Issuer where such meeting was convened by the Bond Trustee). Any meeting cancelled in accordance with this paragraph 4 shall be deemed not to have been convened.

5. A person (who may but need not be a Covered Bondholder) nominated in writing by the Bond Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Covered Bondholders present shall choose one of their number to be Chair, failing which the Issuer may appoint a Chair. The Chair of an adjourned meeting need not be the same person as was Chair of the meeting from which the adjournment took place.

6. At any such meeting one or more persons present holding Registered Definitive Covered Bonds or being proxies or representatives and holding or representing in the aggregate not less than one twentieth of the Principal Amount Outstanding of the Covered Bonds of the relevant Series for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chair) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution (subject as provided below) or a Programme Resolution shall be one or more persons present holding Registered Definitive Covered Bonds or being proxies or representatives and holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series for the time being outstanding PROVIDED THAT at any meeting the business of which includes any of the following matters (other than in relation to a Programme Resolution) (each of which shall, subject only to Clause 21.2, only be capable of being effected after having been approved by Extraordinary Resolution) namely:

(A) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds;

(B) subject to any applicable redenomination provisions specified in the applicable Final Terms, alteration of the currency in which payments under the Covered Bonds are to be made;

(C) alteration of the majority required to pass an Extraordinary Resolution;

(D) any amendment to the Covered Bond Guarantee or the Security Agreement (except in a manner determined by the Bond Trustee not to be materially prejudicial to the interests of the Covered Bondholders of any Series);

(E) except in accordance with Condition 13, the sanctioning of any such scheme or proposal as is described in paragraph 19(I) below; and

(F) alteration of this proviso or the proviso to paragraph 7 below;

(each a "**Series Reserved Matter**", other than, for the avoidance of doubt, a Base Rate Modification), the quorum shall be one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series for the time being outstanding. Notwithstanding the foregoing, a Base Rate Modification shall not constitute a Series Reserved Matter.

7. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chair may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Covered Bondholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding Business Day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chair either at or subsequent to such meeting and approved by the Bond Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chair may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chair may either (with the approval of the Bond Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chair either at or subsequent to such adjourned meeting and approved by the Bond Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings. At any adjourned meeting one or more persons present holding Registered Definitive Covered Bonds or being proxies (whatever the nominal amount of the Covered Bonds of the relevant Series so held or represented by them) shall (subject as provided below) form a quorum and shall have power to pass any Extraordinary Resolution, Programme Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present PROVIDED THAT at any adjourned meeting the quorum for the transaction of business comprising any Series Reserved Matter shall be one or more persons present holding Registered Definitive Covered Bonds or being proxies and holding or representing in the aggregate not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series for the time being outstanding.

8. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 3 above and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.

9. Every question submitted to a meeting which is held only as a physical meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chair shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Covered Bondholder or as a proxy or as a representative. At a virtual meeting or a hybrid meeting, a resolution put to the vote of the meeting shall be decided on a poll in accordance with paragraph 15 and any such poll will be deemed to have been validly demanded at the time fixed for holding the meeting to which it relates.

10. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chair, the Issuer, the Guarantor, the Bond Trustee or any person present holding a Registered Definitive Covered Bond or being a proxy or representative (whatever the Principal Amount Outstanding of the Covered Bonds so held or represented by him) a declaration by the Chair that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

11. Subject to paragraph 12 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chair directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.

12. The Chair may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.

13. Any poll demanded at any such meeting on the election of a Chair or on any question of adjournment shall be taken at the meeting without adjournment.

14. The Bond Trustee and its lawyers and any director, officer or employee of a corporation being a bond trustee under the Trust Deed and any director or officer of the Issuer or, as the case may be, the Guarantor and its or their lawyers and any other person authorized so to do by the Bond Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of "**outstanding**" as set out in the Master Definitions and Construction Agreement, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of Covered Bondholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on Covered Bondholders by Condition 7 (*Events of Default*) unless he either produces the Definitive Covered Bond or Registered Definitive Covered Bonds of which he is the holder or is a proxy. No person shall be entitled to vote at any meeting in respect of Covered Bonds held by, for the benefit of, or on behalf of, the Issuer or the Guarantor. Nothing herein shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative of or otherwise connected with the Issuer or the Guarantor.

15. Subject as provided in paragraph 13 hereof at any meeting:

(A) on a show of hands at a meeting which is held only as a physical meeting every person who is present in person is the holder of a Registered Definitive Covered Bond, is a proxy or representative shall have one vote; and

(B) on a poll every person who is so present shall have one vote in respect of each CAD 1,000 or such other amount as the Bond Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Covered Bonds denominated in another currency, such amount in such other currency as the Bond Trustee in its absolute discretion may stipulate) in the Principal Amount Outstanding in respect of which he is a proxy or representative or in respect of which (being a Registered Definitive Covered Bond) he is the registered holder.

Without prejudice to the obligations of the proxies named in any form of proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

16. The proxies named in any form of proxy and representatives need not be Covered Bondholders.

17. Each form of proxy should be deposited by one relevant Paying Agent or (as the case may be) by the Registrar or the relevant Transfer Agent at such place as the Bond Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named propose to vote and in default the form of proxy shall not be treated as valid unless the Chair of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A copy of each form of proxy shall (if the Bond Trustee so requires) be deposited with the Bond Trustee before the commencement of the meeting or adjourned meeting but the Bond Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such form of proxy.

18. Any vote given in accordance with the terms of a form of proxy shall be valid notwithstanding the previous revocation or amendment of the form of proxy or of any of the relevant Covered Bondholders' instructions pursuant to which it was executed PROVIDED THAT no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent from the holder thereof by the Issuer at its registered office (or such other place as may have been required or approved by the Bond Trustee for the purpose) by the time being 24 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the form of proxy is to be used.

19. A meeting of the Covered Bondholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 6 and 7 above) namely:

(A) Power to sanction any compromise or arrangement proposed to be made between the Issuer, the Guarantor, the Bond Trustee, any Appointee and the Covered Bondholders or any of them.

(B) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Bond Trustee, any Appointee, the Covered Bondholders or the Issuer or the Guarantor or against any other or others of them or against any of their property whether such rights shall arise under the Trust Deed or the other Transaction Documents or otherwise.

(C) Power to assent to any modification of the provisions of the Trust Deed or the other Transaction Documents which shall be proposed by the Issuer, the Guarantor, the Bond Trustee or any Covered Bondholder.

(D) Power to give any authority or sanction which under the provisions of the Trust Deeds is required to be given by Extraordinary Resolution.

(E) Power to appoint any persons (whether Covered Bondholders or not) as a committee or committees to represent the interests of the Covered Bondholders and to confer upon such committee or committees any powers or discretion which the Covered Bondholders could themselves exercise by Extraordinary Resolution.

(F) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of the Trust Deed and/or the Security Agreement.

(G) Power to discharge or exonerate the Bond Trustee and/or any Appointee from all liability in respect of any act or omission for which the Bond Trustee and/or such Appointee may have become responsible under the Trust Deed and/or the Security Agreement.

(H) Power to authorise the Bond Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.

(I) Power to sanction any scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds in consideration of, shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations and/or securities as described above and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the holders of the Covered Bonds to execute an instrument of transfer of the Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively.

20. Any resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with the Trust Deed shall be binding upon all the Covered Bondholders whether present or not present at such meeting and whether or not voting and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Covered Bondholders shall be published in accordance with Condition 14 (*Notices*) by the Issuer within 14 days of such result being known PROVIDED THAT the non publication of such notice shall not invalidate such result.

21. The expression "**Extraordinary Resolution**" when used in the Trust Deed means (a) a resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with terms of the Trust Deed by a majority consisting of not less than three fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of Covered Bondholders holding not less than 50 per cent. in Principal Amount Outstanding of the Covered Bonds, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Covered Bondholders.

22. Subject to paragraphs 1 to 20 above and 22 to 24 below and without prejudice to any rights of the Bond Trustee hereunder, the following provisions shall apply to virtual and hybrid meetings:

(A) The Issuer (with the Bond Trustee's prior approval) or the Bond Trustee may decide to hold a virtual meeting or a hybrid meeting and, in such case, shall

provide details of the means for Covered Bondholders or their proxies or representatives to attend, participate in and/or speak at the meeting, including the electronic platform to be used.

(B) The Issuer, the Chair or the Bond Trustee may make any arrangement and impose any requirement or restriction as is necessary to ensure the identification of those entitled to take part in the virtual meeting or hybrid meeting and the suitability of the electronic platform. All documentation that is required to be passed between persons at or for the purposes of the virtual meeting or persons attending the hybrid meeting via the electronic platform (in each case, in whatever capacity) shall be communicated by email (or such other medium of electronic communication as the Bond Trustee may approve), provided that the Issuer or its agents shall be solely responsible for facilitating the distribution of all such documentation unless a meeting has been convened by the Bond Trustee.

(C) All resolutions put to a virtual meeting or a hybrid meeting shall be voted on by a poll in accordance with paragraph 14 above.

(D) Persons seeking to attend, participate in, speak or join a virtual meeting or a hybrid meeting via the electronic platform, shall be responsible for ensuring that they have access to the facilities (including, without limitation, IT systems, equipment and connectivity) which are necessary to enable them to do so.

(E) In determining whether persons are attending, participating in or joining a virtual meeting or a hybrid meeting via the electronic platform, it is immaterial whether any one or more persons attending it are in the same physical location as each other or how they are able to communicate with each other.

(F) One or more persons who are not in the same physical location as each other may attend a virtual meeting or a hybrid meeting if their circumstances are such that, if they have (or were to have) the right to speak or vote at that meeting, they are (or would be) able to exercise such rights.

(G) In the case of a virtual meeting via the electronic platform only, the Chair reserves the right to take such steps as the Chair shall determine in its absolute discretion to avoid or minimize disruption at the meeting, which steps may include (without limitation), muting the electronic connection to the meeting of the person causing such disruption for such period of time as the Chair may determine.

(H) A person is able to exercise the right to speak at a virtual meeting or a hybrid meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, as contemplated by the relevant provisions of this Schedule.

(I) A person is able to exercise the right to vote at a virtual meeting or a hybrid meeting when:

(i) That person is able to vote, during the meeting, on resolutions put to vote at the meeting;

(ii) That person's vote can be taken into account in determining whether or not such resolutions are passed contemporaneously with the votes of all the other persons attending the meeting who are entitled to vote at such meeting; and

(iii) The Bond Trustee shall not be responsible or liable to the Issuer, or the Guarantor or any other person for the choice or security of the electronic platform used for any virtual meeting or hybrid meeting or for accessibility or connectivity or the lack of accessibility or connectivity to any virtual meeting or hybrid meeting, notwithstanding any approval that may have been provided by the Bond Trustee to the Issuer, or the Guarantor.

23. Minutes of all resolutions and proceedings at every meeting of the Covered Bondholders shall be made and entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid if purporting to be signed by the Chair of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.

24. (A) If and whenever the Issuer shall have issued and have outstanding Covered Bonds of more than one Series the foregoing provisions of this Schedule shall have effect subject to the following modifications:

(i) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Covered Bonds of that Series;

(ii) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Covered Bonds of all the Series so affected;

(iii) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or group of Series so affected and the holders of the Covered Bonds of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Covered Bonds of each Series or group of Series so affected;

(iv) a Programme Resolution shall be deemed to have been duly passed only if passed at a single meeting of the Covered Bondholders of all Series; and

(v) to all such meetings all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Covered Bonds and Covered Bondholders were references to the Covered Bonds of the

Series or group of Series in question or to the holders of such Covered Bonds, as the case may be.

(B) If the Issuer shall have issued and have outstanding Covered Bonds which are not denominated in CAD in the case of any meeting of holders of Covered Bonds of more than one currency (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) the Principal Amount Outstanding of such Covered Bonds shall be the equivalent in CAD at the rate set out in the applicable Covered Bond Swap Agreement. In such circumstances, on any poll each person present shall have one vote for each CAD 1,000 (or such other CAD amount as the Bond Trustee may in its absolute discretion stipulate) of the Principal Amount Outstanding of the Covered Bonds (converted as above) which he holds or represents.

25. Subject to all other provisions of the Trust Deed the Bond Trustee may without the consent of the Issuer, the Guarantor or, the Covered Bondholders prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Covered Bondholders and attendance and voting thereat as the Bond Trustee may in its sole discretion think fit. Such regulations may include (without limitation) such requirements as the Bond Trustee thinks reasonable to satisfy itself that the persons who purport to make any requisition in accordance with this Trust Deed are entitled to do so and as to the form of voting certificates or block voting instructions so as to satisfy itself that persons who purport to attend or vote at a meeting are entitled to do so and/or to facilitate the holding of a virtual meeting or a hybrid meeting.