PROSPECTUS DATED 28 JUNE 2024

THE TORONTO-DOMINION BANK

(a Canadian chartered bank)

CAD 100,000,000,000
Global Legislative Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
TD COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP

(a limited partnership formed under the laws of Ontario)

*This document (the "**Prospectus**") constitutes a base prospectus ("**Base Prospectus**") for the purpose of Article 8 of Regulation (EU) 2017/1129, as amended, (the "**Prospectus Regulation**") as it forms part of United Kingdom domestic law by virtue of the EUWA (as defined below) (the "**UK Prospectus Regulation**") in respect of all Covered Bonds other than Exempt Covered Bonds (as defined below) issued under this CAD 100 billion global legislative covered bond programme (the "**Programme**"). You are advised to read the Prospectus in full. This Prospectus has been approved by the Financial Conduct Authority in the United Kingdom ("**UK**") in accordance with the Prospectus Rules.*

Under this Programme, The Toronto-Dominion Bank (the "**Issuer**" or the "**Bank**") may from time to time issue covered bonds (the "**Covered Bonds**") denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined elsewhere in this Prospectus).

TD Covered Bond (Legislative) Guarantor Limited Partnership (the "**Guarantor**") has agreed to guarantee payments of interest and principal under the Covered Bonds pursuant to a direct and, following the occurrence of a Covered Bond Guarantee Activation Event (as defined elsewhere in this Prospectus), unconditional and irrevocable guarantee (the "**Covered Bond Guarantee**") which is secured by the assets of the Guarantor, including the Covered Bond Portfolio (as defined elsewhere in this Prospectus). Recourse against the Guarantor under the Covered Bond Guarantee is limited to the aforementioned assets and the Guarantor will not have any other source of funds available to meet its obligations under the Covered Bond Guarantee.

The Covered Bonds may be issued in registered or bearer form. The maximum aggregate nominal amount of all Covered Bonds outstanding at any one time under the Programme will not exceed CAD 100 billion (or its equivalent in other currencies calculated as described in the Dealership Agreement described herein) subject to any increase as described herein. The price and amount of the Covered Bonds to be issued under the Programme will be determined by the Issuer and the relevant Dealer or Dealers at the time of issue in accordance with prevailing market conditions. **An investment in Covered Bonds issued under the Programme involves certain risks. See "Risk Factors" for a discussion of certain risk factors to be considered in connection with an investment in the Covered Bonds.**

Unless otherwise specified in the applicable Final Terms or Pricing Supplement, the main branch of the Bank in Toronto (located at its Executive Offices) will take the deposits evidenced by the Covered Bonds but without prejudice to the provisions of Condition 9 (see "*Terms and Conditions of the Covered Bonds—Payments*"). For the purposes of the *Bank Act* (Canada) (the "**Bank Act**"), the Bank will designate a "Branch of Account" for deposits evidenced by the Covered Bonds, which designation will be specifically stated in the Final Terms or Pricing Supplement relating to the Covered Bonds being issued as being either the main branch of the Bank in Toronto (located at its Executive Offices) or the Bank's London branch, as set out in the section entitled "*Overview of the Programme*" on page 20 of the Prospectus. Irrespective of any specified Branch of Account, the Bank is (a) the legal entity that is the issuer of the Covered Bonds and (b) the legal entity obligated to repay the Covered Bonds. The Bank is the only legal entity that will issue Covered Bonds pursuant to this Prospectus. The determination by the Bank of the Branch of Account for an issuance of Covered Bonds will be based on specific considerations, including those relating to (i) the market or jurisdiction into which the Covered Bonds are being issued based on factors including investor preferences in a specific market or jurisdiction or to facilitate timely access to funding markets, (ii) specific regulatory requirements in a jurisdiction, such as a regulator requiring that a branch increase its liquidity through locally-sourced funding, or (iii) specific tax implications that would affect the Bank or investors, such as the imposition of a new tax if an alternative branch was used. A branch of the Bank is not a subsidiary of the Bank and does not comprise a separate legal entity from the Bank.

This Base Prospectus has been approved by the UK Financial Conduct Authority (the "**FCA**") as competent authority under the UK Prospectus Regulation. The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Guarantor or the quality of the Covered Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.

Applications have been made to the FCA for Covered Bonds (other than Exempt Covered Bonds) issued under the Programme during the period of twelve months after the date hereof to be admitted to the Official List of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Covered Bonds to be admitted to trading on the London Stock Exchange's main market (the "**Main Market**"). The Main Market is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law ("**UK MiFIR**") by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**EUWA**"). This Prospectus is valid for 12 months from its date. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply once this Prospectus is no longer valid.

In the case of any Covered Bonds which are to be admitted to trading on a regulated market within the UK or offered to the public in a Member State of the EEA or in the UK in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation or the UK Prospectus Regulation, as applicable, the minimum denomination of such Covered Bonds shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Covered Bonds).

On 25 June 2014, the Issuer was registered as a registered issuer and the Programme was also registered in the registry (the "**Registry**") established by Canada Mortgage and Housing Corporation ("**CMHC**") pursuant to Section 21.51 of Part I.1 of the *National Housing Act* (Canada).

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CMHC NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

NONE OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("**SEC**") NOR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN THE UNITED STATES HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Amounts payable under the Covered Bonds may be calculated by reference to the Euro Inter-Bank Offered Rate ("**EURIBOR**"), the Sterling Overnight Index Average ("**SONIA**"), the Secured Overnight Financing Rate ("**SOFR**"), the Euro Short-term Rate ("**€STR**"), the Swiss Average Rate Overnight ("**SARON**") or the Norwegian Interbank Offered Rate ("**NIBOR**") which are provided by the European Money Markets Institute ("**EMMI**"), the Bank of England, the Federal Reserve Bank of New York ("**FRBNY**"), the European Central Bank, the SIX Index AG, and Norske Finansielle Referanser AS, respectively. As at the date of this Prospectus, the EMMI appears on the register of administrators and benchmarks (the "**FCA Register**") established and maintained by the FCA pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) as it forms part of domestic law by virtue of the EUWA (the "**UK BMR**") As at the date of this Prospectus, none of the Bank of England, FRBNY, the European Central Bank, the SIX Index AG or the Norske Finansielle Referanser AS appears on the FCA Register. As far as the Issuer is aware, the transitional provisions of Article 51 of the UK BMR apply such that the SIX Index AG and Norske Finansielle Referanser AS are not currently required to obtain authorisation or registration (or, if located outside the UK, recognition, endorsement or equivalence) and the Bank of England, as administrator of SONIA, FRBNY, as administrator of SOFR, and the European Central Bank, as administrator of €STR, are not required to be registered by virtue of Article 2 of the UK BMR.

The Covered Bonds issued pursuant to this Prospectus and the related Covered Bond Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered directly or indirectly within the United States or to or for the account or benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Covered Bonds issued pursuant to this Prospectus are being offered only (i) in offshore transactions to non-U.S. persons in reliance upon Regulation S under the Securities Act and (ii) to qualified institutional buyers in reliance upon Rule 144A under the Securities Act. See "*Form of the Covered Bonds*" for a description of the manner in which Covered Bonds will be issued pursuant to this Prospectus. Registered Covered Bonds are subject to certain restrictions on transfer: see "*Subscription and Sale and Transfer and Selling Restrictions*". Covered Bonds are subject to U.S. tax law requirements.

An investment in the Covered Bonds is not subject to restriction under the U.S. Volcker Rule as an investment in an ownership interest in a covered fund (see "*Certain Volcker Rule Considerations*").

Covered Bonds issued under the Programme are expected on issue to be assigned a rating by the following rating agencies: Moody's Investors Service, Inc. ("**Moody's**"), DBRS Limited ("**DBRS**") and Fitch Ratings, Inc. ("**Fitch**"). Covered Bonds are expected on issue to be assigned the following ratings: "Aaa" by Moody's, "AAA" by DBRS and "AAA" by Fitch, unless otherwise specified in the applicable Final Terms or Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning agency. Investors are cautioned to evaluate each rating independently of any other rating. Unless otherwise specified in the applicable Final Terms or Pricing Supplement, it is not expected that any credit rating applied for in relation to any Series of Covered Bonds will be issued by a credit rating agency established in the European Union or in the UK and registered under Regulation (EC) No. 1060/2009 (as amended, the "**EU CRA Regulation**") or Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**" and together with the EU CRA Regulation, the "**CRA Regulations**"). The rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the applicable Final Terms or Pricing Supplement. The credit ratings included and referenced in this Prospectus have been issued by Standard & Poor's Financial Services LLC ("**S&P**"), DBRS, Moody's and Fitch, none of which is established in the European Union or in the UK. See "Credit Rating Agencies" on page 9 of this Prospectus. Reference in this Prospectus to Moody's, S&P, DBRS and/or Fitch shall be construed accordingly, save for references to Moody's, S&P, DBRS and/or Fitch in the context of ratings triggers applicable to parties other than the Bank which shall be read as referring to the relevant Moody's, S&P, DBRS and/or Fitch entity (if applicable) at the relevant time.

In general, EEA regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (a "**Recognised EU CRA**") (and such registration has not been withdrawn or suspended) subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by a Recognised EU CRA or the relevant third country non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation (a "**Recognised UK CRA**" and together with a Recognised EU CRA, "**Recognised CRAs**"). In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a Recognised UK CRA; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

The Programme provides that Exempt Covered Bonds may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) outside the UK as may be agreed between the Issuer, the Guarantor, the Bond Trustee and the relevant Dealer(s). The Bank may also issue unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any regulated market. For the avoidance of doubt, unlisted Covered Bonds and/or Covered Bonds not listed or admitted to trading on the Main Market and/or Covered Bonds listed on other stock exchanges outside the UK all constitute Exempt Covered Bonds. References to "**Exempt Covered Bonds**" are to Covered Bonds for which no prospectus is required to be published under the UK Prospectus Regulation and the Prospectus Regulation. Exempt Covered Bonds do not form part of the Base Prospectus and will not be issued pursuant to the Base Prospectus and the FCA has neither approved nor reviewed information contained in this Prospectus in connection with the Exempt Covered Bonds. All Covered Bonds (including Exempt Covered Bonds) will have the benefit of the Covered Bond Guarantee and the Security granted over the Charged Property (as such terms are defined in this Prospectus).

Arranger for the Programme

TD SECURITIES

Dealers

COMMERZBANK	**CRÉDIT AGRICOLE CIB**	**DANSKE BANK**	**DEUTSCHE BANK**
DZ BANK AG	**GOLDMAN SACHS INTERNATIONAL**	**IMI – INTESA SANPAOLO**	**ING**
LANDESBANK BADEN-WÜRTTEMBERG	**LLOYDS BANK CORPORATE MARKETS**	**NATIXIS**	**NATWEST MARKETS**
NOMURA	**RABOBANK**	**SANTANDER**	**SOCIÉTÉ GÉNÉRALE CORPORATE AND INVESTMENT BANKING**
STANDARD CHARTERED BANK	**TD SECURITIES**	**UBS INVESTMENT BANK**	**UNICREDIT**

or such other Dealers as may be appointed from time to time pursuant to the Dealership Agreement

COVERED BONDS MAY BE OFFERED DIRECTLY TO ANY PERSON BY THE TORONTO-DOMINION BANK

U.S. INFORMATION

This Prospectus is being provided on a confidential basis in the United States to a limited number of "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**") for informational use solely in connection with the consideration of the purchase of the Covered Bonds being offered hereby. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Legended Covered Bonds (as defined below) may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Legended Covered Bonds is hereby notified that the offer and sale of any Legended Covered Bonds to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act or Section 4(a)(2) of the Securities Act. Each purchaser or holder of Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) sold in private transactions to QIBs in accordance with the requirements of Rule 144A ("**Legended Covered Bonds**") will be deemed, by its acceptance or purchase of any such Legended Covered Bonds, to have made certain representations and agreements intended to restrict the resale or other transfer of such Covered Bonds as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Covered Bonds*" and "*Subscription and Sale and Transfer and Selling Restrictions*".

IMPORTANT NOTICES

This Prospectus supersedes the prospectus of the Issuer dated 30 June 2023, except that Covered Bonds issued on or after the date of this Prospectus which are to be consolidated and form a single series with Covered Bonds issued prior to the date hereof will be subject to the Conditions of the Covered Bonds applicable on the date of issue of the first tranche of Covered Bonds of such series. Such Conditions are incorporated by reference herein and form part of this Prospectus.

Except as may be provided in the applicable Final Terms or Pricing Supplement in relation to a tranche of Covered Bonds of an existing Series, each Tranche (as defined below) of Covered Bonds will be issued on the terms set out herein under "Terms and Conditions of the Covered Bonds" on pages 93 to 154, in each case as completed by the applicable Final Terms or, in the case of Exempt Covered Bonds only, as amended, supplemented and/or replaced by the applicable Pricing Supplement.

Copies of Final Terms for Covered Bonds that are admitted to trading on a regulated market in the UK in circumstances requiring publication of a prospectus in accordance with the UK Prospectus Regulation (i) can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name of the Issuer and the headline "Publication of Prospectus", (ii) will be available without charge from the Issuer at 66 Wellington Street West, P.O. Box 1, TD Bank Tower, Toronto, Ontario, Canada, M5K 1A2, Attention: Liquidity and Funding Management and the specified office of each Paying Agent set out at the end of this Prospectus (see "*Terms and Conditions of the Covered Bonds*"), and (iii) can be viewed on the Issuer's website at http://www.td.com/investor-relations/ir-homepage/debt-information/legislative-covered-bonds/LCBTermsofAccess.jsp. Copies of each Pricing Supplement relating to Exempt Covered Bonds will only be available for inspection by a holder of such Covered Bonds upon production of evidence satisfactory to each Paying Agent or the Issuer as to the identity of such holder.

The Issuer and the Guarantor accept responsibility for the information in this Prospectus and the Final Terms or Pricing Supplement for each Tranche of Covered Bonds issued under the Programme. To the best of the knowledge of the Issuer and the Guarantor, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

This Prospectus should be read and construed with any amendment or supplement hereto and with any other documents which are deemed to be incorporated herein or therein by reference and shall be read and construed on the basis that such documents are so incorporated and form part of this Prospectus. Any reference in this document to Base Prospectus means this Prospectus together with the documents incorporated herein, any supplementary prospectus approved by the FCA and any documents specifically incorporated by reference

therein. In relation to any Tranche or Series (as such terms are defined herein) of Covered Bonds, this Prospectus shall also be read and construed together with the applicable Final Terms or Pricing Supplement.

No person has been authorized by the Issuer, the Guarantor, the Bond Trustee, the Arranger or any of the Dealers to give any information or to make any representation not contained in or not consistent with this Prospectus or any amendment or supplement hereto or any document incorporated herein or therein by reference or entered into in relation to the Programme or any information supplied by the Issuer or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer, the Guarantor, the Bond Trustee, the Arranger, or any Dealer.

No representation or warranty is made or implied by the Arranger or the Dealers or any of their respective affiliates (except the Issuer and the Guarantor in the case of any Arranger or Dealer affiliated therewith), and neither the Arranger nor the Dealers nor any of their respective affiliates make any representation or warranty or accept any responsibility or any liability, as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or the Transaction Documents and any other information provided by the Issuer and the Guarantor in connection with the Programme or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof. None of the Arranger, the Dealers nor the Bond Trustee accepts any responsibility or liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer and the Guarantor in connection with the Programme. Neither the delivery of this Prospectus or any Final Terms or Pricing Supplement nor the offering, sale or delivery of any Covered Bond shall, in any circumstances, create any implication that the information contained or incorporated by reference herein is true subsequent to the date hereof, the date indicated on such document incorporated by reference herein or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer or the Guarantor since the date hereof, the date indicated on such document incorporated by reference herein or, as the case may be, the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

None of this Prospectus, nor any Final Terms or Pricing Supplement, nor any financial statements nor any further information supplied in connection with the Programme constitutes an offer or an invitation to subscribe for or purchase any Covered Bonds, nor are they intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, the Arranger, the Dealers, the Bond Trustee or any of them that any recipient of this Prospectus, any supplement hereto, any information incorporated by reference herein or therein, any other information provided in connection with the Programme and, in respect to each Tranche of Covered Bonds, the applicable Final Terms or Pricing Supplement, should subscribe for or purchase any Covered Bond. Neither the Arranger nor any Dealer is acting as an investment adviser or providing advice of any other nature, or assumes any fiduciary obligations, to any purchaser of the Covered Bonds. Each investor contemplating purchasing Covered Bonds should determine for itself the relevance of the information contained or incorporated by reference in this Prospectus, should make its own independent investigation of the condition (financial or otherwise) and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor and should consult its own legal and financial advisors prior to subscribing for or purchasing any of the Covered Bonds. Each investor's or purchaser's purchase of Covered Bonds should be based upon such investigation as it deems necessary. Potential purchasers cannot rely, and are not entitled to rely, on the Arranger, the Dealers or the Bond Trustee in connection with their investigation of the accuracy of any information or their decision whether to subscribe for, purchase or invest in the Covered Bonds. None of the Arranger, the Dealers or the Bond Trustee undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Programme or any obligation to advise any investor or potential investor in or purchaser of the Covered Bonds of any information coming to the attention of any of the Arranger, the Dealers or the Bond Trustee, as the case may be.

The distribution of this Prospectus and any Final Terms or Pricing Supplement and the offering, sale and delivery of the Covered Bonds in certain jurisdictions may be restricted by law. In particular, no action has been taken by the Issuer or the Guarantor or the Arranger or the Dealers which would permit a public offering of the Covered Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is

required. Accordingly, the Covered Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the UK Prospectus Regulation and Prospectus Regulation and any other applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus or any Final Terms or Pricing Supplement comes are required by the Issuer, the Guarantor, the Bond Trustee, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of the Prospectus or any Final Terms or Pricing Supplement and other offering material relating to the Covered Bonds in Canada, the United States, the UK, the EEA (including France, Italy, the Netherlands, Belgium, Denmark, and Sweden), Hong Kong, Japan, Singapore, South Korea, Switzerland and Australia (see "*Subscription and Sale and Transfer and Selling Restrictions*" below). Neither this Prospectus nor any Final Terms or Pricing Supplement may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

This Prospectus has been prepared on the basis that any offer of Covered Bonds in any Member State of the EEA or in the UK will be made pursuant to an exemption under the Prospectus Regulation or the UK Prospectus Regulation, as applicable, from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly, any person making or intending to make an offer in any Member State of the EEA or in the UK of Covered Bonds which are the subject of an offering contemplated in this Prospectus as completed by Final Terms or Pricing Supplement in relation to the offer of those Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or section 85 of the Financial Services and Markets Act 2000 (as amended) (the "FSMA"), as applicable, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or the UK Prospectus Regulation, as applicable, in each case, in relation to such offer. None of the Issuer, the Guarantor, the Bond Trustee, the Arranger or any Dealer has authorized, nor do they authorize, the making of any offer of Covered Bonds in any Member State of the EEA or in the UK in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

IMPORTANT – EEA RETAIL INVESTORS: If the Final Terms in respect of any Covered Bonds includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Covered Bonds are not intended to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Covered Bonds includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms or Pricing Supplement, as applicable, in respect of any Covered Bonds may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance Rules under EU Delegated Directive 2017/593 (as amended, the "**MiFID II Product Governance Rules**"), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE – TARGET MARKET – The Final Terms or Pricing Supplement, as applicable, in respect of any Covered Bonds may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**UK distributor**") should take into consideration the target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Covered Bonds is a UK manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a UK manufacturer for the purpose of the UK MIFIR Product Governance Rules.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "SFA")

Unless otherwise stated in the Final Terms or Pricing Supplement as applicable in respect of any Covered Bonds, all Covered Bonds issued or to be issued under the Programme shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Save in relation to information incorporated by reference, any website (or part thereof) that is referred to in this Prospectus is referred to for information purposes only and does not form part of this Prospectus and the contents of any such website have not been approved by or submitted to (i) the FCA, or (ii) CMHC, the Government of Canada or any other agency thereof.

The Prospectus has not been submitted for clearance to the *Autorité des marchés financiers* in France.

All capitalised terms used will be defined in this Prospectus or the Final Terms and are set out in the Glossary of this Prospectus.

All references in this Prospectus to "U.S.$", "U.S. dollars", "USD" or "United States dollars" are to the currency of the United States of America, to "$", "C$", "CAD" or "Canadian dollars" are to the currency of Canada, to "euro" and "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, and to "GBP", "pound sterling", "sterling", "£" are to the currency of the UK. In the documents incorporated by reference in this Prospectus, unless otherwise specified herein or the context otherwise requires, references to "$" are to Canadian dollars.

All references in this Prospectus to EU directives or regulations shall be deemed to refer to any modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such

modification or re-enactment and any successor legislation, statutory instrument, order or regulation thereto and shall include any applicable implementing measure in a Member State.

In this Prospectus, unless the contrary intention appears, a reference to a law or regulation or a provision of a law or regulation is a reference to that law or regulation or provision thereof as extended, amended or re-enacted.

All references in this Prospectus to the "European Economic Area" and "EEA" are to the Member States of the European Union (the "EU") together with Iceland, Norway and Liechtenstein (and "Member State" shall be construed accordingly).

All references to "Condition(s)" are to the conditions described in the Prospectus under "*Terms and Conditions of the Covered Bonds*".

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF COVERED BONDS UNDER THE PROGRAMME, ONE OR MORE RELEVANT DEALER OR DEALERS (IF ANY) (THE "STABILISATION MANAGER(S)") (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) MAY OVER-ALLOT COVERED BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE COVERED BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF THE COVERED BONDS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF COVERED BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF THE COVERED BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

None of the Arranger, the Dealers, the Bond Trustee, the Guarantor nor the Issuer makes any representation to any investor in the Covered Bonds regarding the legality of its investment under any applicable laws. Any investor in the Covered Bonds should satisfy itself that it is able to bear the economic risk of an investment in the Covered Bonds for an indefinite period of time. Investors whose investment authority is subject to legal restrictions should consult their legal advisors to determine whether and to what extent the Covered Bonds constitute legal investments for them.

THE COVERED BONDS MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS

Each of the risks highlighted in the "*Risk Factors*" section of this Prospectus could adversely affect the trading price of any Covered Bonds or the rights of investors under any Covered Bonds and, as a result, investors could lose all or some of their investment. The Issuer and the Guarantor believe that the factors described in the "*Risk Factors*" section of this Prospectus represent the principal risks inherent in investing in Covered Bonds issued under the Programme, but the Issuer and the Guarantor may be unable to pay or deliver amounts on or in connection with any Covered Bonds for other reasons and the Issuer and the Guarantor do not represent that the statements herein regarding the risks of holding any Covered Bonds are exhaustive. Additional information about these factors can be found under "*Risk Factors*".

Each potential investor in the Covered Bonds must determine the suitability of that investment in light of such person's own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, the merits and risks of investing in the Covered Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement or Final Terms or Pricing Supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact the Covered Bonds will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential Investor's Currency;

(d) understand thoroughly the terms of the Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets;

(e) be able to evaluate (either alone or with the help of a financial adviser) at the time of initial investment and on an ongoing basis possible economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and

(f) understand the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the relevant Covered Bonds.

Covered Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Covered Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effect on the value of the Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

In addition, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its advisers to determine whether and to what extent (i) Covered Bonds are legal investments for it, (ii) Covered Bonds can be used as collateral for various types of borrowing, (iii) Covered Bonds can be used as repo-eligible securities, and (iv) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with any resales or other transfers of Covered Bonds that are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, the Issuer has undertaken in the Trust Deed to furnish, upon the request of a holder of such Covered Bonds or any beneficial interest therein, to such holder or to a prospective purchaser designated by it, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of request, the Issuer is neither subject to reporting under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "***Exchange Act***") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

By requesting copies of any of the documents referred to herein, each potential purchaser agrees to keep confidential the various documents and all written information clearly labelled "Confidential" which from time to time have been or will be disclosed to it concerning the Guarantor or the Issuer or any of their affiliates, and agrees not to disclose any portion of the same to any person.

Notwithstanding anything herein to the contrary, investors (and each employee, representative or other agent of the investors) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the offering and all materials of any kind (including opinions or other tax analyses) that are provided to the investors relating to such tax treatment and tax structure (as such terms are defined in Treasury Regulation Section 1.6011-4). This authorization of tax disclosure is retroactively effective to the commencement of discussions between the Issuer, the Guarantor, the Dealers or their respective representatives and a prospective investor regarding the transactions contemplated herein.

CREDIT RATING AGENCIES

Moody's is not established nor is it registered in the European Union or the UK but: (1) Moody's Investors Service Ltd., its credit rating agency affiliate: (i) is established in the UK; (ii) is registered under the UK CRA Regulation; and (iii) is permitted to endorse credit ratings of Moody's used in specified third countries, including the United States and Canada, for use in the UK by relevant market participants; and (2) Moody's Deutschland GmbH., its credit rating agency affiliate: (i) is established in the European Union; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to endorse credit ratings of Moody's used in specified third countries, including the United States and Canada, for use in the European Union by relevant market participants.

DBRS is not established nor is it registered in the European Union or the UK but: (1) DBRS Ratings Limited, its credit rating agency affiliate: (i) is established in the UK; (ii) is registered under the UK CRA Regulation; and (iii) is permitted to endorse credit ratings of DBRS used in specified third countries, including the United States and Canada, for use in the UK by relevant market participants; and (2) DBRS Ratings GmbH, its credit rating agency affiliate: (i) is established in the European Union; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to endorse credit ratings of DBRS used in specified third countries, including the United States and Canada, for use in the European Union by relevant market participants.

Fitch is not established nor is it registered in the European Union or the UK but: (1) Fitch Ratings Limited, its credit rating agency affiliate: (i) is established in the UK; (ii) is registered under the UK CRA Regulation; and (iii) is permitted to endorse credit ratings of Fitch used in specified third countries, including the United States and Canada, for use in the UK by relevant market participants; and (2) Fitch Ratings Ireland Limited, its credit rating agency affiliate: (i) is established in the European Union; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to endorse credit ratings of Fitch used in specified third countries, including the United States and Canada, for use in the European Union by relevant market participants.

Standard & Poor's Financial Services LLC, a subsidiary of S&P Global Inc. is not established nor is it registered in the European Union or the UK but: (1) S&P Global Ratings UK Limited, its credit rating agency affiliate: (i) is established in the UK; (ii) is registered under the UK CRA Regulation; and (iii) is permitted to endorse credit ratings of Standard & Poor's Financial Services LLC used in specified third countries, including the United States and Canada, for use in the UK by relevant market participants; and (2) S&P Global Ratings Europe Limited, its European Union credit rating agency affiliate: (i) is established in the European Union; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to endorse credit ratings of Standard & Poor's Financial Services LLC used in specified third countries, including the United States and Canada, for use in the European Union by relevant market participants.

ESMA is obliged to maintain on its website a list of credit rating agencies registered in accordance with the EU CRA Regulation. This list is updated within 5 working days of ESMA's adoption of a registration or certification decision in accordance with EU CRA Regulation. ESMA's website address is http://www.esma.europa.eu. Please note that this website does not form part of this Prospectus.

The FCA is obliged to maintain on its website a list of credit rating agencies registered in accordance with the UK CRA Regulation. The FCA's website address is https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras. Please note that this website does not form part of this Prospectus.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, the Issuer and/or the Guarantor make written and/or oral forward-looking statements, including in this document, in other filings with Canadian regulators, the FCA or the SEC, and in other communications. In addition, representatives of the Issuer and the Guarantor may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the "safe harbour" provisions of, and are intended to be forward-looking statements under, applicable Canadian and U.S. securities legislation, including the United States *Private Securities Litigation Reform Act of 1995*. Forward-looking statements include, but are not limited to, statements made in (i) this Prospectus, (ii) the Issuer's 2023 Management's discussion and analysis for the year ended 31 October 2023 (the "**2023 MD&A**") and the Issuer's Management's discussion and analysis for the quarter ended 30 April 2024 (the "**Q2 2024 MD&A**"), both of which are incorporated by reference in this Prospectus, under the heading "Economic Summary and Outlook", under the headings "Key Priorities for 2024" and "Operating Environment and Outlook" for the Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking segments, and under the heading "2023 Accomplishments and Focus for 2024" for the Corporate segment, and (iii) in other statements regarding the Issuer's objectives and priorities for 2024 and beyond and strategies to achieve them, the regulatory environment in which the Issuer operates, and the Issuer's anticipated financial performance. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "goal", "intend", "may", "outlook", "plan", "possible", "potential", "predict", "project", "should", "target", "will", and "would" and similar expressions or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements.

By their very nature, these forward-looking statements require the Issuer or the Guarantor, as applicable, to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the physical, financial, economic, political and regulatory environments, such risks and uncertainties – many of which are beyond the Issuer's and the Guarantor's control and the effects of which can be difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause, individually or in the aggregate, such differences include: strategic, credit, market (including equity, commodity, foreign exchange, interest rate, and credit spreads), operational (including technology, cyber security and infrastructure), model, insurance, liquidity, capital adequacy, legal, regulatory, compliance and conduct, reputational, environmental and social, and other risks. Examples of such risk factors include general business and economic conditions in the regions in which the Issuer operates; geopolitical risk; inflation, rising rates and recession; regulatory oversight and compliance risk; the ability of the Issuer to execute on long-term strategies, shorter-term key strategic priorities, including the successful completion of acquisitions and dispositions and integration of acquisitions, the ability of the Issuer to achieve its financial or strategic objectives with respect to its investments, business retention plans, and other strategic plans; technology and cyber security risk (including cyber-attacks, data security breaches or technology failures) on the Issuer's technologies, systems and networks, those of the Issuer's customers (including their own devices), and third parties providing services to the Issuer; model risk; fraud activity; insider risk; the failure of third parties to comply with their obligations to the Issuer or its affiliates, including relating to the care and control of information, and other risks arising from the Issuer's use of third parties; the impact of new and changes to, or application of, current laws, rules and regulations, including without limitation tax laws, capital guidelines and liquidity regulatory guidance; increased competition from incumbents and new entrants (including Fintechs and big technology competitors); shifts in consumer attitudes and disruptive technology; environmental and social risk (including climate change); exposure related to significant litigation and regulatory matters; ability of the Issuer to attract, develop, and retain key talent; changes to the Issuer's credit ratings; changes in foreign exchange rates, interest rates, credit spreads and equity prices; the interconnectivity of Financial Institutions including existing and potential international debt crises; increased funding costs and market volatility due to market illiquidity and competition for funding; Interbank Offered Rate (IBOR) transition risk; critical accounting estimates and changes to accounting standards, policies, and methods used by the Issuer; the economic, financial, and other impacts of pandemics; and the occurrence of natural and unnatural catastrophic events and claims

resulting from such events. The Issuer cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Issuer's or the Guarantor's results. For more detailed information, please refer to the "Risk Factors and Management" section of the 2023 MD&A as supplemented by the "Risk Factors that may Affect Future Results" and the "Managing Risk" section of the 2023 MD&A, and, as may be updated in subsequently filed quarterly reports to shareholders and news releases (as applicable) related to any events or transactions discussed under the heading "Significant Events" in the relevant management's discussion and analysis, which are incorporated by reference herein under "*Documents Incorporated by Reference*" or pursuant to a supplement approved by the FCA. All such factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, should be considered carefully when making decisions with respect to the Issuer or the Guarantor. The Issuer and the Guarantor caution readers not to place undue reliance on the Issuer's or the Guarantor's forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this Prospectus are set out in the 2023 MD&A under the heading "Economic Summary and Outlook", under the headings "Key Priorities for 2024" and "Operating Environment and Outlook" for the Canadian Personal and Commercial Banking, U.S. Retail, Wealth Management and Insurance, and Wholesale Banking segments, and under the heading "2023 Accomplishments and Focus for 2024" for the Corporate segment, each as may be updated in subsequently filed quarterly reports to shareholders (as applicable) which are incorporated by reference herein under "*Documents Incorporated by Reference*" or pursuant to a supplement approved by the FCA.

Any forward-looking statements contained in this Prospectus represent the views of management only as of the date hereof and are presented for the purpose of assisting investors in understanding the Issuer's and the Guarantor's financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. None of the Issuer, the Guarantor, the Arranger, the Dealers, the Bond Trustee or any other person undertakes to update any forward-looking statements, whether written or oral, that may be made from time-to-time by or on its behalf, except as required under applicable law.

LIMITATIONS ON ENFORCEMENT OF U.S. LAWS AGAINST THE ISSUER, ITS MANAGEMENT AND OTHERS

The Bank is a Canadian chartered bank. The Guarantor is an Ontario limited partnership. Many of the Issuer's and the Guarantor's directors and executive officers and some of the experts named in this document, are resident outside the United States, and a substantial portion of the Issuer's and the Guarantor's assets are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon such persons to enforce against them judgments of the courts of the United States predicated upon, among other things, the civil liability provisions of the federal securities laws of the United States. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the United States, among other things, civil liabilities predicated upon such securities laws.

The Bank and the Guarantor have been advised by their Canadian counsel, McCarthy Tétrault LLP, that a judgment of a United States court predicated solely upon civil liability of a compensatory nature under such laws and that would not be contrary to public policy would probably be enforceable in the Province of Ontario if the United States court in which the judgment was obtained has a basis for jurisdiction in the matter that was recognized by an Ontario court for such purposes, and if all other substantive and procedural requirements for enforcement of a foreign judgment in Ontario were more generally satisfied. The Bank and the Guarantor have also been advised by such counsel, however, that there is some residual doubt whether an original action could be brought successfully in the Province of Ontario predicated solely upon such civil liabilities.

LEGALITY OF THE COVERED BONDS

The legality of the Covered Bonds will be passed upon by McCarthy Tétrault LLP as to matters of Canadian law.

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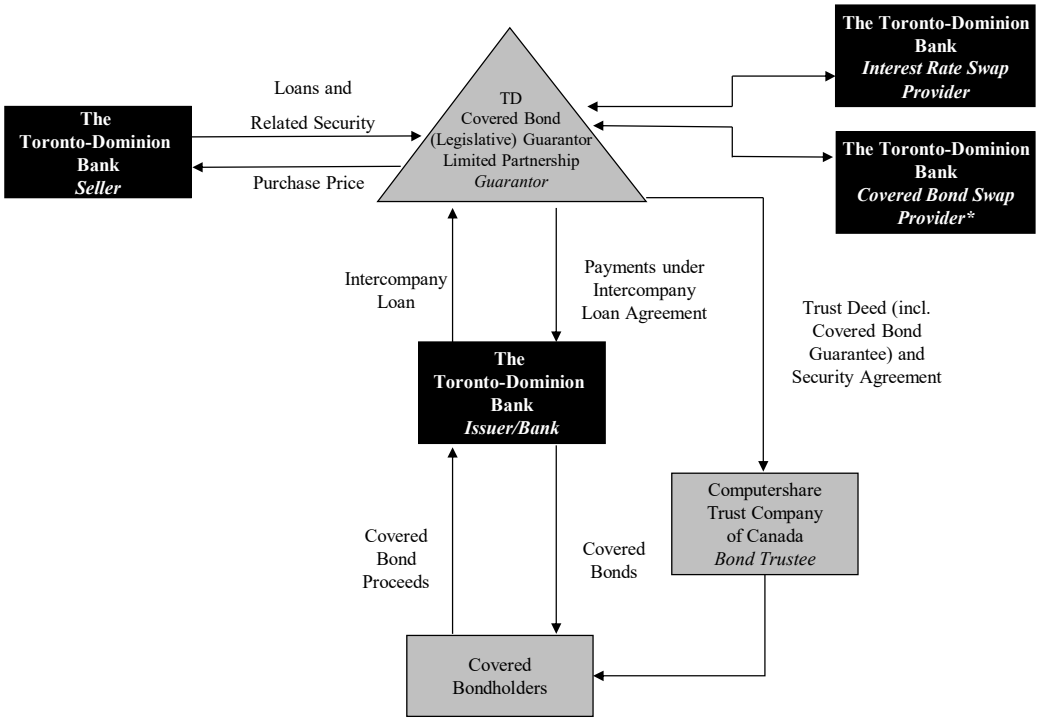
STRUCTURE OVERVIEW

The information in this section is an overview of the structure relating to the Programme and does not purport to be complete. The information is taken from, and is qualified in its entirety by, the remainder of this Prospectus. A glossary of certain defined terms used in the Prospectus is contained at the end of this Prospectus.

Structure Diagram



* Cashflows under the Covered Bond Swap Agreement will be exchanged only after the occurrence of a Covered Bond Swap Effective Date.

Structure Overview

- *Programme*: Under the terms of the Programme, the Issuer will issue Covered Bonds on each Issue Date. The Covered Bonds will be direct, unsecured and unconditional obligations of the Issuer. The Covered Bonds will be treated as deposits under the Bank Act; however the Covered Bonds are not deposits insured under the *Canada Deposit Insurance Corporation Act* (Canada).

- *Covered Bond Guarantee*: The Guarantor has provided a direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and irrevocable guarantee as to payments of interest and principal under the Covered Bonds when such amounts become Due for Payment where such amounts would otherwise be unpaid by the Issuer. Upon the occurrence of a Covered Bond Guarantee Activation Event, the Covered Bonds will become immediately due and payable as against the Issuer and, where that Covered Bond Guarantee Activation Event is the service of a Guarantor Acceleration Notice on the Guarantor, the Guarantor's obligations under the Covered Bond Guarantee will also be accelerated. Payments by the Guarantor under the Covered Bond Guarantee will be made subject to, and in accordance with, the Priorities of Payments.

- *Security*: The Guarantor's obligations under the Covered Bond Guarantee and the Transaction Documents to which it is a party are secured by a first ranking security interest over the present and future acquired assets

of the Guarantor (which consist principally of the Guarantor's interest in the Covered Bond Portfolio, the Substitute Assets, the Transaction Documents to which it is a party, funds being held for the account of the Guarantor by its service providers and funds in the Guarantor Accounts) in favour of the Bond Trustee (for itself and on behalf of the Secured Creditors) pursuant to the Security Agreement.

- *Covered Bond Portfolio*: The Covered Bond Portfolio currently consists solely of Loans originated by the Seller secured by Canadian first lien residential Mortgages. The Covered Bond Portfolio from time to time will consist of Loans and, subject to satisfaction of the Rating Agency Condition, New Portfolio Asset Types, in each case in compliance with the CMHC Guide and the Covered Bond Legislative Framework.

The Loans and their Related Security will be serviced by the Bank pursuant to the terms of the Servicing Agreement (see "*Summary of the Principal Documents—Servicing Agreement*"). The Bank has agreed to exercise reasonable care and prudence in the making of the Loans, in the administration of the Loans, in the collection of the repayment of the Loans and in the protection of the security for each Loan.

- *Intercompany Loan Agreement*: Under the terms of the Intercompany Loan Agreement, the Bank has made available to the Guarantor an interest-bearing Intercompany Loan, comprised of a Guarantee Loan and a revolving Demand Loan. The Intercompany Loan is denominated in Canadian dollars. The interest rate on the Intercompany Loan is a Canadian dollar floating rate determined by the Bank from time to time, subject to a maximum of the floating rate under the Interest Rate Swap Agreement less the sum of a minimum spread and an amount for certain expenses of the Guarantor. The balance of the Guarantee Loan and Demand Loan will fluctuate with the issuances and redemptions of Covered Bonds and the requirements of the Asset Coverage Test. The Guarantee Loan is a drawn amount equal to the balance of outstanding Covered Bonds at any relevant time plus that portion of the Covered Bond Portfolio required to collateralize the Covered Bonds to ensure that the Asset Coverage Test is met at all times (see "*Summary of the Principal Documents—Guarantor Agreement—Asset Coverage Test*"). The Demand Loan is a revolving credit facility, the outstanding balance of which is equal to the difference between the balance of the Intercompany Loan and the balance of the Guarantee Loan at any relevant time. Upon the occurrence of (x) a Contingent Collateral Trigger Event, (y) an event of default (other than an insolvency event of default) or an additional termination event in respect of which the relevant Swap Provider is the defaulting party or the affected party, as applicable, or (z) a Downgrade Trigger Event, in each case, in respect of the Interest Rate Swap Agreement or the Covered Bond Swap Agreement, the relevant Swap Provider, in its capacity as (and provided it is) the lender under the Intercompany Loan Agreement, may deliver a Contingent Collateral Notice to the Guarantor under which it elects to decrease the amount of the Demand Loan with a corresponding increase in the amount of the Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount(s).

At any time prior to a Demand Loan Repayment Event, the Guarantor may re-borrow any amount repaid by the Guarantor under the Intercompany Loan for a permitted purpose provided, among other things: (i) such drawing does not result in the Intercompany Loan exceeding the Total Credit Commitment; and (ii) no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing. Unless otherwise agreed by the Bank and subject to satisfaction of the Rating Agency Condition, no Additional Loan Advances will be made to the Guarantor under the Intercompany Loan following the occurrence of a Demand Loan Repayment Event.

To the extent the Covered Bond Portfolio increases or is required to be increased to meet the Asset Coverage Test, the Bank may increase the Total Credit Commitment to enable the Guarantor to acquire New Loans and their Related Security from the Seller.

The Demand Loan or any portion thereof is repayable no later than the first Toronto Business Day following 60 days after a demand therefor is served on the Guarantor, subject to a Demand Loan Repayment Event having occurred (see below in respect of the repayment of the Demand Loan in such circumstance) and the Asset Coverage Test being met on the date of repayment after giving effect to such repayment.

Following the occurrence of a Demand Loan Repayment Event, the Guarantor will be required to repay any amount of the Demand Loan that exceeds the Demand Loan Contingent Amount on the first Guarantor Payment Date following 60 days after such Demand Loan Repayment Event. Following such Demand Loan Repayment Event, the Guarantor will be required to repay the then outstanding Demand Loan on the date on which the Asset Percentage is next calculated. Repayment of any amount outstanding under the Demand Loan will be subject to the Asset Coverage Test being met on the date of repayment after giving effect to such repayment.

The Guarantor may repay the principal on the Demand Loan in accordance with the Priorities of Payments and the terms of the Intercompany Loan Agreement, using (i) funds being held for the account of the Guarantor by its service providers and/or funds in the Guarantor Accounts (other than any amount standing to the credit of the Pre-Maturity Liquidity Ledger); and/or (ii) proceeds from the sale of Substitute Assets; and/or (iii) proceeds from the sale of Loans and their Related Security to the Seller or to another person subject to a right of pre-emption on the part of the Seller.

For greater certainty, payments due by the Issuer under the Covered Bonds are not conditional upon receipt by the Issuer of payments in respect of the Intercompany Loan.

- *Proceeds of the Intercompany Loan*: The Guarantor has used advances of proceeds from the Intercompany Loan to pay for a portion of the purchase price for the Loans and their Related Security in the Covered Bond Portfolio purchased from the Seller in accordance with the terms of the Mortgage Sale Agreement and may use additional advances (i) to purchase New Loans and their Related Security for the Covered Bond Portfolio pursuant to the terms of the Mortgage Sale Agreement; and/or (ii) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (iii) subject to complying with the Asset Coverage Test, to make Capital Distributions to the Limited Partner; and/or (iv) to make deposits of the proceeds in the Guarantor Accounts (including, without limitation, to fund the Reserve Fund (to an amount not exceeding the prescribed limit)) and the Pre-Maturity Liquidity Ledger (in each case to an amount not exceeding the prescribed limit).

- *Consideration*: Under the terms of the Mortgage Sale Agreement, the Seller sold the Loans and their Related Security in the Covered Bond Portfolio and may, from time to time, sell New Loans and their Related Security to the Guarantor on a fully-serviced basis in exchange for cash consideration equal to the fair market value of such Loans at the relevant Transfer Date. The Limited Partner may also make Capital Contributions of New Loans and their Related Security on a fully-serviced basis in exchange for an additional interest in the capital of the Guarantor.

- *Cashflows*: At any time there is no Asset Coverage Test Breach Notice outstanding and no Covered Bond Guarantee Activation Event has occurred, the Guarantor will:

- apply Available Revenue Receipts to (i) pay interest due on the Intercompany Loan; and (ii) make Capital Distributions to the Limited Partner. However, these payments will only be made in accordance with, and after payment of certain items ranking higher in, the Pre-Acceleration Revenue Priority of Payments (including, but not limited to certain expenses and amounts, if any, due to the Interest Rate Swap Provider and the Covered Bond Swap Provider); and

- apply Available Principal Receipts to (i) fund the Pre-Maturity Liquidity Ledger (to an amount not exceeding the prescribed limit) in respect of any liquidity that may be required in respect of Hard Bullet Covered Bonds following any breach of the Pre-Maturity Test; (ii) acquire New Loans and their Related Security; (iii) pay principal amounts outstanding on the Intercompany Loan; and (iv) make Capital Distributions to the Limited Partner. However, these payments will only be made in accordance with, and after payment of certain items ranking higher in, the Pre-Acceleration Principal Priority of Payments.

For further details of the Pre-Acceleration Revenue Priority of Payments and Pre-Acceleration Principal Priority of Payments (see "*Cashflows*" below).

While an Asset Coverage Test Breach Notice is outstanding but prior to a Covered Bond Guarantee Activation Event having occurred, the Guarantor will continue to apply Available Revenue Receipts and Available Principal Receipts as described above, except that, while any Covered Bonds remain outstanding:

- in respect of Available Revenue Receipts, no further amounts will be paid to the Issuer under the Intercompany Loan Agreement, towards any indemnity amount due to any of the Partners under the Guarantor Agreement or towards any Capital Distributions (but payments will, for the avoidance of doubt, continue to be made under the relevant Swap Agreements); and

- in respect of Available Principal Receipts, no payments will be made other than into the GDA Account and, as required, credited to the Pre-Maturity Liquidity Ledger (see "*Cashflows*" below).

Following service of a Notice to Pay on the Guarantor (but prior to service of a Guarantor Acceleration Notice on the Guarantor) the Guarantor will use all moneys to pay Guaranteed Amounts in respect of the Covered Bonds when the same become Due for Payment subject to paying higher ranking obligations of the Guarantor (including the obligations of the Guarantor to make repayment on the Demand Loan, as described above) in accordance with the Priorities of Payments.

Following service of a Guarantor Acceleration Notice on the Guarantor, the Covered Bonds will become immediately due and repayable (if not already due and payable following the occurrence of an Issuer Event of Default) and the Bond Trustee will enforce its claim against the Guarantor under the Covered Bond Guarantee for an amount equal to the Early Redemption Amount in respect of each Covered Bond together with accrued interest and any other amounts due under the Covered Bonds (other than additional amounts payable by the Issuer under Condition 8). At such time, the Security will also become enforceable by the Bond Trustee (for the benefit of the Covered Bondholders). Any moneys recovered by the Bond Trustee from realization on the Security following enforcement will be distributed according to the Post-Enforcement Priority of Payments, see "*Cashflows*" below.

- *OC Valuation*: The CMHC Guide requires that the Guarantor confirm that the cover pool's level of overcollateralization exceeds 103%. The level of overcollateralization (expressed as a percentage) shall be calculated at the same time as the Asset Coverage Test and the Issuer must provide immediate notice to CMHC if the level of overcollateralization falls below the Guide OC Minimum. See "*Summary of the Principal Documents—Guarantor Agreement—OC Valuation*".

- *Asset Coverage Test*: The Programme provides that the assets of the Guarantor are subject to an Asset Coverage Test in respect of the Covered Bonds. Accordingly, for so long as Covered Bonds remain outstanding, the Guarantor must ensure that monthly, on each Calculation Date, the Adjusted Aggregate Loan Amount will be in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on that Calculation Date. The Bank shall use all reasonable efforts to ensure that the Guarantor is in compliance with the Asset Coverage Test. The Asset Coverage Test will not give credit to Non-Performing Loans. The Asset Coverage Test will be tested by the Cash Manager as at each Calculation Date and monitored from time to time by the Asset Monitor. Such testing will be completed within the time period specified in the Cash Management Agreement. A breach of the Asset Coverage Test as at a Calculation Date, if not remedied so that the breach no longer exists on the immediately succeeding Calculation Date, will require the Guarantor (or the Cash Manager on its behalf) to serve an Asset Coverage Test Breach Notice on the Partners, the Bond Trustee, CMHC and, if delivered by the Cash Manager, the Guarantor. An Asset Coverage Test Breach Notice will be revoked if the Asset Coverage Test is satisfied as at the next Calculation Date following service of the Asset Coverage Test Breach Notice, provided a Covered Bond Guarantee Activation Event has not occurred. See "*Summary of the Principal Documents—Guarantor Agreement—Asset Coverage Test*".

At any time an Asset Coverage Test Breach Notice is outstanding:

(a) the application of Available Revenue Receipts and Available Principal Receipts will be restricted while any Covered Bonds remain outstanding; and

(b) the Issuer will not be permitted to make further issuances of Covered Bonds.

If an Asset Coverage Test Breach Notice has been served and is not revoked on or before the Guarantor Payment Date following the next Calculation Date after service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default will have occurred and the Bond Trustee will be entitled (and, in certain circumstances, may be required) to serve an Issuer Acceleration Notice on the Issuer, following which the Bond Trustee must forthwith serve a Notice to Pay on the Guarantor (which shall constitute a Covered Bond Guarantee Activation Event).

- *Amortization Test*: Following the occurrence and during the continuance of an Issuer Event of Default (but prior to service of a Guarantor Acceleration Notice) and, for so long as Covered Bonds remain outstanding, the Guarantor must ensure that, as at each Calculation Date the Guarantor is in compliance with the Amortization Test. The Amortization Test will be tested by the Cash Manager and will be verified by the Asset Monitor as at each Calculation Date. Such testing will be completed within the time period specified in the Cash Management Agreement. A breach of the Amortization Test will constitute a Guarantor Event

of Default, which will entitle the Bond Trustee to serve a Guarantor Acceleration Notice declaring the Covered Bonds immediately due and repayable and entitle the Bond Trustee to exercise the remedies available to it under the Security Agreement, including to enforce on the Security granted under the Security Agreement. See "*Summary of the Principal Documents—Guarantor Agreement—Amortization Test*".

- *Extendable obligations under the Covered Bond Guarantee*: An Extended Due for Payment Date may be specified as applying in relation to a Series of Covered Bonds in the applicable Final Terms or Pricing Supplement. This means that, if the Issuer fails to pay the Final Redemption Amount of the relevant Series of Covered Bonds on the Final Maturity Date (subject to applicable grace periods) and if the Guaranteed Amounts equal to the Final Redemption Amount of the relevant Series of Covered Bonds are not paid in full by the Extension Determination Date (for example because, following the service of a Notice to Pay on the Guarantor, the Guarantor has insufficient moneys available in accordance with the Priorities of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds after payment of higher ranking amounts and taking into account amounts ranking *pari passu* in the Priorities of Payments), then payment of the unpaid amount pursuant to the Covered Bond Guarantee will be automatically deferred (without a Guarantor Event of Default occurring as a result of such non-payment) and will be due and payable on the date specified in the applicable Final Terms or Pricing Supplement as the Extended Due for Payment Date (subject to any applicable grace period) and interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 5, at the applicable Rate of Interest including, if applicable, as may be determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds). To the extent that a Notice to Pay has been served on the Guarantor and the Guarantor has sufficient time and sufficient moneys to pay in part the Guaranteed Amounts corresponding to the relevant Final Redemption Amount in respect of the relevant Series of Covered Bonds, the Guarantor will make such partial payment on any Interest Payment Date up to and including the relevant Extended Due for Payment Date, in accordance with the Priorities of Payments and as described in Condition 6.01 and will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and the Extended Due for Payment Date with any unpaid portion thereof (if any) becoming due and payable on the Extended Due for Payment Date. Any amount that remains unpaid on any such Interest Payment Date will be automatically deferred for payment until the applicable Extended Due for Payment Date (where the relevant Series of Covered Bonds are subject to an Extended Due for Payment Date).

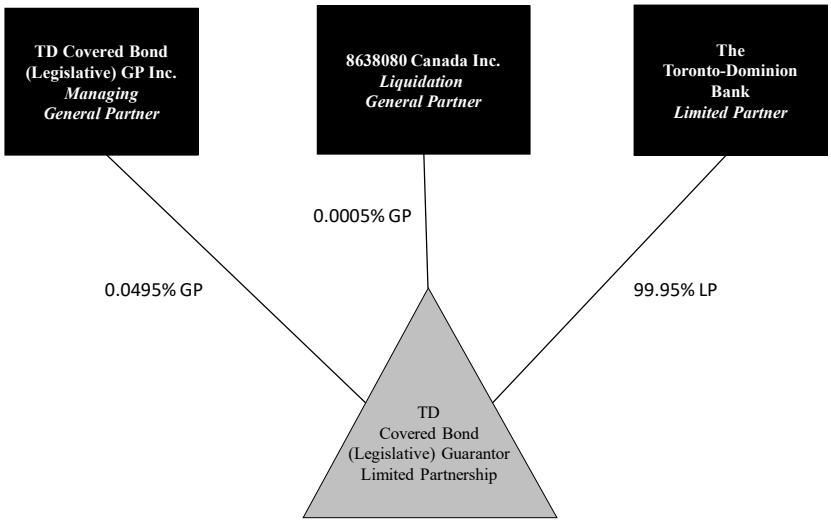
- *Servicing*: The Bank, as Servicer, has agreed to provide administrative services to the Guarantor in respect of the Covered Bond Portfolio. In certain circumstances, the Bank may be required to assign the role of Servicer to a third party acceptable to the Bond Trustee and qualified to service the Covered Bond Portfolio (see "*Summary of the Principal Documents—Servicing Agreement*").

- *Covered Bond Legislative Framework*: The Issuer and the Programme were registered in the Registry in accordance with the Covered Bond Legislative Framework and the CMHC Guide on 25 June 2014.

- *Further Information*: For a more detailed description of the transactions summarized above relating to the Covered Bonds see, amongst other relevant sections of this Prospectus, "Overview of the Programme", "*Terms and Conditions of the Covered Bonds*", "*Summary of the Principal Documents*", "*Credit Structure*" and, "*Cashflows*".

Ownership Structure of the Guarantor

- As at the date of this Prospectus, the Partners of the Guarantor are the Limited Partner, which holds 99.95 per cent. of the interest in the Guarantor, the Managing GP and the Liquidation GP, each of which own 99 per cent. and l per cent., respectively, of the remaining 0.05 per cent. general partner interest in the Guarantor.



- A new Limited Partner may be admitted to the Guarantor, subject to meeting certain conditions precedent including (except in the case of a Subsidiary of a current Limited Partner), but not limited to, satisfaction of the Rating Agency Condition.

- Other than in respect of those decisions reserved to the Partners and the limited circumstances described below, the Managing GP will manage and conduct the business of the Guarantor and will have all the rights, power and authority to act at all times for and on behalf of the Guarantor (provided that a voluntary liquidation of the Guarantor would require the consent of the Liquidation GP).

- Under certain circumstances, including an Issuer Event of Default or insolvency or winding-up of the Managing GP, the Liquidation GP will assume the management responsibilities of the Managing GP.

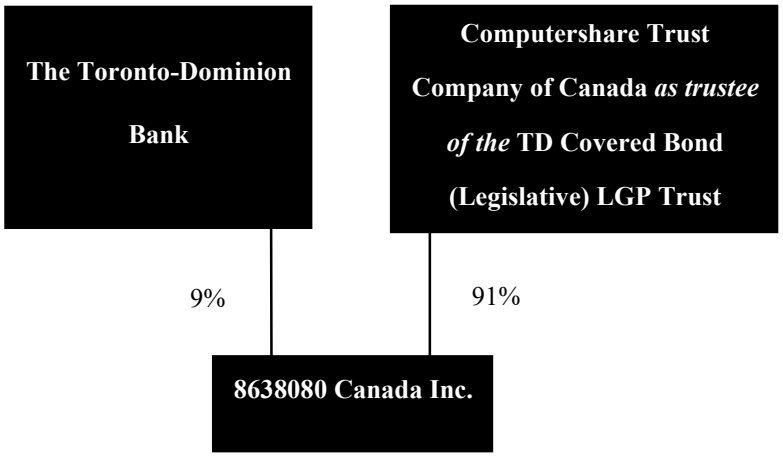
Ownership Structure of the Managing GP

- The Managing GP is a wholly-owned subsidiary of the Bank. The directors and officers of the Managing GP are officers and employees of the Bank.

Ownership Structure of the Liquidation GP

- As at the date of this Prospectus, 91 per cent. of the issued and outstanding shares in the capital of the Liquidation GP are held by the Corporate Services Provider, as trustee of the TD Covered Bond (Legislative) LGP Trust (the "**LGP Trust**") and 9 per cent of the issued and outstanding shares in the capital of the Liquidation GP are held by the Bank. All of the directors of the Liquidation GP are appointed by the Corporate Services Provider, as trustee of the LGP Trust, and are independent of the Bank. The Bank is entitled to have one "observer" of the board of the Liquidation GP who is an officer or employee of the Bank.

- The beneficiary of the LGP Trust will be one or more Canadian non-profit organizations or registered charities.



OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, information contained elsewhere in this Prospectus and, in relation to the terms and conditions of any particular Tranche of Covered Bonds, the applicable Final Terms or Pricing Supplement. A glossary of certain defined terms is contained at the end of this Prospectus.

This overview constitutes a general description of the Programme for the purposes of Article 25(1)(b) of the Commission Delegated Regulation (EU) No 2019/980 (as amended) as it forms part of UK domestic law by virtue of the EUWA.

Issuer	The Toronto-Dominion Bank (the "**Bank**")
Issuer LEI:	PT3QB789TSUIDF371261
Branch of Account:	The main branch of the Bank in Toronto (located at its Executive Offices) or the London branch of the Bank, as may be specified in the applicable Final Terms or Pricing Supplement, such branch being the "Branch of Account" for purposes of the Bank Act, will take the deposits evidenced by the Covered Bonds, but without prejudice to the provisions of Condition 9 (see "*Terms and Conditions of the Covered Bonds-Payments*"). Covered Bonds, irrespective of the Branch of Account specified in the applicable Final Terms or Pricing Supplement, are obligations of the Bank.
Guarantor:	TD Covered Bond (Legislative) Guarantor Limited Partnership
Guarantor LEI:	549300OZ63GS8B5ITB72
Arranger:	The Toronto-Dominion Bank, acting through its London Branch (also known by its business name, "**TD Securities**").
Dealers:	Banco Santander, S.A., Commerzbank Aktiengesellschaft, Coöperatieve Rabobank U.A., Crédit Agricole Corporate and Investment Bank, Danske Bank A/S, Deutsche Bank Aktiengesellschaft, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Goldman Sachs International, ING Bank N.V., Intesa Sanpaolo S.p.A., Landesbank Baden-Württemberg, Lloyds Bank Corporate Markets plc, Natixis, NatWest Markets Plc, Nomura International plc, Société Générale, Standard Chartered Bank, The Toronto-Dominion Bank, London Branch, UBS AG London Branch, UniCredit Bank GmbH, and any other dealer appointed from time to time by the Issuer generally in respect of the Programme or in relation to a particular Series or Tranche of Covered Bonds.
Seller:	The Bank and any New Seller, or other Limited Partner, who may from time to time accede to the Mortgage Sale Agreement and sell Loans and their Related Security or New Loans and their Related Security to the Guarantor.
Servicer:	The Bank, subject to replacement in accordance with the terms of the Servicing Agreement.
Cash Manager:	The Bank, subject to replacement in accordance with the terms of the Cash Management Agreement.
Transfer Agent, Issuing and Paying Agent and Calculation Agent:	Citibank, N.A., acting through its London Branch at Citigroup Centre 2, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom.
European Registrar:	Citibank Europe PLC, acting through its office at 1 North Wall Quay, Dublin 1, Ireland.
U.S. Registrar, Transfer Agent and Paying Agent:	Citibank, N.A., acting through its office at 388 Greenwich Street, 14th Floor, New York, New York 10013, United States of America.

Bond Trustee:	Computershare Trust Company of Canada, acting through its offices located at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1.
Asset Monitor:	Ernst & Young LLP, an Ontario limited liability partnership, acting through its offices at Ernst & Young Tower, 100 Adelaide Street West, PO Box 1, Toronto, Ontario, Canada M5H 0B3.
Custodian:	Computershare Trust Company of Canada, acting through its offices located at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1.
Interest Rate Swap Provider:	The Bank, subject to replacement in accordance with the terms of the Interest Rate Swap Agreement.
Covered Bond Swap Provider:	The Bank, subject to replacement in accordance with the terms of the Covered Bond Swap Agreement.
GDA Provider:	The Bank, acting through its main branch in Toronto.
Account Bank:	The Bank, acting through its main branch in Toronto.
Standby Account Bank:	Bank of Montreal, acting through its offices located at 1 First Canadian Place, Toronto, Ontario, Canada M5X 1A1.
Standby GDA Provider:	Bank of Montreal, acting through its offices located at 1 First Canadian Place, Toronto, Ontario, Canada M5X 1A1.
Description:	Global Legislative Covered Bond Programme.
Covered Bond Legislative Framework:	The Issuer and the Programme were registered in the Registry in accordance with the Covered Bond Legislative Framework and the CMHC Guide on 25 June 2014.
Certain Restrictions:	Each Series or Tranche of Covered Bonds denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*").
Programme Size:	Up to CAD 100 billion (or its equivalent in Specified Currencies), outstanding at any time, subject to increase. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealership Agreement. Covered Bonds denominated in a currency other than CAD shall be translated into CAD at the date of the agreement to issue such Covered Bonds using the spot rate of exchange for the purchase of such currency against payment of CAD being quoted by the Issuing and Paying Agent on the date on which such agreement was made which, where the parties enter into a subscription agreement in respect of the Covered Bonds, shall be the date of execution thereof, and in all other cases, the date of the applicable Final Terms or Pricing Supplement.
Distribution:	Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis, subject to the restrictions set forth in "*Subscription and Sale and Transfer and Selling Restrictions*".
Issuance of Series:	Covered Bonds will be issued in series (each, a "**Series**"). Each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") 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 bearer form and Covered Bonds in registered form and Covered Bonds in more than one denomination. The Covered Bonds of each Tranche will be subject to identical terms in all respects, save that a Tranche may comprise Covered Bonds

	in bearer form and Covered Bonds in registered form and may comprise Covered Bonds of different denominations.
Terms and Conditions:	Final Terms or, in the case of Exempt Covered Bonds, a Pricing Supplement will be prepared in respect of each Tranche of Covered Bonds. A copy of each Final Terms will, in the case of Covered Bonds to be admitted to the Official List and to be admitted to trading on the Main Market, be delivered to Listing Applications at the FCA and to the London Stock Exchange on or before the closing date of such Covered Bonds. The terms and conditions applicable to each Tranche will be those set out herein under "Terms and Conditions of the Covered Bonds", as completed by the applicable Final Terms or, in the case of Exempt Covered Bonds only, supplemented, modified or replaced by the applicable Pricing Supplement.
Specified Currencies:	Covered Bonds may be denominated in any currency or currencies subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, such currencies to be agreed upon between the Issuer, the relevant Dealer(s) and the Bond Trustee (as set out in the applicable Final Terms or Pricing Supplement). Payments in respect of Covered Bonds may, subject to compliance as described above, be made in and/or linked to, any currency or currencies other than the currency in which such Covered Bonds are denominated as may be specified in the applicable Final Terms or Pricing Supplement. The Issuer is an "authorized person" under the FSMA.
Denomination:	Covered Bonds may be issued on a fully-paid basis at any price and in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms or Pricing Supplement, save that the minimum denomination of each Covered Bond to be admitted to trading on a regulated market within the UK or offered to the public in the EEA or the UK in circumstances which would otherwise require a prospectus under the Prospectus Regulation or the UK Prospectus Regulation, as applicable, will be at least €100,000 (or, if the Covered Bonds are denominated in a currency other than euros, at least the equivalent amount in such currency as at the Issue Date of such Covered Bonds) or such other higher amount as may be required from time to time by the relevant regulator (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. The minimum denomination of each Registered Covered Bond sold in reliance on Rule 144A under the Securities Act will be as stated in the applicable Final Terms or Pricing Supplement in U.S. dollars (or its approximate equivalent in other Specified Currencies).
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms or Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant regulator (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Form of the Covered Bonds:	The Covered Bonds will be issued in bearer or registered form as described in "*Form of the Covered Bonds*". Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds and vice versa. Each Tranche of Bearer Covered Bonds will be issued in the form of either a Temporary Global Covered Bond or a Permanent Global Covered Bond deposited with the Common Safekeeper for Euroclear and Clearstream, Luxembourg (in the case of Bearer Covered Bonds intended to be issued in NGCB form) or otherwise with a Common Depositary for Euroclear and Clearstream, Luxembourg, or SIX SIS Ltd., as specified in the applicable Final Terms or Pricing Supplement. A Temporary Global Covered Bond will be exchangeable for a Permanent Global Covered Bond or, if so specified in the

	applicable Final Terms or Pricing Supplement, Bearer Definitive Covered Bonds. A Permanent Global Covered Bond will be exchangeable for Bearer Definitive Covered Bonds only in limited circumstances or on notice, in each case, as specified in "*Terms and Conditions of the Covered Bonds*". Registered Covered Bonds sold in reliance on Regulation S under the Securities Act will be issued in the form of Regulation S Global Covered Bonds, while Registered Covered Bonds sold in reliance on Rule 144A under the Securities Act will be issued in the form of Rule 144A Global Covered Bonds (together, the "**Registered Global Covered Bonds**"). Registered Global Covered Bonds will (i) if held under the new safekeeping structure for registered global securities which are intended to constitute eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations (the "**NSS**"), be registered in the name of a nominee of, and delivered to, a common safekeeper or Euroclear and/or Clearstream; and (ii) if not held under the NSS, either be deposited with a custodian, a common depositary or a common safekeeper for, and registered in the name of a nominee for, DTC, CDS or Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms or Pricing Supplement. Registered Global Covered Bonds will be exchangeable for Registered Definitive Covered Bonds only in limited circumstances or on notice, in each case, as specified in "*Terms and Conditions of the Covered Bonds*". Registered Covered Bonds are subject to transfer restrictions described under "*Subscription and Sale and Transfer and Selling Restrictions*". See "*Form of the Covered Bonds*" for further details.
Interest:	Covered Bonds may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate (detailed in a formula or otherwise) and may vary during the lifetime of the relevant Series.
Types of Covered Bonds:	The following is a list of the types of Covered Bonds that may be issued under the Programme: • Fixed Rate Covered Bonds • Floating Rate Covered Bonds • Instalment Covered Bonds • Zero Coupon Covered Bonds.
Fixed Rate Covered Bonds:	Fixed Rate Covered Bonds will bear interest at a fixed rate which will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms or Pricing Supplement), provided that if an Extended Due for Payment Date is specified in the Final Terms or Pricing Supplement, interest following the Due for Payment Date will continue to accrue and be payable on the unpaid amount in accordance with Condition 5, at the applicable Rate of Interest, including, if applicable, as may be determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds) even where the relevant Covered Bonds are Fixed Rate Covered Bonds.
Floating Rate Covered Bonds:	Floating Rate Covered Bonds will bear interest at a rate determined: (i) on the same basis as the floating rate under a schedule and confirmation and credit support annex, if applicable, for the relevant Tranche and/or Series of Covered Bonds in the relevant Specified Currency governed by the Covered Bond Swap Agreement incorporating the ISDA Definitions; or

	(ii) on the basis of a reference rate; as set out in the applicable Final Terms or Pricing Supplement. The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Tranche and Series of Floating Rate Covered Bonds as set out in the applicable Final Terms or Pricing Supplement.
Instalment Covered Bonds:	Instalment Covered Bonds are redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms or Pricing Supplement.
Zero Coupon Covered Bonds:	Zero Coupon Covered Bonds may be offered and sold at a discount to their nominal amount and will not bear interest except in the case of late payment.
Exempt Covered Bonds:	The Issuer may agree with any Dealer that Exempt Covered Bonds may be issued in a form not contemplated by the Terms and Conditions of the Covered Bonds set out herein, in which event, the relevant provisions shall be included in the applicable Pricing Supplement.
Rating Agency Condition:	Any issuance of new Covered Bonds will be conditional upon satisfaction of the Rating Agency Condition in respect of the ratings of the then outstanding Covered Bonds by the Rating Agencies.
Ratings:	Covered Bonds issued under the Programme are expected on issue to be assigned an "Aaa" rating by Moody's, an "AAA" rating by DBRS and an "AAA" rating by Fitch unless otherwise specified in the applicable Final Terms or Pricing Supplement.
Listing and admission to trading:	Application has been made to admit Covered Bonds (other than Exempt Covered Bonds) issued under the Programme for the period of 12 months from the date of this Prospectus to the Official List and to admit such Covered Bonds to trading on the Main Market. The Final Terms or Pricing Supplement relating to each Tranche of the Covered Bonds will state where the Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or markets. N Covered Bonds (as defined on page 75) may not be listed and/or admitted to trading. The Programme provides that Exempt Covered Bonds may be unlisted or listed or admitted to trading, as the case may be, on such other or further stock exchange(s) outside the UK as may be agreed between the Issuer, the Guarantor, the Bond Trustee and the relevant Dealer(s). All Covered Bonds will have the benefit of the Guarantee and the Security in respect of the Charged Property. For the avoidance of doubt, Covered Bonds listed on a stock exchange outside the UK and unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any regulated market do not form part of the Base Prospectus and the FCA has neither approved nor reviewed information contained in this Prospectus in respect of such Covered Bonds.
Redemption:	The applicable Final Terms or Pricing Supplement relating to each Tranche of Covered Bonds will indicate either that the relevant Covered Bonds of such Tranche cannot be redeemed prior to their stated maturity (other than in the case of Instalment Covered Bonds or following an Issuer Event of Default or a Guarantor Event of Default or as indicated below) or that such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the holders of the Covered Bonds, on a date or dates specified prior to such stated maturity and at a price or prices set out in the applicable Final Terms or Pricing Supplement. Early redemption will be permitted for taxation reasons and illegality as mentioned in "*Terms and Conditions of the Covered Bonds – Early Redemption for Taxation Reasons*" and "*– Redemption due to Illegality*".
Extendable obligations under the Covered Bond Guarantee:	The applicable Final Terms or Pricing Supplement may also provide that (if a Notice to Pay has been served on the Guarantor) the Guarantor's obligations

	under the Covered Bond Guarantee to pay the Guaranteed Amounts corresponding to the Final Redemption Amount of the applicable Series of Covered Bonds on their Final Maturity Date (subject to applicable grace periods) may be deferred until the Extended Due for Payment Date. In such case, such deferral will occur automatically (i) if the Issuer fails to pay the Final Redemption Amount of the relevant Series of Covered Bonds on their Final Maturity Date (subject to applicable grace periods) and (ii) if the Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds are not paid in full by the Guarantor by the Extension Determination Date (for example, because the Guarantor has insufficient moneys in accordance with the Priorities of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds after payment of higher ranking amounts and taking into account amounts ranking *pari passu* in the Priorities of Payments). To the extent a Notice to Pay has been served on the Guarantor and the Guarantor has sufficient time and sufficient moneys to pay in part the Final Redemption Amount, such partial payment will be made by the Guarantor on any Interest Payment Date up to and including the relevant Extended Due for Payment Date as described in Condition 6.01. Interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 5, at the applicable Rate of Interest, including, if applicable, as may be determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds). The Guarantor will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and the Extended Due for Payment Date and any unpaid amounts in respect thereof shall be due and payable on the Extended Due for Payment Date.
Taxation:	Payments in respect of Covered Bonds will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature 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, or, in the case of Covered Bonds issued by a branch of the Issuer located outside Canada, the country in which such branch is located, or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to customary exceptions) pay such additional amounts as will result in the holders of Covered Bonds or Coupons receiving such amounts as they would have received in respect of such Covered Bonds or Coupons had no such withholding or deduction been required (see "*Terms and Conditions of the Covered Bonds-Early Redemption for Taxation Reasons*"). Under the Covered Bond Guarantee, the Guarantor will not be liable to pay any such additional amounts as a consequence of any applicable tax withholding or deduction, including such additional amounts which may become payable by the Issuer under Condition 8.
Canadian Taxation:	See the discussion under the heading "Taxation – Canada". If (i) any portion of interest payable on a Covered Bond is contingent or dependent on the use of, or production from, property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criteria or by reference to dividends paid or payable to shareholders of any class or series of shares of a corporation; (ii) the recipient of interest payable on a Covered Bond does not deal at arm's length with the Issuer for purposes of the Income Tax Act (Canada); or (iii) interest is payable in respect of a Covered Bond owned by a person with whom the Issuer is not dealing with at arm's length for purposes of the *Income Tax Act* (Canada), such interest may be subject to Canadian non-resident withholding tax.
U.S. Taxation:	See the discussion under the caption "*Taxation-United States Federal Income Taxation*".

U.K. Taxation:	See the discussion under the caption "*Taxation-UK Taxation*".
ERISA:	Subject to the limitations described under "*ERISA and Certain Other U.S. Benefit Plan Considerations*", a Covered Bond may be purchased by Benefit Plan Investors (as defined in Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), subject to certain conditions. Before purchasing a Covered Bond, fiduciaries of such Benefit Plan Investors should determine whether an investment in the Covered Bonds is appropriate for such Benefit Plan Investors and are urged to review carefully the matters discussed in this Prospectus and to consult with their own legal and financial advisors before making an investment decision. See "*ERISA and Certain Other U.S. Benefit Plan Considerations*".
Cross Default:	If a Guarantor Acceleration Notice is served in respect of any one Series of Covered Bonds, then the obligation of the Guarantor to pay Guaranteed Amounts in respect of all Series of Covered Bonds outstanding will be accelerated.
Status of the Covered Bonds:	The Covered Bonds will constitute deposits for purposes of the Bank Act and will constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* with all deposit liabilities of the Issuer without any preference among themselves and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding. The Covered Bonds will not be deposits insured under the *Canada Deposit Insurance Corporation Act* (Canada).
Governing Law and Jurisdiction:	The Covered Bonds issued pursuant to this Prospectus and all Transaction Documents will be governed by, and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. See "*Summary of the Principal Documents*". Ontario courts have non-exclusive jurisdiction in the event of litigation in respect of the contractual documentation and the Covered Bonds governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, and, subject to certain exceptions can enforce foreign judgements in respect of agreements governed by foreign laws.
Clearing System:	DTC, CDS, Euroclear, Clearstream, Luxembourg, SIX SIS Ltd. and/or, in relation to any Covered Bonds, any other clearing system as may be specified in the applicable Final Terms or Pricing Supplement.
Non-U.S. Selling Restrictions:	There will be specific restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of offering material in Canada, the EEA, the UK, France, Italy, the Netherlands, Belgium, Denmark, Sweden, Switzerland, Hong Kong, Japan, South Korea, Singapore, Australia and Norway as well as such other restrictions as may be required in connection with a particular issue of Covered Bonds. See "*Subscription and Sale and Transfer and Selling Restrictions*".
U.S. Selling Restrictions:	The Issuer is Category 2 for the purposes of Regulation S under the Securities Act. If specified in the applicable Final Terms or Pricing Supplement, Covered Bonds may be sold in compliance with Rule 144A under the Securities Act. The Covered Bonds in bearer form will be issued in compliance with U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**") unless (i) the applicable Final Terms or Pricing Supplement state that

	the Covered Bonds are issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**") or (ii) the Covered Bonds are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstances in which the Covered Bonds will not constitute "registration required obligations" under the *United States Tax Equity and Fiscal Responsibility Act of 1982* ("**TEFRA**"), which circumstances will be referred to in the applicable Final Terms or Pricing Supplement as a transfer to which TEFRA is not applicable.
U.S. Transfer Restrictions:	There are restrictions on the transfer of certain Registered Covered Bonds. See "*Subscription and Sale and Transfer and Selling Restrictions –United States of America – Transfer Restrictions*".
Covered Bond Guarantee:	Payment of interest and principal in respect of the Covered Bonds when Due for Payment will be irrevocably guaranteed by the Guarantor. The obligations of the Guarantor to make payment in respect of the Guaranteed Amounts when Due for Payment are subject to the condition that a Covered Bond Guarantee Activation Event has occurred. The obligations of the Guarantor under the Covered Bond Guarantee will accelerate against the Guarantor upon the service of a Guarantor Acceleration Notice. The obligations of the Guarantor under the Covered Bond Guarantee constitute direct obligations of the Guarantor secured against the assets of the Guarantor, including the Covered Bond Portfolio. Payments made by the Guarantor under the Covered Bond Guarantee will be made subject to, and in accordance with, the applicable Priorities of Payments.
Security:	To secure its obligations under the Covered Bond Guarantee and the Transaction Documents to which it is a party, the Guarantor has granted a first ranking security interest over its present and future acquired assets, including the Covered Bond Portfolio, in favour of the Bond Trustee (for itself and on behalf of the other Secured Creditors) pursuant to the terms of the Security Agreement.
Covered Bond Portfolio:	The Covered Bond Portfolio currently consists solely of Loans originated by the Seller and secured by Canadian first lien residential Mortgages. Subject to satisfaction of the Rating Agency Condition and compliance with the CMHC Guide and the Covered Bond Legislative Framework, the Covered Bond Portfolio may also contain New Portfolio Asset Types. Covered Bond Portfolio static data and statistics relating to the Loans comprising the Covered Bond Portfolio from time to time will be disclosed in the Investor Reports. The Investor Reports will also disclose, among other things, the results of the Asset Coverage Test, the Pre-Maturity Test, the Valuation Calculation, the Amortization Test and the Indexation Methodology, as applicable.
Intercompany Loan:	Under the terms of the Intercompany Loan Agreement, the Bank has made available to the Guarantor an interest-bearing Intercompany Loan, comprised of a Guarantee Loan and a revolving Demand Loan, subject to increases and decreases as described below. The Intercompany Loan is denominated in Canadian dollars. The interest rate on the Intercompany Loan is a Canadian dollar floating rate determined by the Bank from time to time, subject to a maximum of the floating rate under the Interest Rate Swap Agreement less the sum of a minimum spread and an amount for certain expenses of the Guarantor. The balance of the Guarantee Loan and Demand Loan will fluctuate with the issuances and redemptions of Covered Bonds and the requirements of the Asset Coverage Test. Upon the occurrence of (x) a Contingent Collateral Trigger Event, (y) an event of default (other than an insolvency event of default) or an additional termination event in respect of which the relevant Swap Provider is the defaulting party or the affected party, as applicable, or (z) a Downgrade Trigger Event, in each case,

	in respect of the Interest Rate Swap Agreement or the Covered Bond Swap Agreement, the relevant Swap Provider, in its capacity as (and provided it is) the lender under the Intercompany Loan Agreement, may deliver a Contingent Collateral Notice to the Guarantor under which it elects to decrease the amount of the Demand Loan with the corresponding increase in the amount of the Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount(s). To the extent the Covered Bond Portfolio increases or is required to be increased to meet the Asset Coverage Test, the Bank may increase the Total Credit Commitment to enable the Guarantor to purchase New Loans and their Related Security from the Seller. The balance of the Guarantee Loan and the Demand Loan from time to time will be disclosed in the Investor Report.
Guarantee Loan:	The Guarantee Loan is in an amount equal to the balance of outstanding Covered Bonds at any relevant time plus that portion of the Covered Bond Portfolio required in accordance with the Asset Coverage Test as over collateralization for the Covered Bonds in excess of the amount of then outstanding Covered Bonds (see "*Summary of the Principal Documents-Guarantor Agreement-Asset Coverage Test*") plus, if applicable, any Contingent Collateral Amount.
Demand Loan:	The Demand Loan is a revolving credit facility, the outstanding balance of which is equal to the difference between the balance of the Intercompany Loan and the balance of the Guarantee Loan at any relevant time. At any time prior to a Demand Loan Repayment Event (or following a Demand Loan Repayment Event if agreed to by the Bank and subject to satisfaction of the Rating Agency Condition), the Guarantor may re-borrow any amount repaid by the Guarantor under the Intercompany Loan for a permitted purpose provided, among other things, such drawing does not result in the Intercompany Loan exceeding the Total Credit Commitment.
The Proceeds of the Intercompany Loan:	The Guarantor used the initial advance of proceeds from the Intercompany Loan to pay for a portion of the purchase price for the Initial Covered Bond Portfolio consisting of Loans and their Related Security purchased from the Seller in accordance with the terms of the Mortgage Sale Agreement and may use additional advances (i) to purchase New Loans and their Related Security pursuant to the terms of the Mortgage Sale Agreement; and/or (ii) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (iii) subject to complying with the Asset Coverage Test to make Capital Distributions to the Limited Partner; and/or (iv) to make deposits of the proceeds in the Guarantor Accounts (including, without limitation, to fund the Reserve Fund and the Pre-Maturity Liquidity Ledger (in each case to an amount not exceeding the prescribed limit)).
Capital Contribution:	Each of the Managing GP and the Liquidation GP have contributed a nominal cash amount to the Guarantor and respectively hold 99 per cent. and 1 per cent. of the 0.05 per cent. general partner interest in the Guarantor. The Limited Partner holds the substantial economic interest in the Guarantor (approximately 99.95 per cent.) having made a Cash Capital Contribution to the Guarantor. The Limited Partner may from time to time make additional Capital Contributions.
Consideration:	Under the terms of the Mortgage Sale Agreement, the Seller sold the Initial Covered Bond Portfolio and may, from time to time, sell New Loans and their Related Security to the Guarantor on a fully-serviced basis in exchange for cash consideration. The Limited Partner may also make Capital Contributions of New Loans and their Related Security in exchange for an additional interest in the capital of the Guarantor.
Interest Rate Swap Agreement:	To provide a hedge against (i) possible variances in the rates of interest payable on the Loans and related amounts in the Covered Bond Portfolio (which may, for instance, include variable rates of interest or fixed rates of interest) and (ii) the amount (if any) payable under the Intercompany Loan and, following the

	Covered Bond Swap Effective Date, the Covered Bond Swap Agreement, the Guarantor has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider. See "*Summary of the Principal Documents-Interest Rate Swap Agreement*".
Covered Bond Swap Agreement:	To provide a hedge against currency and/or other risks arising, following the Covered Bond Swap Effective Date, in respect of amounts received by the Guarantor under the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, the Guarantor has entered into and will enter into a Covered Bond Swap Agreement (which may include a new ISDA Master Agreement, schedule and confirmation(s) and credit support annex, if applicable, for each Tranche and/ or Series of Covered Bonds) with the Covered Bond Swap Provider in respect of each Series of Covered Bonds. See "*Summary of the Principal Documents-Covered Bond Swap Agreement*".
Risk Factors:	There are certain risks related to any issue of Covered Bonds under the Programme, which investors should ensure they fully understand. A description of the principal categories and sub-categories of such risks is set out under "Risk Factors".

RISK FACTORS

In purchasing Covered Bonds, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Covered Bonds. The Issuer and the Guarantor believe that the factors described below represent the principal categories and subcategories of risks inherent in investing in Covered Bonds issued under the Programme.

Neither the Issuer nor the Guarantor represents that the statements below regarding the risks of holding any Covered Bonds are exhaustive. Additional risks and uncertainties not presently known to or able to be anticipated by the Issuer or the Guarantor or that they currently believe to be immaterial based on information currently available to them could, individually or cumulatively, also have a material impact on the Issuer's business operations or affect the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Covered Bonds.

Such risks could also have a material impact on the Issuer's or the Guarantor's financial results, businesses, financial condition or liquidity and could, directly or indirectly, adversely affect the ability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Covered Bonds or to perform any of their respective obligations.

In addition to considering the categories of principal risks identified and discussed herein related to the Issuer and its business, including steps taken to manage those risks, prospective investors should also consider, in consultation with their own financial and legal advisers, the detailed information set out elsewhere in this Prospectus (including information incorporated by reference), in particular, the discussion of risk factors related to the Issuer and its business and the steps taken to manage those risks, which is contained in the "Risk Factors and Management" sections of each of the Issuer's 2023 MD&A and Q2 2024 MD&A, both of which are incorporated by reference in this Prospectus and any applicable Final Terms or Pricing Supplement to reach their own views prior to making any investment decisions. The Covered Bonds are not a suitable investment for a prospective investor that does not understand their terms or the risks involved in holding the Covered Bonds.

1. PRINCIPAL RISKS RELATING TO THE ISSUER AND ITS ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE COVERED BONDS ISSUED UNDER THE PROGRAMME

Banking and financial services involve risks. The value of the Covered Bonds will be affected by the general creditworthiness of the Issuer. Prospective investors should consider the following principal risks to which the Issuer's businesses are exposed.

Strategic risk

Strategic risk is the risk of sub-optimal outcomes (including financial loss or reputational damage) arising from the Issuer's choice of strategies, improper implementation of chosen strategies, inability to implement chosen strategies, an inadequate response to disruption of the Issuer's strategies, or exposure to tail risk (i.e., low probability events that can result in extremely large quantifiable losses). Strategies include current operations and merger and acquisition activities.

The Issuer's enterprise-wide strategies and operating performance, and those of significant business segments and corporate functions, are assessed regularly by the chief executive officer of the Issuer and the members of its senior executive team through an integrated financial and strategic planning process, as well as operating results reviews. The Issuer's risk appetite strategy establishes strategic risk limits at the enterprise and business segment level. Limits include qualitative and quantitative assessments and are established to monitor and control business concentrations, strategic disruption, and environmental and social risk. The Issuer's annual integrated planning process establishes plans at the enterprise and segment levels. The plans include external market outlooks, long and short-term strategies, target metrics, key risks and mitigants, and alignment with the Issuer's strategy and risk appetite.

The Issuer's strategic risk, and adherence to its risk appetite, is reviewed by the Issuer's enterprise risk management committee in the normal course, as well as by its Board. Additionally, material acquisitions are assessed for their fit with the Issuer's strategy and risk appetite in accordance with the Issuer's due diligence policy.

Despite the process in place to manage strategic risk, the inherent uncertainty associated with business planning in the rapidly changing business environment in which the Issuer operates, as further described in the section entitled

"*Business Overview*" on pages 183 to 185 of this Prospectus, could have an adverse effect on the Issuer's results, financial condition and prospects.

Credit risk

(a) *Credit risk generally*

Credit risk is the risk of loss if a borrower or counterparty in a transaction fails to meet its agreed payment obligations. The ability of the Issuer to make payments in connection with any Covered Bonds issued or entered into by the Issuer is subject to general credit risks, including credit risks of borrowers. Credit risk is one of the most significant and pervasive risks in banking. Every loan, extension of credit or transaction that involves the transfer of payments between the Issuer and other parties or financial institutions exposes the Issuer to some degree of credit risk.

The failure to effectively manage credit risk across the Issuer's products, services and activities can have a direct, immediate and material impact on the Issuer's earnings and reputation. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans granted, trading counterparties, counterparties under derivative contracts, agents and financial intermediaries. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons, adversely impacting the Issuer's financial position and prospects.

The Issuer's primary objective is to be methodical in its credit risk assessment so that the Issuer can understand, select, and manage its exposures to reduce significant fluctuations in earnings. The Issuer's strategy is to include central oversight of credit risk in each business, and reinforce a culture of transparency, accountability, independence, and balance.

Credit risk policies and credit decision-making strategies, as well as the discretionary limits of officers throughout the Issuer for extending lines of credit are centrally approved by the Issuer's risk management team and its Board where applicable. Limits are established to monitor and control country, industry, product, geographic, and group exposure risks in the portfolios in accordance with enterprise-wide policies.

To determine the potential loss that could be incurred under a range of adverse scenarios, the Issuer subjects its credit portfolios to stress tests. Stress tests assess vulnerability of the portfolios to the effects of severe but plausible situations, such as an economic downturn or a material market disruption.

In addition to the above, the Issuer sets aside significant provisions to absorb potential credit losses. Forward-looking information, including macroeconomic variables deemed to be predictive of expected credit losses based on the Issuer's experience, is used to determine expected credit loss scenarios and associated probability weights to determine the probability-weighted expected credit losses. Each quarter, all base forecast macroeconomic variables are refreshed, resulting in new upside and downside macroeconomic scenarios. The Issuer periodically reviews the methodology and has performed certain additional qualitative portfolio and loan level assessments of significant increase in credit risk. The Issuer continues to exercise expert credit judgment in assessing if an exposure has experienced significant increase in credit risk since initial recognition and in determining the amount of expected credit losses at each reporting date. There remains considerable uncertainty regarding the economic trajectory.

Notwithstanding the foregoing, there can be no guarantee that the procedures put in place by the Issuer can assess accurately and mitigate all of the risks of exposure to borrowers, guarantors, issuers or other counterparty's failure to honour contractual obligations, and increased defaults of these borrowers and/or inadequate loans provisioning may negatively impact the Issuer's financial condition and results of operations.

(b) *Credit Risk specific to the Programme*

A number of the Issuer's counterparties are EU or UK credit institutions and investment firms, including the Dealers under the Programme (collectively, "**BRRD Firms**"), which are subject to Directive 2014/59/EU (as amended), including as implemented in the UK by virtue of the UK Banking Act, as amended by The Bank Recovery and Resolution and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018 (the "**BRRD**"), which is intended to enable a range of actions to be taken in relation to BRRD Firms considered to be at risk of failing. The BRRD is designed to provide resolution authorities with a credible set of tools to intervene sufficiently early and quickly in an

unsound or failing BRRD Firm so as to ensure the continuity of the institution's critical financial and economic functions, whilst minimising the impact of the institution's failure on the economy and financial system. The BRRD was applied in Member States and the UK from 1 January 2015 with the exception of the bail-in tool (referred to below) which was applicable from 1 January 2016.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) any of the Issuer's BRRD Firm counterparties is failing or likely to fail; (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest. Such resolution tools and powers are: (i) sale of business; (ii) bridge institution; (iii) asset separation; and (iv) bail-in. The bail-in tool gives the resolution authority the power to write-down or convert certain unsecured debt instruments of any of the Issuer's BRRD Firm counterparties into shares (or other instruments of ownership), to reduce the outstanding amount due under such debt instruments (including reducing such amounts to zero) or to cancel, modify or vary the terms of such debt instruments (including varying the maturity of such instruments) and other contractual arrangements. The BRRD also provides for a Member State or the UK, as applicable, as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the applicable state aid framework.

A BRRD Firm will be considered as failing or likely to fail when: (i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances).

The powers set out in the BRRD will impact how the Issuer's BRRD Firm counterparties are managed as well as, in certain circumstances, the rights of their creditors including the Issuer. For instance, the Issuer and its debtholders may be affected by disruptions due to a BRRD Firm not being able to fulfil its obligations as issuing and paying agent, European registrar, calculation agent or similar roles. See the section entitled "*Subscription and Sale and Transfer and Selling Restrictions*" on pages 281 to 292 of this Prospectus for more information on the relationship between the Issuer and the relevant BRRD Firms.

Market risk

Trading market risk is the risk of loss from financial instruments held in trading portfolios due to adverse movements in market factors. These market factors include interest rates, foreign exchange rates, equity prices, commodity prices, credit spreads, and their respective volatilities. Non-trading market risk is the risk of loss on the balance sheet or volatility in earnings from non-trading activities such as asset-liability management or investments, due to adverse movements in market factors. These market factors are predominantly interest rates, credit spreads, foreign exchange rates and equity prices.

The Issuer is exposed to market risk in its trading and investment portfolios, as well as through its non-trading activities. The Issuer is an active participant in the market through its trading and investment portfolios, seeking to realize returns for the Issuer through careful management of its positions and inventories. In the Issuer's non-trading activities, it is exposed to market risk through the everyday banking transactions that the Issuer executes with its customers.

In respect of non-trading market risk, the Issuer's market risk policy sets overall limits on the structural interest rate risk measures. These limits are periodically reviewed and approved by the risk committees. In addition to the board policy limits, book-level risk limits are also set for the Issuer's management of non-trading interest rate risk. Exposures against these limits are routinely monitored and reported, and breaches of the board limits, if any, are escalated to both the assets/liability and capital committee and the risk committee. In respect of trading market risk, at the end of each day, risk positions are compared with risk limits, and any excesses are reported in accordance with established market risk policies and procedures. For the year ended 31 October 2023, the Issuer maintained stable risk exposures, with daily value at risk (which measures the adverse impact that potential changes in market rates and prices could have on the value of a portfolio over a specified period of time) remaining well within approved limits during that year.

Details regarding the Issuer's policies and procedures and related principles and limits used in managing market risk, are outlined on pages 92-97 of the Issuer's 2023 MD&A, which is incorporated by reference in this Prospectus.

However, despite these policies and procedures, the Issuer remains exposed to the risk of loss as a result of market risk.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes or technology or from human activities or from external events. This definition includes legal risk but excludes strategic and reputational risk.

Operational risk is inherent in all of the Issuer's business activities, which are described in the section entitled "*Business Overview*" on pages 183 to 185 of this Prospectus, including the practices and controls used to manage other risks such as credit, market, and liquidity risk. Failure to manage operational risk can result in financial loss (direct or indirect), reputational harm, or regulatory censure and penalties.

The Issuer's operational risk capital is determined using the Standardized Approach ("**TSA**"). Under TSA, the Issuer's activities are divided into eight business lines: corporate finance, trading & sales, retail banking, commercial banking, payment & settlement, agency services, asset management, and retail brokerage. Within each business line, gross income is a broad indicator that serves as a proxy for the scale of business operations and thus the likely scale of operational risk exposure within each of these business lines. In fiscal 2023, operational risk losses remained within the Issuer's risk appetite.

However, failure to adequately manage this risk may result in increased losses from theft, fraud, damages to tangible assets, non-compliance with legislation or regulations, systems failure, unauthorized access to computer systems, cyber threats, or problems or errors in process management.

Model risk

Model risk is the potential for adverse consequences arising from decisions based on incorrect or misused models and other estimation approaches and their outputs. It can lead to financial loss, reputational risk, or incorrect business and strategic decisions.

The Issuer manages model risk in accordance with management approved model risk policies and supervisory guidance which encompass the life cycle of a model, including proof of concept, development, validation, implementation, usage, and ongoing model monitoring.

Model risk exists on a continuum from the most complex and material models to analytical tools (also broadly referred to as non-models) that may still expose the Issuer to risk based on their incorrect use or inaccurate outputs. The Issuer has policies and procedures in place (described in more detail on pages 98-99 of the Issuer's 2023 MD&A which is incorporated by reference in this Prospectus) designed to properly discern models from non-models, so that the level of independent challenge and oversight corresponds to the materiality and complexity of models.

However, there can be no guarantee that these policies and procedures can mitigate all of the risks arising from incorrect or misused models or non-models or incorrect business and strategic decisions, which may negatively impact the Issuer's reputation, financial condition and results of operations.

Insurance risk

Insurance risk is the risk of financial loss due to actual experience emerging differently from expectations in insurance product pricing and/or design, underwriting, reinsurance protection and, claims or reserving either at the inception of an insurance or reinsurance contract, during the lifecycle of the claim or at the valuation date. Unfavourable experience could emerge due to adverse fluctuations in timing, actual size, frequency of claims (for example, driven by non-life premium risk, non-life reserving risk, catastrophic risk, mortality risk, morbidity risk, and longevity risk) or policyholder behaviour. Insurance contracts provide financial protection by transferring insured risks to the issuer in exchange for premiums. The Issuer is engaged in insurance businesses relating to property and casualty insurance, life and health insurance and reinsurance, through various subsidiaries; it is through these businesses that the Issuer is exposed to insurance risk.

Sound product design is an essential element of managing risk. The Issuer's exposure to insurance risk is mostly short-term in nature as the principal underwriting risk relates to personal automobile and home insurance and small commercial insurance. Insurance market cycles, as well as changes in insurance legislation, the regulatory environment, judicial environment, trends in court awards, climate patterns, pandemics or other applicable public health emergencies, and the economic environment may impact the performance of the insurance business.

However, qualitative and other unforeseen factors could negatively impact the Issuer's ability to accurately assess the risk of the insurance policies that the Issuer underwrites. In addition, there may be significant lags between the occurrence of an insured event and the time it is actually reported to the Issuer and additional lags between the time of reporting and final settlements of claims.

Further, a variety of assumptions are made related to the future level of claims, policyholder behaviour, expenses and sales levels when products are designed and priced, as well as when actuarial liabilities are determined. Such assumptions require a significant amount of professional judgment. The insurance claims provision is sensitive to certain assumptions. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. Actual experience may differ from the assumptions made by the Issuer.

Liquidity risk

Liquidity risk is the risk of having insufficient cash or collateral to meet financial obligations and an inability to, in a timely manner, raise funding or monetize assets at a non-distressed price. Financial obligations can arise from deposit withdrawals, debt maturities, commitments to provide credit or liquidity support or the need to pledge additional collateral.

The Issuer manages its liquidity to comply with the regulatory liquidity requirements in the Office of the Superintendent of Financial Institutions ("**OSFI**") liquidity adequacy requirements (the "**LAR Guideline**") (the liquidity coverage ratio (the "**LCR**"), the net stable funding ratio and the net cumulative cash flow monitoring tool).

On 9 April 2020, OSFI announced that deposit-taking institutions, such as the Issuer, can temporarily exclude exposures from central bank reserves and sovereign-issued securities that qualify as high-quality liquid assets under the LAR Guideline from the leverage ratio measure. On 12 August 2021, OSFI confirmed that the exclusion of sovereign-issued securities would not extend past 31 December 2021. Central bank reserves will continue to be excluded from the leverage ratio exposure measure until further notice.

The Issuer applies an established set of practices and protocols for managing its potential exposure to liquidity risk. The Issuer targets a 90-day survival horizon under a combined bank-specific and market-wide stress scenario, and a minimum buffer over regulatory requirements prescribed by the LAR Guideline. In fiscal 2023, the Issuer maintained its average LCR above 100% under normal operating conditions, in accordance with the OSFI LAR requirement. The Issuer also maintains a contingency funding plan to enhance preparedness for recovery from potential liquidity stress events. The Issuer's strategies and actions comprise an integrated liquidity risk management program that is designed to ensure low exposure to liquidity risk and compliance with regulatory requirements. Further details on the measures the Issuer has in place to manage liquidity risk, including the specific requirements under the LAR Guideline with which it must comply are set out in the section entitled "*Liquidity Risk*" of the Issuer's Q2 2024 MD&A, each of which is incorporated by reference in this Prospectus.

Despite the Issuer's liquidity risk management policy, any significant deterioration in the Issuer's liquidity position may lead to an increase in the Issuer's funding costs or constrain the volume of new lending, which may adversely impact the Issuer's profitability, financial performance and position.

Capital adequacy risk

Capital adequacy risk is the risk of insufficient level and composition of capital being available in relation to the amount of capital required to carry out the Issuer's strategy and/or satisfy regulatory and internal capital adequacy requirements under normal and stress conditions. Capital is held to protect the viability of the Issuer in the event of unexpected financial losses. Capital represents the loss-absorbing funding required to provide a cushion to protect depositors and other creditors from unexpected losses. Managing capital levels requires that the Issuer holds sufficient

capital in normal and stress environments, to avoid the risk of breaching minimum capital levels prescribed by the regulators and internal Board limits.

Regulatory capital requirements represent minimum capital levels. The Issuer must comply with capital levels set out in OSFI's capital adequacy requirements guideline, details of which are set out under the heading "*OSFI's Capital Requirements Under Basel III"* on page 68 of the 2023 MD&A which is incorporated by reference in this Prospectus.

In order to comply with applicable capital levels, the Board approves capital targets that provide a sufficient buffer so that the Issuer is able to continuously meet these minimum capital requirements. The purpose of these capital levels is to reduce the risk of a breach of minimum capital requirements, due to unexpected events, allowing management the opportunity to react to declining capital levels before minimum capital requirements are breached. The Issuer also determines its internal capital requirements through its internal capital adequacy assessment programs framework, using models to measure the risk-based capital required based on its own tolerance for the risk of unexpected losses. This risk tolerance is calibrated to the required confidence level so that the Issuer will be able to meet its obligations, even after absorbing severe unexpected losses over a one-year period.

Despite compliance with the Issuer's capital targets, there can be no guarantee that a significant or unexpected stress event will not place additional stress on the Issuer's capital position, which may adversely impact its financial performance and position.

Legal, regulatory compliance and conduct risk ("LRCC risk")

LRCC risk is the risk associated with the Issuer's failure to comply with applicable laws, rules, regulations, prescribed practices, contractual obligations, Issuer's Code of Conduct and Ethics, or standards of fair business conduct or market conduct, which can lead to fines, sanctions, liabilities, or reputational harm that could be material to the Issuer.

Each of the Issuer's legal, compliance, global anti-money laundering and regulatory risk departments plays a critical role in the management of LRCC risk at the Issuer. Depending on the circumstances, they play different roles at different times: "trusted advisor", provider of objective guidance, independent challenge, and oversight and control (including "gatekeeper" or approver). A description of the roles carried out by each of these departments can be found on pages 112-113 of the Issuer's 2023 MD&A, which is incorporated by reference in this Prospectus.

The Issuer is exposed to LRCC risk in virtually all of its activities. Failure to mitigate LRCC risk and meet regulatory and legal requirements can impact the Issuer's ability to meet strategic objectives, poses a risk of censure or penalty, may lead to litigation, and puts the Issuer's reputation at risk. Financial penalties, reputational damage and other costs associated with legal proceedings, and unfavourable judicial or regulatory determinations may also adversely affect the Issuer's business, results of operations and financial condition. LRCC risk generally cannot be effectively mitigated by trying to limit its impact to any one business or jurisdiction as realised LRCC risk may adversely impact unrelated businesses or jurisdictions. LRCC risk exposure is inherent in the normal course of operating the Issuer's businesses. Known LRCC risks continue to rapidly evolve as a result of evolving regulatory expectations, as well as new or emerging threats, including geopolitical and those associated with use of new, emerging and interrelated technologies, artificial intelligence, machine learning, models and decision-making tools. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations to the FCA as a company with securities admitted to the Official List. See also the risk factor entitled "*Factors which are material for the purposes of assessing the risks relating to the Issuer's and the Guarantor's Legal and Regulatory Situation*" below for further information.

Reputational risk

Reputational risk is the potential that stakeholder perceptions, whether true or not, regarding the Issuer's business practices, actions or inactions, will or may cause a significant decline in the Issuer's value, brand, liquidity or customer base, or require costly measures to address.

A company's reputation is a valuable business asset that is essential to optimizing shareholder value and, therefore, is constantly at risk. Reputational risk can arise as a consequence of negative perceptions about the Issuer's business practices involving any aspect of the Issuer's operations and usually involves concerns about business ethics and integrity, competence, or the quality or suitability of products and services.

Since all risk categories can have an impact on a company's reputation, reputational risk is not managed in isolation from the Issuer's other major risk categories and can ultimately impact its brand, earnings and capital as described herein and further in the section entitled "*Risk Factors and Management*" on pages 76 to 116 of the Issuer's 2023 MD&A, which is incorporated by reference in this Prospectus.

Environmental and social risk (including climate risk)

As a financial institution, the Issuer is subject to environmental and social ("**E&S**") risk. Environmental risk is the risk of financial loss, harm, or reputational damage resulting from environmental factors, including climate change and nature loss (e.g., loss of biodiversity and deforestation).

Social risk is the risk of financial loss, harm or reputational damage resulting from social factors, including human rights (e.g., discrimination, Indigenous Peoples' rights, modern slavery, and human trafficking), the social impacts of climate change (e.g., poverty, health and economic and physical displacement) and the health and wellbeing of employees (e.g., inclusion and diversity, pay equity, mental health, physical wellbeing, and workplace safety). Organizations, including the Issuer, are under increasing scrutiny to address social and financial inequalities among racialized and other marginalized groups and are subject to rules and regulations both locally and internationally. Climate risk is the risk of reputational damage and/or financial loss arising from materialized credit, market, operational or other risks resulting from the physical and transition risks of climate change to the Issuer, its clients, or the communities the Issuer operates in. This includes physical risks arising from the consequences of a changing climate, including acute physical risks stemming from extreme weather events happening with increasing severity and frequency (e.g., wildfires, heat waves, and floods) and chronic physical risks stemming from longer-term, progressive shifts in climatic and environmental conditions (e.g., rising sea levels and global warming). Transition risks arise from the process of shifting to a low-carbon economy, influenced by new and emerging climate-related public policies and regulations, changing societal demands and preferences, technologies, stakeholder expectations, and legal developments. Further details on how the Issuer is seeking to manage this risk are set out on page 76 of the Issuer's 2023 MD&A which is incorporated by reference in this Prospectus.

E&S risk is a transverse risk and implicates all of the Issuer's major risk categories. Drivers of E&S risk are often multi-faceted and can originate from the Issuer's internal environment, including its operations, business activities, E&S-related targets, commitments and disclosure, products, clients, colleagues, or suppliers. Drivers of E&S risk can also originate from the Issuer's external environment, including the communities in which the Issuer operates, as well as second-order impacts of physical risks and the transition to a low-carbon economy.

E&S risks may have financial, reputational, and/or other implications for both the Issuer and its stakeholders (including its, customers, suppliers and shareholders) over a range of timeframes. These risks may arise from the Issuer's actual or perceived actions, or inaction, in relation to climate change and other E&S issues, its progress against its E&S targets or commitments, or the Issuer's disclosures on these matters. These risks could also result from E&S matters impacting the Issuer's stakeholders. The Issuer's participation in external E&S-related organizations or commitments may exacerbate these risks and subject the Issuer to increased scrutiny from its stakeholders. In addition, the Issuer may be subject to legal and regulatory risks relating to E&S matters, including regulatory orders, fines, and enforcement actions; financial supervisory capital adequacy requirements; and legal action by shareholders or other stakeholders, including the risks described in the risk factor entitled "*Other Risk Factors – Legal Proceedings*".

Additionally, different stakeholder groups may have divergent views on E&S-related matters. This divergence increases the risk that any action, or inaction, will be perceived negatively by at least some stakeholders. In the United States, there has been increased legislative activity by state governments that restricts the flow of capital and investment by financial institutions in state governmental entities, including anti-ESG initiatives that are designed to push back against corporate environmental, social and governance ("**ESG**") policies. The Issuer is monitoring these trends and assessing their potential impact in the context of Issuer's ESG-related practices and policies.

Failure to successfully manage E&S-related expectations across various divergent perspectives may negatively impact the Issuer's reputation and financial results. "Greenwashing" and "social washing", where claims of environmental and social benefits are made in relation to products or services or corporate performance that are false, or which give a misleading impression, have accelerated in focus inside and outside the Issuer, and public commitments, new products and disclosures can potentially expose financial institutions to the risk. Prosecution of greenwashing claims has occurred in jurisdictions in which the Issuer operates, including Canada, the United States and Europe. The Issuer continues to closely monitor trends in E&S-related litigation.

2. PRINCIPAL EMERGING RISKS RELATING TO THE ISSUER

The following factors have the potential to have a material effect on the Issuer and are material for the purpose of assessing risks associated with the Issuer that could have an adverse effect on the Issuer's actual results and, as a consequence, may negatively impact the Issuer's ability to fulfil its obligations under the Covered Bonds.

(a) *Industry Factors*

General Business and Economic Conditions

The Issuer and its customers operate in Canada, the U.S., and, to a lesser extent, in other countries. The Issuer's principal business segments are described in further detail in the section entitled "*Business Overview*" on pages 173 to 175 of this Prospectus and the business outlook and focus for 2024 for each of those segments is set out in the sections entitled "*Business Segment Analysis – Key Priorities for 2024*" for each business segment on pages 33, 35, 39, 44, 48 and 51 of the Issuer's 2023 MD&A which is incorporated by reference in this Prospectus. As a result, the Issuer's earnings are significantly affected by the general business and economic conditions in these regions, which could have an adverse impact on the Issuer's results, business, financial condition or liquidity, and could result in changes to the way the Issuer operates. These conditions include short-term and long-term interest rates, inflation, the decline in economic activity that could lead to a recession, volatility in financial markets, and related market liquidity, funding costs, real estate prices, employment levels, consumer spending and debt levels, evolving consumer trends and related changes to business models, business investment and overall business sentiment, government policy including levels of government spending, monetary policy, fiscal policy (including tax policy and rate changes), exchange rates, sovereign debt risks.

Inflation, Rising Rates, and Recession

Interest rates are expected to remain at elevated levels and potentially increase further as central banks continue their efforts to manage inflation to target levels. Elevated interest rates and other macroeconomic conditions could have adverse impacts on the Issuer's cost of funding, result in increased loan delinquencies or impairments and higher credit losses due to deterioration in the financial condition of the Issuer's customers and may necessitate further increases in the Issuer's provision for credit losses and net charge offs, all of which could negatively impact the Issuer's business, financial condition, liquidity and results of operations. In addition, actual stress levels experienced by the Issuer's borrowers may differ from assumptions incorporated in estimates or models used by the Issuer. The elevated interest rate and high inflation environment also increases concerns around the probability of a recession in Canada, the U.S. and other regions where the Issuer and its customers operate and continues to impact the macroeconomic and business environment. Such developments could have an adverse impact on the Issuer's business, financial condition, liquidity and results of operations.

Geopolitical Risk

Government policy, international trade and political relations across the globe may impact overall market and economic stability, including in the regions where the Issuer operates, or where its customers operate.

While the nature and extent of risks may vary, they have the potential to disrupt global economic growth, create volatility in financial markets that may affect the Issuer's trading and non-trading activities, market liquidity, funding costs, interest rates, foreign exchange, commodity prices, credit spreads, fiscal policy, and directly and indirectly influence general business and economic conditions in ways that may have an adverse impact on the Issuer and its customers.

Geopolitical risks in 2023 included ongoing global tensions resulting in sanctions and countersanctions and related operational complexities, supply chain disruptions, being subjected to heightened regulatory focus on climate change and transition to a low-carbon economy, increased likelihood of critical public and private infrastructure and networks to cyber-attacks, the Russia/Ukraine war, and the resulting tensions between Russia and other nation states, social unrest in the Middle East that have escalated due to the Israel/Hamas war, political and economic turmoil, threats of terrorism and ongoing protectionism measures due to a decline in global alignment.

There is no guarantee that the Issuer's management will be able to identify and incorporate all such risks, which could have a material adverse effect on the Issuer's results of operations.

Impact of Pandemics

Pandemics, epidemics or outbreaks of an infectious disease in Canada, the U.S., or worldwide have had, and could continue to have, an adverse impact on the Issuer's results, business, financial condition, liquidity and results of operations, and could result in changes to the way the Issuer operates.

Pandemics, epidemics or outbreaks of an infectious disease may create, operational and compliance risks, including the need to implement and execute new programs and procedures for the Issuer's products and services; provide enhanced safety measures for its employees and customers; address the risk and increased incidence of attempted fraudulent activity and cybersecurity threat behaviour; and protect the integrity and functionality of the Issuer's systems, networks, and data as a larger number of employees may be required to work in a hybrid environment. The Issuer remains exposed to human capital risks, risks arising from mental wellness concerns for employees due to issues related to health and safety matters, and increased levels of workforce absenteeism with the possible emergence of new pandemics, epidemics or outbreaks. Suppliers and other third parties upon which the Issuer relies have, and may continue to be exposed to similar and other risks which in turn impact the Issuer's operations. Increased levels of workforce absenteeism and disruption for the Issuer and its suppliers and other third parties upon which the Issuer relies, may increase operational and compliance risks for the Issuer. Increased absenteeism and disruption may also increase the Issuer's exposure to the other risks described in this Risk Factors section on pages 76 to 116 of the Issuer's 2023 MD&A, which is incorporated by reference in this Prospectus.

Consumer behaviour may change in the event of new pandemics, epidemics or outbreaks of an infectious disease. Changes in consumer behaviour may impact the macroeconomic and business environment, societal and business norms, and fiscal, tax and regulatory policy. Such developments could have an adverse impact on the Issuer's business operations, the quality and continuity of services provided to customers, and the results of the Issuer's operations and financial condition, including making the Issuer's longer-term business, balance sheet and budget planning more difficult or costly.

The Issuer may be criticized or face increased risk of litigation and governmental and regulatory scrutiny, customer disputes, negative publicity, or exposure to litigation (including class actions, or regulatory and government actions and proceedings) as a result of the effects of the pandemics, epidemics or outbreaks on market and economic conditions, including as a result of the Issuer's participation (directly or on behalf of customers) in governmental assistance programs, the Issuer's deferral and other types of customer assistance programs, and the impact or effectiveness of the Issuer's health and safety measures on its customers and employees.

Pandemics, epidemics or outbreaks of an infectious disease may result in further increases in certain types of the risks outlined in this Risk Factors section, including the Issuer's top and emerging, strategic, credit, market, operational, model, insurance, liquidity, capital adequacy, legal, regulatory compliance and conduct, and reputational risks.

(b) ***Issuer-specific factors***

Regulatory Oversight and Compliance Risk

The Issuer and its businesses are subject to extensive regulation and oversight by a number of different governments, regulators and self-regulatory organizations ("**Bank regulators**") around the world. Regulatory and legislative changes and changes in Issuer regulators' expectations occur in all jurisdictions in which the Issuer operates. Bank regulators around the world have demonstrated an increased focus on capital and liquidity risk management; consumer protection; data control, use and security; conduct risk and internal risk and control frameworks across the three lines of defence; and money laundering, terrorist financing and economic sanctions risks and threats. There is heightened scrutiny by Bank regulators globally on the impact of rising interest rates and inflation on customers, as well as on the Issuer's operations and its management and oversight of risks associated with these matters. In addition, these risks continue to rapidly evolve, as a result of new or emerging threats, including geopolitical and those associated with use of new, emerging and interrelated technologies, artificial intelligence, machine learning, models and decision-making tools.

The content and application of laws, rules and regulations affecting financial services firms may sometimes vary according to factors such as the size of the firm, the jurisdiction in which it is organized or operates, and other criteria. There can also be significant differences in the ways that similar regulatory initiatives affecting the financial services industry are implemented in Canada, the United States and other countries and regions in which the Issuer does

business. For example, when adopting rules that are intended to implement a global regulatory standard, a national regulator may introduce additional or more restrictive requirements. Furthermore, some of the Issuer's regulators have the discretion to impose additional standards or guidance regarding the Issuer's risk, capital and liquidity management, or other matters within their regulatory scope, and in some cases the Issuer may be prohibited by law from publicly disclosing such additional standards or guidance.

The Issuer monitors and evaluates the potential impact of applicable regulatory developments (including enacted and proposed rules, standards, public enforcement actions, consent orders, and regulatory guidance). However, while the Issuer devotes substantial compliance, legal, and operational business resources to facilitate compliance with these developments by their respective effective dates, and also to the consideration of other Bank regulator expectations, it is possible that: (i) the Issuer may not be able to accurately predict the impact of regulatory developments, or the interpretation or focus of enforcement actions taken by governments, regulators and courts, (ii) the Issuer may not be able to develop or enhance the platforms, technology, or operational procedures and frameworks necessary to comply with, or adapt to, such rules or expectations in advance of their effective dates; or (iii) regulators and other parties could challenge the Issuer's compliance. Also, it may be determined that the Issuer has not adequately, completely or timely addressed regulatory developments or other regulatory actions, such as enforcement actions, to which it is subject, in a manner which meets Bank regulator expectations. The Issuer has been subject to regulatory enforcement proceedings and has entered into settlement arrangements with Bank regulators, and the Issuer may continue to face a greater number or wider scope of investigations, enforcement actions, and litigation. This could require the Issuer to take further actions or incur more costs than expected and may expose the Issuer to litigation, enforcement and reputational risk.

Regulatory and legislative changes and changes in expectations will continue to increase the Issuer's compliance and operational risks and costs. See the risk factor entitled "*Operational Risk*" above for more details on the Issuer's operational risks. In addition, legislative and regulatory initiatives could require the Issuer to make significant modifications to its operations in the relevant countries or regions in order to comply with those requirements. This could result in increased costs as well as adversely affect the Issuer's businesses and results of operations. Furthermore, if governments or regulators take formal enforcement action against the Issuer, the Issuer's operations, business strategies and product and service offerings may be adversely impacted, therefore impacting financial results.

For additional information relating to the Issuer's material legal proceedings, refer to "*Regulatory Oversight and Compliance Risk*" on page 76 and "*Legal Proceedings*" on page 81 of the Issuer's 2023 MD&A and to Note 26 of the Issuer's 2023 Annual Consolidated Financial Statements and Note 19 to its unaudited interim consolidated financial statements for the three and six month periods ended 30 April 2024 set out in the Issuer's Second Quarter 2024 Report, each of which is incorporated by reference in this Prospectus. In addition, public notifications of enforcement actions are becoming more prevalent which could negatively impact the Issuer's reputation.

The Issuer may incur greater than expected costs associated with enhancing its compliance, or may incur fines, penalties or judgments not in its favour associated with non-compliance, all of which could also lead to negative impacts on the Issuer's financial performance, operational changes including restrictions on offering certain products or services or on operating in certain jurisdictions, and its reputation.

Executing on Long-Term Strategies, Shorter-Term Key Strategic Priorities, Acquisitions and Investments

The Issuer has a number of strategies and priorities (including those detailed in each segment's "*Business Segment Analysis*" section of the Issuer's 2023 MD&A which is incorporated by reference in this Prospectus), which may include large scale strategic or regulatory initiatives that are at various stages of development or implementation. Examples include organic growth strategies; integrating recently acquired businesses (e.g., Cowen); projects to meet new regulatory requirements; building new platforms, technology, and omnichannal capabilities; and enhancements to existing technology. Risk can be elevated due to the size, scope, velocity, interdependency, and complexity of projects, limited timeframes to complete projects, and competing priorities for limited specialized resources.

The Issuer regularly explores opportunities to acquire companies or businesses, directly or indirectly, through the acquisition strategies of its subsidiaries. In respect of acquisitions, the Issuer undertakes transaction assessments and due diligence before completing a merger or an acquisition, ensures the transaction fits within the Issuer's risk appetite, and closely monitors integration activities and performance post acquisition close. However, the Issuer's ability to successfully complete an acquisition is often subject to regulatory and other approvals, and the Issuer cannot be certain when or if, or on what terms and conditions, any required approvals will be granted.

While there is significant management attention on the governance, oversight, methodology, tools, and resources needed to manage the Issuer's strategies and priorities, the Issuer's ability to execute on them is dependent on a number of assumptions and factors. These include those set out in the "*Economic Summary and Outlook*", "*Key Priorities for 2024*", "*2023 Accomplishments and Focus for 2024*", "*Operating Environment and Outlook*" and "*Managing Risk*" sections of the Issuer's 2023 MD&A, which is incorporated by reference in this Prospectus, as well as disciplined resource and expense management and the Issuer's ability to implement (and the costs associated with the implementation of) enterprise-wide programs to comply with new or enhanced regulations or regulator demands, all of which may not be in the Issuer's control and are difficult to predict.

The Issuer may not achieve its financial or strategic objectives, including anticipated cost savings or revenue synergies, following acquisition and integration activities. In addition, from time to time, the Issuer may invest in companies without taking a controlling position in those companies, which may subject the Issuer to the operating and financial risks of those companies, the risk that these companies may make decisions that the Issuer does not agree with, and the risk that the Issuer may have differing objectives than the companies in which the Issuer has interests.

As at 31 October 2023, the Issuer's reported investment in Schwab was approximately 12.4% of the outstanding voting and non-voting common shares of Schwab, and the Issuer is not permitted to own more than 9.9% of the voting common shares of Schwab. The value of the Issuer's investment in Schwab and its contribution to the Issuer's financial results are vulnerable to poor financial performance or other issues at Schwab affecting its business. In addition, the Issuer may be affected by actions taken by Schwab, or if Schwab does not perform its obligations, pursuant to the insured deposit account agreement between the Issuer and Schwab. For additional information, refer to "*Related Party Transactions*" on page 74 of the Issuer's 2023 MD&A.

Further, the Issuer relies on Schwab for its financial results that are included in the Issuer's financial statements. Although the Issuer has director designation rights to the Schwab board of directors and certain other rights under the Stockholder Agreement with Schwab so long as it holds at least a 5% equity interest in Schwab (and currently has designated two directors to serve on the Schwab board), these rights may not mitigate the Issuer's exposure to poor financial performance or other issues at Schwab that may affect the Issuer's financial results.

If any of the Issuer's strategies, priorities, acquisition and integration activities or investments are not successfully executed, or do not achieve their financial or strategic objectives, there may be an impact on the Issuer's operations and financial performance and the Issuer's earnings could grow more slowly or decline.

Technology and Cyber Security Risk

Technology and cyber security risks for large financial institutions like the Issuer have increased in recent years, especially due to heightened geopolitical tensions that increase the risk of cyber-attacks. The rising likelihood of attacks on critical infrastructure and supply chains is due, in part, to the proliferation, sophistication and constant evolution of new technologies and attack methodologies used by threat actors, such as organized criminals, nation states, socio-political entities and other internal and external parties. The heightened risks are also a result of the Issuer's size and scale of operations, geographic footprint, the complexity of its technology infrastructure, its increasing reliance on internet capabilities, cloud and telecommunications technologies to conduct financial transactions, such as its continued development of mobile and internet banking platforms as well as opportunistic threats by actors that have accelerated exploitations of new weaknesses, misconfigurations, or vulnerabilities.

The Issuer's technologies, systems and networks, those of its customers (including their own devices) and third parties providing services to the Issuer, continue to be subject to cyber-attacks, and may be subject to disruption of services, data security or other breaches (such as loss or exposure of confidential information, including customer or employee information), identity theft and corporate espionage, or other compromises. The Issuer has experienced service disruptions as a result of technology failure at a third party and may be subject to such disruptions in the future due to cyber-attacks and/or technology failure. The Issuer's use of third-party service providers, which are subject to these potential compromises, increases its risk of potential attack, breach or disruption as the Issuer has less immediate oversight and direct control over the third parties' technology infrastructure or information security.

Although the Issuer has not experienced any material financial losses or non-financial harm relating to technology failure, cyber-attacks, data security or other breaches, the Issuer may experience material loss or damage in the future as a result of targeted and automated online attacks on banking systems and applications, supply chain attacks, ransomware attacks, introduction of malicious software, denial of service attacks, malicious insider or service provider

exfiltrating data and phishing attacks, among others. Any of these attacks could result in fraud, disclosure or theft of data or funds, or the disruption of the Issuer's operations. Cyber-attacks may include attempts by employees, agents or third-party service providers of the Issuer to disrupt operations, access or disclose sensitive information or other data of the Issuer, its customers or its employees. In addition, attempts to illicitly or misleadingly induce employees, customers, service providers or other uses of the Issuer's systems occur, and will likely continue to occur, in an effort to obtain sensitive information, gain access to the Issuer's or its customers' or employees' data or customer or Issuer funds, or to disrupt the Issuer's operations. In addition, the Issuer's customers often use their own devices, such as computers, smartphones, and tablets, which limits the Issuer's ability to mitigate certain risks introduced through these personal devices.

The Issuer regularly reviews external events and assesses and enhances its controls and response capabilities as it considers necessary to mitigate against the risk of cyber-attacks or data security or other breaches, but these activities may not mitigate all risks, and the Issuer may experience loss or damage arising from such attacks. Cyber and technology-related risks have become increasingly difficult to mitigate in totality mainly because the tactics, techniques, and procedures used change frequently and risks can originate from a wide variety of sources that have also become increasingly sophisticated. As a result, the industry and the Issuer are susceptible to experiencing potential financial and non-financial loss or harm from these attacks. The adoption of certain technologies, such as cloud computing, artificial intelligence, machine learning, robotics and process automation call for continued focus and investment to manage the Issuer's risks effectively. It is possible that the Issuer, or those with whom the Issuer does business, have not anticipated or implemented, or may not anticipate or implement effective measures against all such cyber and technology-related risks, particularly because the tactics, techniques and procedures used change frequently and risks can originate from a wide variety of sources that have also become increasingly sophisticated. Furthermore, cyber insurance providers are modifying their terms as a result of increased global cyber activity causing pricing uncertainty and coverage term changes across the industry. This has the potential to impact the Issuer's cyber insurance purchased to mitigate risk and may limit the amount of coverage available for financial losses. As such, with any cyber-attack, disruption of services, data, security or other breaches (including loss or exposure of confidential information), identity theft, corporate espionage or other compromise of technology or information systems, hardware or related processes, or any significant issues caused by weakness in information technology infrastructure and systems, the Issuer may experience, among other things, financial loss; a loss of customers or business opportunities; disruption to operations; misappropriation or unauthorized release of confidential, financial or personal information; damage to computers or systems of the Issuer and those of its customers and counterparties; violations of applicable privacy and other laws; litigation; regulatory penalties or intervention, remediation, investigation or restoration costs; increased costs to maintain and update the Issuer's operational and security systems and infrastructure; and reputational damage. If the Issuer were to experience such an incident, it may take a significant amount of time and resources to investigate the incident to obtain full and reliable information necessary to assess the impact. The Issuer's owned and operated applications, platforms, networks, processes, products, and services could be subject to failures or disruptions as a result of human error, natural disasters, utility or infrastructure disruptions, pandemics or other public health emergencies, malicious insiders or service providers, cyber-attacks or other criminal or terrorist acts, or non-compliance with regulations, which may impact the Issuer's operations. Such adverse effects could limit the Issuer's ability to deliver products and services to customers, and/or damage the Issuer's reputation, which in turn could lead to financial loss, including as described under the risk factor entitled "*Operational Risk*" above.

Fraud Activity

Fraud risk is the risk associated with acts designed to deceive others, resulting in financial loss and harm to shareholder value, brand, reputation, employee satisfaction and customers. Fraud risk arises from numerous sources, including potential or existing customers, agents, third parties, contractors, employees and other internal or external parties, including service providers to the Issuer's customers that store bank account credentials and harvest data based on customers' web banking information and activities. See the risk factor entitled "*Third-Party Risk*" below for more details regarding risks to the Issuer related to third parties.

In deciding whether to extend credit or enter into other transactions with customers or counterparties, the Issuer may rely on information furnished by or on behalf of such customers, counterparties or other external parties, including financial statements and financial information and authentication information. The Issuer may also rely on the representations of customers, counterparties, and other external parties as to the accuracy and completeness of such information. Misrepresentation of this information potentially exposes the Issuer to increased fraud events when transacting with customers or counterparties. In order to authenticate customers, whether through the Issuer's phone or digital channels or in its branches and stores, the Issuer may also rely on certain authentication methods which

could be subject to fraud. The Issuer has continued to see an increase in the volume of fraud attacks through 2023. Fraud attacks have transitioned back to traditional transaction level fraud, and away from attacking COVID-19 government related programs. Attempts to illicitly or misleadingly induce employees, customers, third-party service providers or other users of the Issuer's systems will continue, in an effort to obtain sensitive information and gain access to the Issuer's or its customers' or employees' data or customer or Issuer funds. Losses attributed to fraud during the 2023 fiscal year increased as a result of several large dollar loss events, perpetrated against the Issuer's deposit channels. Additionally the Issuer, and the industry as a whole, has experienced an increase in attack levels. Despite the Issuer's investments in fraud prevention and detection programs, capabilities, measures and defences, they have not, and in the future may not successfully mitigate against all fraudulent activity which could result in financial loss or disruptions in the Issuer's businesses. In addition to the risk of material loss (financial loss, misappropriation of confidential information or other assets of the Issuer or its customers and counterparties) that could result from fraudulent activity, the Issuer could face legal action and customer and market confidence in the Issuer could be impacted.

Insider Risk

Insider risk is an increasing risk across all industries that can have significant impact to organizations, including the Issuer. The Issuer closely monitors the internal threat environment across all typologies (e.g. cyber, third parties, fraud, workplace violence/harassment, etc.) and continues to invest in Issuer's insider risk management program. Notwithstanding, the Issuer continues to be exposed to adverse regulatory, financial, operational and reputational impacts as a result of insider events.

Third-Party Risk

The Issuer recognizes the value of using third parties to support its businesses, as they provide access to leading applications, processes, products and services, specialized expertise, innovation, economies of scale, and operational efficiencies. However, the Issuer may become dependent on third parties with respect to continuity, reliability, and security, and their associated processes, people and facilities. As the financial services industry and its supply chains become more complex, the need for resilient, robust, holistic, and sophisticated controls and ongoing oversight increases.

The Issuer also recognizes that the applications, platforms, networks, processes, products, and services from third parties could be subject to failures or disruptions impacting the delivery of services or products to the Issuer. These failures or disruptions could be because of human error, natural disasters, utility or infrastructure disruptions, changes in the financial condition of such third parties, other general business and economic conditions which may impact such third parties, pandemics or other public health emergencies, malicious insiders or service providers, cyber-attacks or other criminal or terrorist acts, or non-compliance with regulations (see the risk factors entitled "*Technology and Cyber Security Risk*" and "*Fraud Activity*" above). See also the risk factor entitled "*Impact of Pandemics*" above in this Prospectus for further information on the potential adverse effects of the COVID-19 pandemic on third-party service providers to the Issuer. Such adverse effects could limit the Issuer's ability to deliver products and services to customers, lead to disruptions in the Issuer's businesses, expose the Issuer to financial losses that the Issuer is unable to recover from such third parties, and expose the Issuer to legal and regulatory risks, including those outlined under the risk factors entitled "*Regulatory Oversight and Compliance Risk*" and "*Legal Proceedings*", and/or damage the Issuer's reputation, which in turn could result in an adverse impact to the Issuer's operations, earnings or financial condition.

Introduction of New and Changes to Current Laws and Regulations

The financial services industry is highly regulated. The Issuer's operations, profitability and reputation could be adversely affected by the introduction of new laws and regulations, amendments to, or changes in interpretation or application of current laws, rules and regulations, issuance of judicial decisions, and changes in enforcement pace or activities. These adverse effects could also result from the fiscal, economic, and monetary policies of various central banks, regulatory agencies, self-regulatory organizations and governments in Canada, the U.S., the UK, Ireland and other countries, and changes in the interpretation or implementation of those policies. Such adverse effects may include incurring additional costs and devoting additional resources to address initial and ongoing compliance; limiting the types or nature of products and services the Issuer can provide and fees it can charge; unfavourably impacting the pricing and delivery of products and services the Issuer provides; increasing the ability of new and existing competitors to compete on the basis of pricing, products and services (including, in jurisdictions outside

Canada, the favouring of certain domestic institutions); and increasing risks associated with potential non-compliance. In addition to the adverse impacts described above, the Issuer's failure to comply with applicable laws and regulations could result in sanctions, financial and non-financial penalties, and changes including restrictions on offering certain products or services or on operating in certain jurisdictions, that could adversely impact its earnings, operations, and reputation, including the risks described in the risk factor entitled "*Regulatory Oversight and Compliance Risk*".

Anti-money laundering, anti-terrorist financing and economic sanctions requirements continue to be a high priority globally, with an increasing pace of regulatory change and evolving industry standards in all of the jurisdictions in which the Issuer operates.

The global data and privacy landscape is dynamic and regulatory expectations continue to evolve. New and amended legislation is anticipated in various jurisdictions in which the Issuer does business.

Canadian, U.S. and global regulators have been increasingly focused on conduct, operational resilience and consumer protection matters and risks, which could lead to investigations, remediation requirements, and higher compliance costs. While the Issuer takes numerous steps to continue to strengthen its conduct programs and its operational resilience, and prevent and detect outcomes which could potentially harm customers, colleagues or the integrity of the markets, such outcomes may not always be prevented or detected.

Regulators have increased their focus on ESG matters, including the impact of climate change, greenwashing, sustainable finance, financial and economic inclusion and ESG-related policies and disclosure regarding such matters, with significant new legislation and amended legislation anticipated in some of the jurisdictions in which the Issuer does business.

In addition, there may be changes in interpretation or application of current laws and regulations to incorporate ESG matters in ways that were not previously anticipated.

Despite the Issuer's monitoring and evaluation of the potential impact of rules, proposals, public enforcement actions, consent orders and regulatory guidance, unanticipated new regulations or regulatory interpretations applicable to the Issuer may be introduced by governments and regulators around the world and the issuance of judicial decisions may result in unanticipated consequences to the Issuer.

The Canadian Securities Administrators have passed regulations with operational impacts related to shortening the Canadian trade settlement cycle from T+2 to T+1 to align with U.S. trade settlement and enhanced client reporting of fund expenses, amongst others. The Issuer is taking steps to implement those regulations and is monitoring other regulatory initiatives, all of which, when implemented, could result in increased compliance costs that may impact the Issuer's businesses, operations and results.

In Canada, there are a number of government and regulatory initiatives underway that could impact financial institutions, including OSFI's expanded mandate, new supervisory framework, and initiatives with respect to payments evolution and modernization, open banking, consumer protection, protection of customer data, technology and cyber security, climate risk management and disclosure, dealing with vulnerable persons, and anti-money laundering. For example, OSFI released a guideline related to technology and cyber risk management, which will come into effect in 2024, and will require the Issuer to assess its governance and risk management framework, technology operations and resilience, and cyber-security strategies and frameworks, and make any necessary changes to mitigate technology and cyber risks in compliance with the guideline, all of which could result in increased compliance costs and impact the Issuer's organizational plans, policies, processes and standards.

In Europe, there remain a number of uncertainties in connection with the future of the United Kingdom – European Union relationship (including as described under the risk factor entitled "*UK Political and Regulatory Uncertainty*" below), and reforms implemented through the European Market Infrastructure Regulation and the review of Markets in Financial Instruments Directive and accompanying Regulation could result in higher operational and system costs and potential changes in the types of products and services the Issuer can offer to customers in the region.

Level of Competition, Shifts in Consumer Attitudes, and Disruptive Technology

The Issuer operates in a highly competitive industry and its performance is impacted by the level of competition. Customer retention and acquisition can be influenced by many factors, including the Issuer's reputation as well as the

pricing, market differentiation, and overall customer experience of the Issuer's products and services. Enhanced competition from incumbents and new entrants may impact the Issuer's pricing of products and services and may cause it to lose revenue and/or market share. Increased competition requires the Issuer to make additional short and long-term investments to remain competitive and continue delivering differentiated value to its customers. In addition, the Issuer operates in environments where laws and regulations that apply to it may not universally apply to its current and emerging competitors, which could include the domestic institutions in jurisdictions outside of Canada or the U.S., or non-traditional providers (such as Fintech or big technology competitors) of financial products and services. Non-depository or non-financial institutions are often able to offer products and services that were traditionally banking products and compete with banks in offering digital financial solutions (primarily mobile or web-based services), without facing the same regulatory requirements or oversight. These competitors may also operate at much lower costs relative to revenue or balances than traditional banks or offer financial services at a loss to drive user growth or to support their other profitable businesses. These third parties can seek to acquire customer relationships, react quickly to changes in consumer behaviours, and disintermediate customers from their primary financial institution, which can also increase fraud and privacy risks for customers and financial institutions in general. The nature of disruption is such that it can be difficult to anticipate and/or respond to adequately or quickly, representing inherent risks to certain Issuer businesses, including payments. As such, this type of competition could also adversely impact the Issuer's earnings.

The Issuer is advancing its artificial intelligence ("**AI**") practice and capabilities to augment the Issuer's business decisions and risk management, improve customer experiences and drive operational efficiencies. This includes studying generative AI, which has garnered significant public attention and is already demonstrating the potential to further enhance customer experience and outcomes for the Issuer; however, all forms of AI may not appropriately or sufficiently replicate certain outcomes or accurately predict future events or exposures.

While the Issuer pursues a comprehensive enterprise innovation approach, including colleague ideation, an incubator in TD Lab, acceleration activities in agile pods, a patent portfolio, a human centered design practice and certain relationships with Big Tech and Fin Tech, the Issuer still may not be able to remain competitive and deliver differentiated value to its customers. In turn, this could adversely impact the Issuer's earnings.

3. OTHER RISK FACTORS THAT COULD IMPACT FUTURE RESULTS

Foreign Exchange Rates, Interest Rates, Credit Spreads and Equity Prices

Foreign exchange risk refers to losses that could result from changes in foreign-currency exchange rates. Assets and liabilities that are denominated in foreign currencies create foreign exchange risk. The Issuer is exposed to non-trading foreign exchange risk primarily from its investments in foreign operations. When the Issuer's foreign currency assets are greater or less than its liabilities in that currency, they create a foreign currency open position. An adverse change in foreign exchange rates can impact the Issuer's reported net income and shareholders' equity, and also its capital ratios. In order to minimize the impact of an adverse foreign exchange rate change on certain capital ratios, the Issuer's net investments in foreign operations are hedged so certain capital ratios change by no more than an acceptable amount for a given change in foreign exchange rates. The Issuer does not generally hedge the earnings of foreign subsidiaries which results in changes to the Issuer's consolidated earnings when relevant foreign exchange rates change.

Foreign exchange rate, interest rate, credit spread, and equity price movements in Canada, the United States, and other jurisdictions in which the Issuer does business impact the Issuer's financial position and its future earnings. Changes in the value of the Canadian dollar relative to the global foreign exchange rates may also affect the earnings of the Issuer's small business, commercial, and corporate customers. A change in the level of interest rates affects the interest spread between the Issuer's deposits and other liabilities, and loans, and as a result, impacts the Issuer's net interest income. In particular, rising interest rates would increase the Issuer's interest income but could also have adverse impacts on the Issuer's cost of funding for loans and may also result in the risks outlined under the heading "*Inflation, Rising Rates and Recession*". A change in the level of credit spreads affects the relative valuation of assets and liabilities, and as a result, impacts the Issuer's earnings and could also result in significant losses if, to generate liquidity, the Issuer has to sell assets that have suffered a decline in value. A change in equity prices impacts the Issuer's financial position and its future earnings, due to unhedged positions the Issuer holds in tradeable equity securities. The trading and non-trading market risk frameworks and policies manage the Issuer's risk appetite for known market risk, but such activities may not be sufficient to mitigate against such market risk, and the Issuer remains

exposed to unforeseen market risk. This risk is further discussed in the section entitled "*Managing Risk*" in the Issuer's 2023 MD&A which is incorporated by reference in this Prospectus.

Ability to Attract, Develop, and Retain Key Talent

The Issuer's future performance is dependent on the availability of qualified talent and the Issuer's ability to attract, develop, and retain key talent. The Issuer's management understands that the competition for talent continues across geographies, industries, and emerging capabilities in a number of sectors including financial services. This competition is expected to continue as a result of shift in employee preferences, tight labour market conditions, inflationary pressure and economic conditions, and remote roles providing opportunities across geographic boundaries. This could result in increased attrition particularly in areas where core professional and specialised skills are required. Annually, the Issuer undertakes a talent review process to assess critical capability requirements for all areas of the business. Through this process, an assessment of current executive leadership, technical and core capabilities, as well as talent development opportunities is completed against both near term and future business needs, which supports the succession planning process. The outcomes from the process inform plans at both the enterprise and business levels to retain, develop, or acquire talent and the plans are then actioned throughout the course of the year. Although it is the goal of the Issuer's management resource policies and practices to attract, develop, and retain key talent employed by the Issuer or an entity acquired by the Issuer, the Issuer may not be able to do so, and these actions may not be sufficient to mitigate against attrition. The Issuer continues to rely on the Issuer's annual talent review program as well as the Issuer's regular, effective management practices to proactively assess and address retention and recruitment risk and emphasize ongoing communication with talent to ensure appropriate responses on a case-by-case basis.

Legal Proceedings

Given the highly regulated and consumer-facing nature of the financial services industry, the Issuer is exposed to significant regulatory, quasi-regulatory and self-regulatory investigations and enforcement proceedings related to its business and operations. In addition, the Issuer and its subsidiaries are from time to time named as defendants or are otherwise involved in various class actions and other litigation or disputes with third parties related to its businesses and operations. A single event involving a potential violation of law or regulation may give rise to numerous and overlapping investigations and proceedings by multiple federal, provincial, state or local agencies and officials in Canada, the United States or other jurisdictions. Furthermore, if another financial institution violates a law or regulation relating to a particular business activity or practice, this will often give rise to an investigation by regulators and other governmental agencies of the same or similar activity or practice by the Issuer.

The Issuer manages the risks associated with these proceedings through a litigation management function. The Issuer's material litigation and regulatory enforcement proceedings are disclosed in Note 26 to its 2023 Annual Consolidated Financial Statements and Note 19 to its unaudited interim consolidated financial statements for the three and six month periods ended 30 April 2024 set out in the Issuer's Second Quarter 2024 Report, each of which is incorporated by reference in this Prospectus. The volume of claims and the amount of damages and penalties claimed in litigation, arbitration and regulatory proceedings may increase in the future. Actions currently pending against the Issuer, or in which the Issuer is otherwise involved, may result in judgments, settlements, fines, penalties, disgorgements, injunctions, increased exposure to litigation, business improvement orders, limitations or prohibitions from engaging in business activities, changes to the operation or management of business activities, or other results adverse to the Issuer, which could materially affect the Issuer's business, financial condition and operations, and/or cause serious reputational harm to the Issuer, which could also affect the Issuer's future business prospects.

Moreover, some claims asserted against the Issuer may be highly complex and include novel or untested legal theories. The outcome of such proceedings may be difficult to predict or estimate, in some instances, until late in the proceedings, which may last several years. Although the Issuer establishes reserves for these matters according to accounting requirements, the amount of loss ultimately incurred in relation to those matters may be material and may be substantially different from the amounts accrued. Furthermore, the Issuer may not establish reserves for matters where the outcome is uncertain. Regulators and other government agencies examine the operations of the Issuer and its subsidiaries on both a routine- and targeted-exam basis, and they may pursue regulatory settlements, criminal proceedings or other enforcement actions against the Issuer in the future. For additional information relating to the Issuer's material legal proceedings, refer to Note 26 of the Issuer's 2023 Annual Consolidated Financial Statements and Note 19 to its unaudited interim consolidated financial statements for the three and six month periods ended

30 April 2024 set out in the Issuer's Second Quarter 2024 Report, each of which is incorporated by reference in this Prospectus.

Interconnectivity of Financial Institutions

The financial services industry is highly interconnected in that a significant volume of transactions occur among the members of that industry. The interconnectivity of multiple financial institutions with particular central agents, exchanges and clearinghouses, and the increased centrality of these entities, increase the risk that a financial or operational failure at one institution or entity may cause an industry-wide failure that could materially impact its ability to conduct business. Any such failure, termination or constraint could adversely affect the Issuer's ability to effect transactions, service its clients, manage its exposure to risk or result in financial loss or liability to its clients. Additionally, the Issuer routinely executes brokered deposit, securities, trading, derivative and foreign exchange transactions with counterparties in the financial services industry, including banks, investment banks, governments, central banks, insurance companies and other financial institutions. A rapid deterioration of such a counterparty, or of a significant market participant that is not a counterparty of the Issuer, could lead to concerns about the creditworthiness of other borrowers or counterparties in related or dependent industries, and can lead to substantial or cascading disruption within the financial markets, and such conditions could cause the Issuer to incur significant losses or other adverse impacts to the Issuer's financial condition, including its liquidity. For example, the closures of Silicon Valley Bank and Signature Bank in March 2023 in the U.S. and their placement into receivership led to liquidity risk and concerns at many other financial institutions. In addition, there is no assurance that bank regulators or governmental authorities will provide support in the event of the failure or financial distress of other banks or financial institutions, or that they would do so in a timely fashion.

Interbank Offered Rate (IBOR) Transition

Various interest rates and other indices that are deemed to be "benchmarks" (including IBOR benchmarks) have been, and continue to be, the subject of international regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past, including but not limited to a sudden or prolonged increase or decrease in the reported benchmark rates, a delay in the publication of any such benchmark rates, trigger changes in the rules or methodologies in certain benchmarks discouraging market participants from continuing to administer or participate in certain benchmarks. These reforms may also cause such benchmarks to disappear entirely, or have other consequences which cannot be predicted.

Regulation (EU) 2016/1011 (the **"EU BMR**") was published in the Official Journal of the EU on 29 June 2016 and has mostly applied in the EU, subject to certain transitional provisions as described in Article 51 thereof, since 1 January 2018. The EU BMR also applied in the UK until the end of the Brexit transition period on 31 December 2020, from which time the UK BMR has applied. The EU BMR and UK BMR (together, the "**Benchmarks Regulations**") apply to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU and the UK, as applicable, and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if third country based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) prevent certain uses by EU and UK supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if third country based, deemed equivalent or recognised or endorsed).

The Benchmarks Regulations could have a material impact on any of the Issuer's securities or other contractual rights, obligations and exposures linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulations. As a result of the global benchmark reform initiative, efforts to transition away from IBORs to alternative reference rates ("**ARR**") have either concluded or have been continuing in various jurisdictions. Most notably, from June 30, 2023, all USD LIBOR tenors have either ceased or, until September 2024, are published only on a synthetic basis for use in legacy contracts that have no other fallback solution. The ongoing transition to ARRs may result in market dislocation and have other adverse consequences to the Issuer, its customers, market participants, and the financial services industry. In Canada specifically, the expected discontinuation of the BA lending model, which is responsible for creating the BA investment securities that are sold to money market investors, might also have impacts to Issuer's investment portfolios holdings and impact related earnings.

The Issuer has significant contractual rights, obligations and exposures referenced to various benchmarks, and the discontinuance of, or changes to, such benchmark rates could adversely affect the Issuer's business and results of

operations. The Issuer has established an enterprise-wide, cross functional initiative with senior executive oversight, to evaluate and monitor the impact of the market, financial, operational, legal, technology and other risks on its products, services, systems, models, documents, processes, and risk management frameworks with the intention of managing the impact through appropriate mitigating actions, but such actions may not be sufficient to mitigate against the impact of all such risks.

In addition to operational challenges, market risks also arise because the new reference rates are likely to differ from the prior benchmark rates resulting in differences in the calculation of the applicable interest rate or payment amount. This could result in different financial performance for previously booked transactions, require alternative hedging strategies, or affect the Issuer's capital and liquidity planning and management. Additionally, any adverse impacts on the value of and return on existing instruments and contracts for the Issuer's clients may present an increased risk of litigation, regulatory intervention, and possible reputational damage. Risks related to IBOR transition applicable to the Floating Rate Covered Bonds are described under the risk factor entitled "*Changes or uncertainty in respect of interest rates and indices that are deemed "benchmarks" may adversely affect the value or payment of interest under the Covered Bonds, including where such benchmarks, including Euro Interbank Offered Rate ("EURIBOR"), or the Norwegian Interbank Offered Rate ("NIBOR") may not be available.*"

Accounting Policies and Methods Used by the Issuer

The Issuer's accounting policies and estimates are essential to understanding its results of operations and financial condition. Some of the Issuer's policies require subjective, complex judgments and estimates as they relate to matters that are inherently uncertain. Changes in these judgments or estimates and changes to accounting standards and policies could have a materially adverse impact on the Issuer's 2023 Annual Consolidated Financial Statements and its unaudited interim consolidated financial statements for the three and six month periods ended 30 April 2024, and therefore its reputation. The Issuer has established procedures designed to ensure that accounting policies are applied consistently and that the processes for changing methodologies, determining estimates and adopting new accounting standards are well-controlled and occur in an appropriate and systematic manner. Significant accounting policies as well as current and future changes in accounting policies are described in Note 2 and Note 4, respectively, and significant accounting judgments, estimates, and assumptions are described in Note 3 of the Issuer's 2023 Annual Consolidated Financial Statements, and in Note 2 and Note 3 to its unaudited interim consolidated financial statements for the three and six month periods ended 30 April 2024 set out in the Issuer's Second Quarter 2024 Report, each of which is incorporated by reference in this Prospectus.

Changes to the Issuer's Credit Ratings

There can be no assurance that the Issuer's credit ratings, which are set out on page 185 of this Prospectus, and rating outlooks from rating agencies such as Moody's, S&P, DBRS or Fitch will not be lowered or that these ratings agencies will not issue adverse commentaries about the Issuer. Such changes could potentially result in higher financing costs and reduce access to capital markets. A lowering of credit ratings may also affect the Issuer's ability to enter into normal course derivative or hedging transactions and impact the costs associated with such transactions. In the event that a rating assigned to the Covered Bonds or the Issuer is subsequently suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Covered Bonds, the Issuer may be adversely affected, the market value of the Covered Bonds is likely to be adversely affected and the ability of the Issuer to make payments under the Covered Bonds may be adversely affected.

4. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING RISKS RELATED TO THE GUARANTOR

The Guarantor has finite resources available to meet its obligations under the Covered Bond Guarantee

The Guarantor's ability to meet its obligations under the Covered Bond Guarantee will depend on: (i) the realizable value of the assets of the Guarantor, including the Covered Bond Portfolio; (ii) the amount of Available Revenue Receipts and Available Principal Receipts generated by the Covered Bond Portfolio and the timing thereof; (iii) amounts received from the Swap Providers and the timing thereof; (iv) the realizable value of Substitute Assets held by it; and (v) the receipt by it of funds held for and on behalf of the Guarantor by its service providers and of credit balances and interest on credit balances from the Guarantor Accounts. The Guarantor will not have any other source of funds available to meet its obligations under the Covered Bond Guarantee.

If a Guarantor Event of Default occurs, as described in Condition 7.02 "*Guarantor Events of Default*" on page 127 of this Prospectus, and the Security created by or pursuant to the Security Agreement is enforced, the proceeds from the realization of the Charged Property may not be sufficient to meet the claims of all the Secured Creditors, including the holders of the Covered Bonds.

If, following enforcement of the Security constituted by or pursuant to the Security Agreement, the Secured Creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, it is expected that they will have an unsecured claim against the Issuer for the shortfall. There is no guarantee that the Issuer will have sufficient funds to pay that shortfall in whole or in part.

Holders of the Covered Bonds should note that the Asset Coverage Test has been structured to ensure that the Adjusted Aggregate Loan Amount is at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding, which should reduce the risk of there ever being a shortfall (although there is no assurance of this result and the sale of New Loans and their Related Security by the Seller to the Guarantor, advances under the Intercompany Loan or additional Capital Contributions by the Limited Partner may be required to avoid or remedy a breach of the Asset Coverage Test). The Guarantor must ensure that following the occurrence and during the continuance of an Issuer Event of Default, the Amortization Test is met on each Calculation Date. A breach of the Amortization Test will constitute a Guarantor Event of Default and will entitle the Bond Trustee to serve a Guarantor Acceleration Notice on the Guarantor (see "*Summary of the Principal Documents—Guarantor Agreement— Asset Coverage Test" and "Credit Structure —Asset Coverage Test*"). The Issuer shall use all reasonable efforts to ensure that the Guarantor is in compliance with the Asset Coverage Test. This may include making advances under the Intercompany Loan, selling New Loans and their Related Security to the Guarantor or making a Capital Contribution on or before the next Calculation Date following delivery of an Asset Coverage Test Breach Notice in amounts sufficient to avoid such shortfall on future Calculation Dates.

Risks resulting from the Guarantor's reliance on Service Providers

The Guarantor has entered into agreements with the Issuer and a number of third parties pursuant to which such parties have agreed to perform services for the Guarantor. In particular, but without limitation, the Servicer has been appointed to service Loans and their Related Security in the Covered Bond Portfolio sold to the Guarantor, the Cash Manager has been appointed to calculate and monitor compliance with the Asset Coverage Test and the Amortization Test, to conduct the Valuation Calculation and the OC Valuation and to provide cash management services to the Guarantor and the GDA Account and Transaction Account (to the extent maintained) will be held with the Account Bank. The Issuer may, and in some circumstances will be required to, be terminated as a service provider if its ratings by one or more Rating Agencies have been downgraded below a specified rating, there is an uncured breach of the relevant agreement or it becomes subject to insolvency proceedings. There can be no assurance that a suitable replacement will be found for the Issuer that is willing to and able to provide such services. In the event that any of those parties fails to perform its obligations under the relevant agreement to which it is a party, or, if required, a suitable and timely replacement cannot be found for a service provider, the realizable value of the Covered Bond Portfolio or any part thereof or pending such realization (if the Covered Bond Portfolio or any part thereof cannot be sold) the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee may be adversely affected. For instance, if the Servicer has failed to administer adequately the Loans and their Related Security, this may lead to higher incidences of non-payment or default by Borrowers. See risk factor entitled "*Risks resulting from default by Borrowers in paying amounts due on their Loans*". The Guarantor is also reliant on the Swap Providers to provide it with the funds matching its obligations under the Intercompany Loan Agreement and the Covered Bond Guarantee, as described below.

Following a Covered Bond Guarantee Activation Event, to the extent a Standby Account Bank Notice has been served, the Guarantor is also reliant on the ability of the Standby GDA Provider (or any successor Standby GDA Provider) to repay funds deposited with it into the Standby GDA Account in order for the Guarantor to pay amounts due under the Covered Bonds. In particular, in this circumstance, if a Notice to Pay has been served on the Guarantor, Available Revenue Receipts and Available Principal Receipts not required to pay certain priority amounts pursuant to the Guarantee Priority of Payments will be deposited in the Standby GDA Account and holders of Covered Bonds will be dependent on the credit of the Standby GDA Provider for the availability of these amounts.

If a Servicer Event of Default occurs pursuant to the terms of the Servicing Agreement, then the Guarantor and/or the Bond Trustee will be entitled, and may in certain circumstances be required, to terminate the appointment of the Servicer and appoint a new servicer in its place. There can be no assurance that a substitute servicer with sufficient

experience in administering line of credit accounts and mortgage loans secured by mortgages of residential properties in Canada would be found who would be willing and able to service the Loans and their Related Security and enter into a servicing agreement with the Guarantor. If found, a substitute servicer may not have ratings from the Rating Agencies above the applicable level specified in the Servicing Agreement or may not be rated at all and the Rating Agency Condition may not be satisfied for such substitute servicer. A substitute servicer may charge higher servicing fees that it agrees to with the Guarantor, which servicing fees will be entitled to priority over payments to holders of the Covered Bonds. See risk factor entitled "*Risks resulting from default by Borrowers in paying amounts due on their Loans*".

If the Seller, as initial Servicer, becomes subject to insolvency proceedings, it could give rise to a stay of proceedings that would delay and may otherwise impair the Guarantor's or the Bond Trustee's exercise of rights and remedies in respect of the removal of the Seller as the initial Servicer.

The ability of a substitute servicer to perform fully the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute servicer may affect the realizable value of the Covered Bond Portfolio or any part thereof, and/or the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee.

The Servicer has no obligation itself to advance payments that Borrowers fail to make in a timely fashion. Holders of the Covered Bonds will have no right to consent to or approve of any actions taken by the Servicer under the Servicing Agreement.

The Bond Trustee is not obligated to act as a servicer or to monitor the performance by the Servicer of its obligations in any circumstances.

Risks resulting from the Guarantor's reliance on Swap Providers

To provide a hedge against (i) possible variances in the rates of interest payable on the Loans and related amounts in the Covered Bond Portfolio (which may, for instance, include variable rates of interest or fixed rates of interest) and (ii) the amount (if any) payable under the Intercompany Loan and, following the Covered Bond Swap Effective Date, the Covered Bond Swap Agreement, the Guarantor has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider. See "*Summary of the Principal Documents – Interest Rate Swap Agreement*" on page 231 of this Prospectus. In addition, to provide a hedge against currency and/or other risks arising, following the Covered Bond Swap Effective Date, in respect of amounts received by the Guarantor under the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, the Guarantor has entered and will enter into a Covered Bond Swap Agreement with the Covered Bond Swap Provider in respect of each Series of Covered Bonds. See "*Summary of the Principal Documents – Covered Bond Rate Swap Agreement*" on page 234 of this Prospectus.

If the Guarantor fails to make timely payments of amounts due under any Swap Agreement (except where such failure is caused by the assets available to the Guarantor being insufficient to make the required payment in full), then it will have defaulted under that Swap Agreement and such Swap Agreement may, and in certain circumstances will be required to, be terminated. Further, a Swap Provider is only obliged to make payments to the Guarantor as long as and to the extent that the Guarantor complies with its payment and delivery obligations. The Guarantor will not be in default where the Guarantor fails to pay a required payment in full, provided such non-payment is caused by the assets of the Guarantor being insufficient to make such payment in full under the relevant Swap Agreement. If a Swap Agreement terminates or the Swap Provider is not obliged to make payments or if it defaults in its obligations to make payments of amounts (including in the relevant currency, if applicable) to the Guarantor on the payment date under the relevant Swap Agreement, the Guarantor will be exposed to changes in the relevant currency exchange rates to Canadian dollars and to any changes in the relevant rates of interest. Unless a replacement Swap Agreement is entered into, the Guarantor may have insufficient funds to meet its obligations under the Covered Bond Guarantee.

If a Swap Agreement terminates, the Guarantor may be obliged to make a termination payment in an amount related to the mark to market value of such Swap Agreement to the relevant Swap Provider. There can be no assurance that the Guarantor will have sufficient funds available to make such termination payment under the relevant Swap Agreement, nor can there be any assurance that the Guarantor will be able to find a replacement swap counterparty which agrees to enter into a replacement swap agreement on substantially the same terms as the terminated swap

agreement, and has sufficiently high ratings to prevent a downgrade of the then current ratings of the Covered Bonds by any one of the Rating Agencies.

If the Guarantor is not Independently Controlled and Governed and is obliged to pay a termination payment under any Swap Agreement, such termination payment will rank *pari passu* with amounts due on the Covered Bonds, except where default by, or downgrade of, the relevant Swap Provider has caused the relevant Swap Agreement to terminate, in which case such termination payment will be subordinated to the interest amounts due on the Covered Bonds. If the Guarantor is Independently Controlled and Governed, it has the discretion to afford the Interest Rate Swap Provider priority over payments due on the Covered Bonds in respect of amounts due and payable under the Interest Rate Swap Agreement, other than termination payments payable to the Interest Rate Swap Provider where the Interest Rate Swap Provider has caused the termination, in which case, such termination payment will be subordinated to the interest amounts due on the Covered Bonds. The obligation to pay a termination payment may adversely affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee. Additionally, the failure of the Guarantor to receive a termination payment from the relevant Swap Provider may adversely affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee.

Risks resulting from the differences in timings of obligations of the Guarantor and the Covered Bond Swap Provider under the Covered Bond Swap Agreement

Cashflows will be exchanged under the Covered Bond Swap Agreement following the Covered Bond Swap Effective Date. See "*Glossary*" for details on how the Covered Bond Swap Effective Date is determined. Following the Covered Bond Swap Effective Date, the Guarantor will make payments to the Covered Bond Swap Provider on each Guarantor Payment Date from the amounts received by the Guarantor under the Interest Rate Swap Agreement. The Covered Bond Swap Provider may not be obliged to make payments to the Guarantor under the Covered Bond Swap Agreement until amounts are Due for Payment on the Covered Bonds, which may be up to 12 months after payments have been made by the Guarantor to the Covered Bond Swap Provider under the Covered Bond Swap Agreement. If the Covered Bond Swap Provider does not meet its payment obligations to the Guarantor under the Covered Bond Swap Agreement and the Covered Bond Swap Provider does not make a termination payment that has become due from it to the Guarantor, the Guarantor may have a larger shortfall in funds with which to meet its obligations under the Covered Bond Guarantee than if the Covered Bond Swap Provider's payment obligations coincided with Guarantor's payment obligations under the Covered Bond Guarantee. As a result, the difference in timing between the obligations of the Guarantor under the Covered Bond Swap Agreement and the obligations of the Covered Bond Swap Provider under the Covered Bond Swap Agreement could adversely affect the Guarantor's ability to meet its obligations under the Covered Bond Guarantee.

Withholding on payments under the Covered Bond Guarantee

Subject to the qualifications and assumptions stated in "*Taxation – Canada*", interest paid or credited or deemed to be paid or credited on a Covered Bond by the Guarantor pursuant to the Covered Bond Guarantee will be exempt from Canadian withholding tax to the extent interest paid or credited by the Issuer on such Covered Bond would have been exempt (see "*Taxation-Canada*"). If such payments by the Guarantor pursuant to the Covered Bond Guarantee are not exempt, such payments will be made subject to any applicable withholding or deduction and the Guarantor will have no obligation to gross up in respect of any withholding or deduction which may be required in respect of any such payment, which would adversely affect the amount of payment on the Covered Bonds to be received by the applicable Covered Bondholders at the time of such payment.

5. FACTORS WHICH ARE MATERIAL FOR THE PURPOSES OF ASSESSING THE RISKS RELATING TO THE COVERED BOND PORTFOLIO

(a) *Risks related to the constitution and maintenance of the Covered Bond Portfolio*

Changes to the constitution of the Covered Bond Portfolio

The Covered Bond Portfolio currently consists solely of Loans originated by the Seller that are residential real estate secured mortgage loans over residential property in Canada.

It is expected that the constitution of the Covered Bond Portfolio will frequently change due to, for instance, repayments of Loans by Borrowers from time to time and the need to replace such Loans with New Loans in the

Covered Bond Portfolio, or the Covered Bond Portfolio being increased to, among other things, permit the issuance of additional Covered Bonds and ensure that the Asset Coverage Test is met.

There is no assurance that the characteristics of New Loans assigned to the Guarantor in the future will be the same as those in the Covered Bond Portfolio at the date of this Prospectus, which may result in a material change in the composition of the Covered Bond Portfolio held by the Guarantor in support of the Covered Bonds. The New Loans may perform in a materially different manner from the existing Loans in the Covered Bond Portfolio as it existed at the time that an investor first acquired the Covered Bonds. However, each Loan will be required to meet the Eligibility Criteria and satisfy the Loan Representations and Warranties set out in the Mortgage Sale Agreement although the Eligibility Criteria and the Loan Representations and Warranties may change in certain circumstances as described herein, which may also result in a material change in the New Loans in the Covered Bond Portfolio and represent a material risk to the investors if such New Loans perform in a materially different manner from the existing Loans in the Covered Bond Portfolio. See "*Summary of the Principal Documents—Mortgage Sale Agreement—Sale by the Seller of Loans and their Related Security*". In addition, the Asset Coverage Test is intended to ensure that the Adjusted Aggregate Loan Amount is an amount equal to or in excess of the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding. The Cash Manager prepares and provides Investor Reports that set out certain information in relation to, among other things, the Covered Bond Portfolio, the Asset Coverage Test, the Valuation Calculation, the Indexation Methodology and the OC Valuation.

The Covered Bond Portfolio will not include Line of Credit Loans until the Seller has received the approval of CMHC and the other conditions provided for in the Mortgage Sale Agreement have been satisfied. See "*Summary of the Principal Documents—Mortgage Sale Agreement—Multiproduct Loans*".

Risks related to the maintenance of the Covered Bond Portfolio

The Asset Coverage Test and the Amortization Test are intended to ensure that the assets and cashflows of the Guarantor, including the Loans and their Related Security in the Covered Bond Portfolio and cashflows in respect thereof, will be adequate to enable the Guarantor to meet its obligations under the Covered Bond Guarantee following the occurrence of a Covered Bond Guarantee Activation Event. See "*Summary of the Principal Documents—Guarantor Agreement—Asset Coverage Test*" and "*Amortization Test*" on pages 221 to 224 of this Prospectus for further details on these two tests. Accordingly, it is expected (but there is no assurance) that the Covered Bond Portfolio could be realized for sufficient values, together with the other assets of the Guarantor, to enable the Guarantor to meet its obligations under the Covered Bond Guarantee.

(i) Risks to credit rating of the Covered Bonds due to insufficient credit enhancement

Asset Coverage Test: The Issuer shall use all reasonable efforts to ensure that the Guarantor is in compliance with the Asset Coverage Test. This may include making advances under the Intercompany Loan, selling New Loans and their Related Security to the Guarantor or making a Capital Contribution in cash or in kind in amounts sufficient to avoid such shortfall on future Calculation Dates.

If a breach of the Asset Coverage Test occurs which is not cured on the next Calculation Date, an Asset Coverage Test Breach Notice will be served on the Guarantor. An Asset Coverage Test Breach Notice that is not revoked on or before the Guarantor Payment Date immediately following the next Calculation Date after service of the Asset Coverage Test Breach Notice will result in an Issuer Event of Default. There is no specific recourse by the Guarantor to the Issuer in respect of any failure of the Issuer to make a Capital Contribution on or before the Guarantor Payment Date immediately following the next Calculation Date after service of an Asset Coverage Test Breach Notice, in sufficient amounts, rates or margins, as applicable.

The Asset Percentage is a component of the Asset Coverage Test which establishes the credit enhancement required for the then outstanding Covered Bonds in accordance with the terms of the Guarantor Agreement and in accordance with Rating Agency methodologies. Pursuant to the terms of the Asset Coverage Test, there is a limit to the degree to which the Asset Percentage may be decreased without the consent of the Issuer and as a result, there is a corresponding limit on the amount of credit enhancement required to be maintained to meet the Asset Coverage Test.

If the methodologies used to determine the Asset Percentage conclude that additional credit enhancement is required beyond the maximum provided for (by requiring a reduction in the Asset Percentage below the minimum Asset

Percentage), and the Issuer does not agree to provide credit enhancement beyond the maximum provided for (by agreeing to a reduction in the Asset Percentage below the minimum Asset Percentage), any Rating Agency may reduce, remove, suspend or place on credit watch, its rating of the Covered Bonds and the assets of the Guarantor may be seen to be insufficient to ensure that, in the scenarios employed in the cashflow models, the assets and cashflows of the Guarantor will be adequate to enable it to meet its obligations under the Covered Bond Guarantee following a Covered Bond Guarantee Activation Event, notwithstanding that the Asset Coverage Test continues to be met.

(ii) Risks related to variance between market value of the Covered Bond Portfolio and market value of the obligations guaranteed under the Covered Bond Guarantee

Valuation Calculation: The Guarantor is required to perform the Valuation Calculation to monitor exposure to interest rate and currency exchange rates by measuring the present value of the Covered Bond Portfolio relative to the market value of the obligations guaranteed under the Covered Bond Guarantee. As a result, the market value of the Covered Bond Portfolio may not be sufficient if sold to satisfy the obligations guaranteed under the Covered Bond Guarantee. However, there is no obligation on the part of the Issuer or the Guarantor to take any action in respect of the Valuation Calculation to the extent it shows the market value of the Covered Bond Portfolio is less than the market value of the obligations guaranteed under the Covered Bond Guarantee. The Valuation Calculation does not take into account the Covered Bond Swap Agreement, which is intended to provide a hedge against currency risks, interest rate risks and timing risk in respect of amounts received by the Guarantor under the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, except to the extent of any cash or securities transferred to the Guarantor by the Covered Bond Swap Provider as credit support for the obligations of the Covered Bond Swap Provider under the terms of the Covered Bond Swap Agreement. Such protection afforded by the Covered Bond Swap Agreement would only be applicable if the Swap Counterparty satisfies its obligations. If not, the mismatch identified by the Valuation Calculation may have an adverse effect on the investors in the Covered Bonds if the Covered Bond Portfolio is disposed of at the time.

(iii) Risks related to a failure to meet the Amortization Test

Amortization Test: Pursuant to the Guarantor Agreement, following the occurrence and during the continuance of an Issuer Event of Default (but prior to service of a Guarantor Acceleration Notice) and, for so long as Covered Bonds remain outstanding, the Guarantor must ensure that, on each Calculation Date the Guarantor is in compliance with the Amortization Test. The Amortization Test is intended to ensure that the assets of the Guarantor do not fall below a certain threshold to ensure that the assets of the Guarantor are sufficient to meet its obligations under the Covered Bond Guarantee.

If the collateral value of the Covered Bond Portfolio has not been maintained in accordance with the terms of the Asset Coverage Test and/or the Amortization Test, that may affect the realizable value of the Covered Bond Portfolio or any part thereof (both before and after the occurrence of a Guarantor Event of Default) and/or the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee. Failure to satisfy the Amortization Test on any Calculation Date following an Issuer Event of Default will constitute a Guarantor Event of Default, thereby entitling the Bond Trustee to accelerate the Covered Bonds against the Issuer (if the Covered Bonds have not already been accelerated) and the Guarantor's obligations under the Covered Bond Guarantee against the Guarantor subject to and in accordance with the Conditions.

The Properties subject to the Related Security for Loans in the Covered Bond Portfolio do not undergo periodic valuations and prior to 1 July 2014 were not required to be indexed to account for subsequent market developments. Valuations are obtained when a Loan is originated, but generally not subsequent to origination. As a result, the realizable value on the Covered Bond Portfolio as of any date prior to 1 July 2014 could have been negatively affected by a significant decline in the values of properties across regions in which such Properties are located without such decline requiring the Issuer to make capital contributions or otherwise resulting in a breach of the Asset Coverage Test prior to indexation being implemented as part of the Asset Coverage Test. An indexed valuation of a Property relating to a Loan in the Covered Bond Portfolio may differ significantly from the valuation obtained for such Property at the time of origination of the related Loan.

Commencing 1 July 2014, the Guarantor employs an indexation methodology that meets the requirements provided for in the CMHC Guide to determine indexed valuations for Properties relating to the Loans in the Covered Bond Portfolio (which methodology may be updated from time to time and will, at any time, be disclosed in the then-current Investor Report, as applicable, the "**Indexation Methodology**") for purposes of the Asset Coverage Test, the

Amortization Test, the Valuation Calculation and for other purposes as may be required by the CMHC Guide from time to time. Changes to the Indexation Methodology may only be made (i) upon notice to CMHC and satisfaction of any other conditions specified by CMHC in relation thereto, (ii) if such change constitutes a material change, subject to satisfaction of the Rating Agency Condition, and (iii) if such change is materially prejudicial to the Covered Bondholders, subject to the consent of the Bond Trustee. The Indexation Methodology must at all times comply with the requirements of the CMHC Guide.

The CMHC Guide does not mandate a specific indexation methodology and the Indexation Methodology employed by the Guarantor from time to time may differ from the indexation methodology employed by other covered bond programmes registered in the Registry. Neither the Issuer nor the Guarantor can give any assurance as to the accuracy or completeness of any data obtained from a third-party index for use in the Indexation Methodology and it is not expected that a sponsor of a third-party index will represent as to the accuracy or completeness of such data or accept any liability therefor.

Prior to the occurrence of an Issuer Event of Default, the Asset Monitor will, subject to receipt of the relevant information from the Cash Manager, test the calculations performed by the Cash Manager in respect of the Asset Coverage Test, the Valuation Calculation and the OC Valuation once each year and more frequently in certain circumstances as required by the terms of the Asset Monitor Agreement. Following the occurrence of an Issuer Event of Default, the Asset Monitor will be required to test the calculations performed by the Cash Manager in respect of the Amortization Test. See further "*Summary of the Principal Documents—Asset Monitor Agreement*".

The Bond Trustee will not be responsible for monitoring compliance with, nor the monitoring of, the Asset Coverage Test, the Amortization Test, the Valuation Calculation, the OC Valuation or any other test, or supervising the performance by any other party of its obligations under any Transaction Document.

(iv) Renewal risk related to the Loans in the Covered Bond Portfolio with Short Maturities

Loans generally provide for renewal at the maturity of their term (e.g., five years), but the amortization period of the Loans is generally much longer (e.g., 30 years). The borrower faces a change, perhaps a substantial change, in the applicable interest rate on the loan at the time of renewal and the prospect of seeking a replacement loan from another lender if the current lender does not renew the loan. In an adverse economic environment, obtaining a replacement loan may be difficult. If prevailing interest rates have risen significantly, an existing borrower may renew the applicable mortgage loan at the higher market rates and may default on the loan.

In the event that the Guarantor must liquidate some Loans in order to meet its obligations under the Covered Bond Guarantee it may realize less than the principal amount of the Loans liquidated. If the Guarantor is required to liquidate a large number of Loans that have interest rates significantly below prevailing interest rates, the Guarantor may not realize sufficient proceeds to pay the Covered Bonds in full.

(v) Risks arising from the trigger of the Guarantor's obligation to sell randomly selected Loans following the breach of the Pre-Maturity Test, Asset Coverage Test Breach Notice or Notice to Pay

If, prior to maturity of Hard Bullet Covered Bonds, the Pre-Maturity Test is breached, the Guarantor may offer to sell Randomly Selected Loans and their Related Security to seek to generate sufficient cash to enable the Guarantor to pay the Final Redemption Amount on any Hard Bullet Covered Bonds should the Issuer fail to pay the Final Redemption Amount on the Final Maturity Date: see "*Summary of the Principal Documents—Guarantor Agreement—Sales of Randomly Selected Loans following a breach of the Pre-Maturity Test*".

If an Asset Coverage Test Breach Notice or a Notice to Pay is served on the Guarantor (and, in the case of an Asset Coverage Test Breach Notice, for as long as such notice has not been revoked), the Guarantor may be obliged to sell Randomly Selected Loans and their Related Security in order to remedy a breach of the Asset Coverage Test or to make payments to the Guarantor's creditors, including payments under the Covered Bond Guarantee, as appropriate: see "*Summary of the Principal Documents—Guarantor Agreement—Sales of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor*".

There is no guarantee that a buyer will be found to acquire such Loans and their Related Security at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained, which may affect payments

under the Covered Bond Guarantee. However, prior to the service of a Guarantor Acceleration Notice, the Loans and their Related Security may not be sold by the Guarantor for less than an amount equal to the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds until six months prior to: (i) the Final Maturity Date in respect of such Covered Bonds; or (ii) (if the same is specified as applicable in the applicable Final Terms or Pricing Supplement) the Extended Due for Payment Date under the Covered Bond Guarantee in respect of such Covered Bonds. Following a Covered Bond Guarantee Activation Event, in the six months prior to, as applicable, the Final Maturity Date or Extended Due for Payment Date, the Guarantor is obliged to sell Loans and their Related Security for the best price reasonably available notwithstanding that such price may be less than the Adjusted Required Redemption Amount. The Seller that assigned the relevant Loans and their Related Security to the Guarantor will have a right of pre-emption to purchase such Loans and their Related Security in the event the Guarantor wishes to or is required to sell such Loans and their Related Security (see "*Summary of the Principal Documents—Mortgage Sale Agreement—Right of pre-emption*").

(vi) Risk of insufficient market for Charged Property upon realisation following the occurrence of a Guarantor Event of Default

If a Guarantor Event of Default occurs and a Guarantor Acceleration Notice is served on the Guarantor, then the Bond Trustee will be entitled to enforce the Security created under and pursuant to the Security Agreement and the proceeds from the realization of the Charged Property will be applied by the Bond Trustee towards payment of all secured obligations of the Guarantor in accordance with the Post-Enforcement Priority of Payments described in "*Cashflows*" below.

There is no guarantee that there will be a market for the Charged Property or that the proceeds of realization of the Charged Property will be in an amount sufficient to repay all amounts due to the Secured Creditors (including the holders of the Covered Bonds) under the Covered Bonds and the Transaction Documents.

If a Guarantor Acceleration Notice is served on the Guarantor, then the Covered Bonds may be repaid sooner or later than expected or not at all.

(b) ***Risks related to the realizable value of the Covered Bond Portfolio***

Following the occurrence of a Covered Bond Guarantee Activation Event, the realizable value of the Loans and their Related Security in the Covered Bond Portfolio may be reduced (which may affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee) by:

- representations or warranties not being given by the Guarantor or the Seller, as the case may be (unless otherwise agreed with the Seller), on the sale of the Loans and their Related Security by the Guarantor;
- default by Borrowers of amounts due on the Loans (see "*Risks resulting from default by Borrowers in paying amounts due on their Loans*");
- the insolvency of the Seller (including as initial Servicer);
- changes to the lending criteria of the Seller assigning the Loans and their Related Security;
- the Guarantor not being the registered creditor of the Loans in the Covered Bond Portfolio and notice of the sale, transfer and assignment of such Loans and their Related Security not having been given to Borrowers;
- risks in relation to some types of the Loans which may adversely affect the value of the Covered Bond Portfolio or any part thereof;
- risks in relation to the COVID-19 pandemic (see "*Principal Emerging Risks Relating to the Issuer – Industry Factors – Impact of Pandemics*");
- recourse to the Seller being limited under the terms of the Mortgage Sale Agreement;
- possible regulatory changes by OSFI, CMHC and other regulatory authorities;

- regulations that could lead to some terms of the Loans being unenforceable; and

- general market conditions which may make the sale of Loans and their Related Security at a price sufficient to repay all amounts due under the Covered Bonds and the Transaction Documents unattainable or difficult.

However, it should be noted that the Asset Coverage Test, the Amortization Test, the Pre-Maturity Test and the Eligibility Criteria are intended to ensure that the Guarantor will have adequate assets and cashflows to enable the Guarantor to meet its obligations under the Covered Bond Guarantee following the occurrence of a Covered Bond Guarantee Activation Event. Accordingly, it is expected (but there is no assurance) that the Covered Bond Portfolio could be realized for sufficient values, together with the other assets of the Guarantor, to enable the Guarantor to meet its obligations under the Covered Bond Guarantee.

In the event the Issuer is required to assign some or all of its obligations to one or more third party service providers, as Servicer, Covered Bond Swap Provider, Interest Rate Swap Provider or Cash Manager, such third party service providers may require fees for such services in excess of the rates or amounts, if any, currently being paid to the Issuer by the Guarantor. Any such increase in fees for the services currently provided by the Issuer could have an adverse impact on the ability of the Guarantor to meet its obligations under the Covered Bonds. Additionally, there can be no assurance that any such third party service provider will have the same level of operational experience as the Issuer and operational issues may arise in connection with the appointment of a third party service provider.

Risks resulting from no new Guarantor or Seller representations and warranties

Following the occurrence of a Covered Bond Guarantee Activation Event (including as a result of an Issuer Event of Default following a breach of the Pre-Maturity Test), and/or an Asset Coverage Test Breach Notice or a Notice to Pay is served on the Guarantor (and in the case of an Asset Coverage Test Breach Notice, for so long as such notice has not been revoked), the Guarantor may be obliged to sell Loans and their Related Security to third party purchasers, subject to a right of pre-emption of the Seller that assigned such Loans and their Related Security to the Guarantor (see "*Summary of the Principal Documents—Guarantor Agreement—Method of Sale of Loans and their Related Security*"). In respect of any sale of Loans and their Related Security to third parties, however, the Guarantor will not be permitted to give warranties or indemnities in respect of those Loans and their Related Security (unless expressly permitted to do so by the Bond Trustee). Although the Seller will give the Loan Representations and Warranties to the Guarantor at the time of the sale of the Loans to the Guarantor, there is no assurance that the Seller would give any warranties or representations in respect of the Loans and their Related Security at the time of a sale of such Loans by the Guarantor to a third party. Any Loan Representations and Warranties previously given by the Seller in respect of Loans in the Covered Bond Portfolio may not have value for a third party purchaser particularly if the Seller is then insolvent. Accordingly, there is a risk that the realizable value of the Loans and their Related Security could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee.

Risks resulting from default by Borrowers in paying amounts due on their Loans

Borrowers may default on their obligations due under the Loans. Defaults may occur for a variety of reasons. The Loans are affected by credit, market, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal. Examples of such factors include changes in the local, regional, national or international economic climate, regional economic or housing conditions, changes in law, interest rates, inflation, the availability of financing, political developments and government policies. Other factors involving Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies of Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Loans. In addition, the ability of a Borrower to sell a property given as security for a Loan at a price sufficient to repay the amounts outstanding under that Loan will depend upon a number of factors, including general market conditions, the availability of buyers for that property, the value of that property and property values in general at the time. Non-Performing Loans in the Covered Bond Portfolio will be given no credit for the purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation and the OC Valuation. See "*Summary of the Principal Documents – Guarantor Agreement*" on page 219 of this Prospectus for additional information on those tests.

The application of Canadian federal bankruptcy and insolvency laws and related provincial laws to a Borrower could affect the ability to collect the Loans and enforce the Related Security if such laws result in any related Loan being charged off as uncollectible either in whole or in part.

Risks resulting from changes to the Lending Criteria which may result in increased Borrower defaults

Each of the Loans originated by the Seller will have been originated in accordance with the Seller's Lending Criteria at the time of origination. See "*Loan Origination and Lending Criteria*" on page 192 of this Prospectus for additional information. It is expected that the Seller's Lending Criteria will generally consider type of property, loan-to-value ratio and credit history. In the event of the sale of any Loans and their Related Security to the Guarantor, the Seller will only warrant that such Loans and their Related Security meet the Eligibility Criteria and were originated in accordance with the Seller's Lending Criteria applicable at the time of origination. The Seller retains the right to revise their Lending Criteria from time to time. If the Lending Criteria changes in a manner that affects the creditworthiness of the Loans and their Related Security that may be added to the cover pool, the change may lead to increased defaults by Borrowers and may affect the realizable value of the Covered Bond Portfolio, or part thereof, and the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee. As described above, however, Non-Performing Loans in the Covered Bond Portfolio will be given no credit for the purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation and the OC Valuation.

Risks relating to Payments on Line of Credit Loans

In respect of each Loan consisting of outstanding indebtedness arising under a real estate secured line of credit, such as a HELOC (each, a "**Line of Credit Loan**"), there is no assurance that any particular pattern of Borrower repayments will occur. In addition, under revolving Line of Credit Loans, Borrowers are only required to pay outstanding principal on demand. It is the practice of the Seller not to demand any repayment of Principal Receipts so long as the applicable Line of Credit Loan does not become delinquent. Accordingly, most payments of Principal Receipts on Line of Credit Loans are made only as Borrowers voluntarily choose to reduce principal amounts outstanding of their Line of Credit Loan. No assurance can be given as to the monthly payment rates of Principal Receipts which will actually occur in any future period. The actual rate of accumulation of Principal Receipts in respect of Line of Credit Loans, will depend on, among other factors, the collection rate of Principal Receipts, the timing of the receipt of Principal Receipts and the rate of default by Borrowers. To the extent that the Guarantor is required to sell Line of Credit Loans so that the Guarantor can make full payment of the principal amount of the Covered Bonds, no assurance can be given that the market for the sale of Line of Credit Loans will be liquid.

The Line of Credit Loans may be paid at any time and there is no assurance that Further Advances will be made. However, the payment characteristics of the Line of Credit Loans may change if Borrowers elect to convert all or part of the revolving tranche of their Line of Credit Loans to a term or amortizing tranche (each a "**Term Loan**"). By selecting a Term Loan, Borrowers will pay a fixed or variable rate of interest comparable to a conventional mortgage at the time of selection, pay a scheduled payment of interest and principal based on a fixed amortization schedule and, for closed Term Loans, be subject to an obligation to pay prepayment compensation to the Servicer on unscheduled principal payments above a threshold. The impact of such conversion upon the Covered Bond Portfolio will depend upon the number of Borrowers who make the election. Provided the line of credit accounts are in good standing and subject to certain minimum amount restrictions, there are no limits on a Borrower electing to convert a revolving tranche to one or more Term Loans, except that, other than at the time of origination of the Term Loan, the size of the Term Loan cannot exceed the revolving tranche that such Borrower has outstanding at the time of conversion.

The Covered Bond Portfolio will not include Line of Credit Loans until the Seller has received the approval of CMHC and the other conditions provided for in the Mortgage Sale Agreement have been satisfied. See "*Summary of the Principal Documents-Mortgage Sale Agreement-Multiproduct Loans*".

Risks particular to Multiproduct Loans

The Covered Bond Portfolio may from time to time include Multiproduct Loans, subject in the case of Line of Credit Loans to receipt by the Seller of the approval of CMHC and satisfaction of the other conditions provided for in the Mortgage Sale Agreement. For a detailed description of the Multiproduct Loans, see "*Summary of the Principal Documents-Mortgage Sale Agreement-Multiproduct Loans*" on page 207 of this Prospectus. Such Multiproduct Loans are subject to certain additional risks which include, without limitation, the following:

- the risk that servicing decisions and enforcement proceedings with respect to a related Multiproduct Loan can be made by the servicer of such Multiproduct Loan independently, without restriction or limitation and without having regard to the interests of the Guarantor as owner of the related Multiproduct Loans, but in all cases, after giving effect to the priority of the Multiproduct Loans owned by the Guarantor. Such actions could conflict with the rights and interests of the Guarantor in respect of the Multiproduct Loans; however, such servicer will have a contractual right to take, or will be restricted by contract from taking, enforcement proceedings in respect of the Multiproduct Mortgage;

- the risk that Multiproduct Loans may be more difficult for the Guarantor to sell to third parties than other Loans due to the related servicing and priority arrangements governing the Multiproduct Loans and/or the continuing ownership interests of the Seller and/or Multiproduct Purchasers in the related Multiproduct Accounts and the related Multiproduct Mortgages;

- the risk that the Guarantor, or the Servicer on its behalf, is or will become subject to certain fiduciary and other rights, duties and obligations under applicable law or under any applicable agreements in regard to the Seller and/or any Multiproduct Purchasers having an interest in the related Multiproduct Mortgages which could delay or otherwise adversely affect its right to make certain servicing and/or enforcement decisions relating to such Multiproduct Loans or, with respect to such agreements, which may affect the respective priorities of the related Multiproduct Loans; and

- since the Seller or Multiproduct Purchasers will each be entitled to an interest in the related Multiproduct Mortgages to the extent of the outstanding indebtedness owing under any related Multiproduct Loan, the Guarantor will in respect of each Multiproduct Mortgage have to join the Seller or the Multiproduct Purchaser in enforcement proceedings against the related Borrower.

Risks resulting from a lack of notice and registration of the sale, transfer and assignment of the Loans and their Related Security in the Covered Bond Portfolio on the relevant Transfer Dates

The sale, transfer and assignment by the Seller to the Guarantor of the Loans and their Related Security will be effected in accordance with the terms of the Mortgage Sale Agreement.

Other than (i) registrations in the appropriate land registry or land titles offices in respect of the sale, transfer and assignment of the relevant Loans and their Related Security from the Seller to the Guarantor effected by the Mortgage Sale Agreement (and any applicable registration in respect of registered title to the relevant Loans), and (ii) the provision to Borrowers under the related Loans or the obligors under their Related Security of actual notice of the sale, transfer and assignment thereof to the Guarantor, all material filings, recordings, notifications, registrations or other actions under all applicable laws will have been made or taken in each jurisdiction where necessary or appropriate (other than certain registrations in the Province of Quebec which will be made when permitted by applicable law) to give legal effect to the sale, transfer and assignment of the Loans and their Related Security and the right to transfer servicing of such Loans and their Related Security as contemplated by the Mortgage Sale Agreement, and to validate, preserve, perfect and protect the Guarantor's ownership interest in and rights to collect any and all of the related Loans being purchased on the relevant Transfer Date, including the right to service and enforce such Loans and their Related Security. Since the Seller or Multiproduct Purchaser will be entitled to an interest in the related Multiproduct Mortgage to the extent of the outstanding indebtedness owing under any related Multiproduct Loan not owned by the Guarantor, the Guarantor will have to join the Seller or Multiproduct Purchaser in enforcement proceedings against the related Borrower.

Notice to the Borrower of the sale, transfer and assignment of the Loans and their Related Security and, where appropriate, the registration or recording in the appropriate land registry or land title offices of the transfer of legal title to the Mortgages will not be given or made, as the case may be, except in the circumstances described in "*Summary of the Principal Documents—Mortgage Sale Agreement—Notice to Borrower of the sale, assignment and transfer of the Loans and their Related Security and registration of transfer of title to the Mortgages*".

Similarly, Borrowers will not be given notice of the interests of the Bond Trustee (for itself and on behalf of the other Secured Creditors) in the Loans and their Related Security, granted pursuant to the terms of the Security Agreement, nor will the interests of the Bond Trustee (for itself and on behalf of the other Secured Creditors) in the Mortgages be registered in the appropriate land registry or land titles offices, prior to notice of the Guarantor's interests in the Loans

and their Related Security, and/or registration of the transfer of title to the Mortgages, having been given or made, as the case may be.

As long as the interests of the Guarantor in the Loans and their Related Security are not registered at the appropriate land registry or land titles offices, and notice has not been given to Borrowers, the following risks exist:

- *first*, if the Seller wrongly sells a Loan and its Related Security, which has already been sold to the Guarantor, to another person and that person acted in good faith and did not have notice of the interests of the Guarantor in the Loan and its Related Security, then such person might obtain good title to the Loan and its Related Security, free from the interests of the Guarantor. If this occurred then the Guarantor would not have good title to the affected Loan and its Related Security and it would not be entitled to payments by a Borrower in respect of that Loan. However, the risk of third party claims obtaining priority to the interests of the Guarantor would likely be limited to circumstances arising from a breach by the Seller of its contractual obligations or fraud, negligence or mistake on the part of the Seller or the Guarantor or their respective personnel or agents;

- *second*, the rights of the Guarantor may be subject to the rights of the Borrowers against the Seller, such as rights of set-off, which occur in relation to transactions or deposits made between Borrowers and the Seller, as applicable, and the rights of Borrowers to redeem their mortgages by repaying the Loans directly to the Seller, as applicable, however, the Canadian dollar deposits of Borrowers with the Issuer are currently insured up to C$100,000, subject to certain exceptions, by the Canada Deposit Insurance Corporation, a Canadian Crown corporation; and

- *third*, unless the Guarantor has registered the sale, transfer and assignment of the Loans and their Related Security (which it is only entitled to do in certain limited circumstances), the Guarantor may not, itself, be able to enforce any Borrower's obligations under a Loan or its Related Security but would have to join the Seller as a party to any legal proceedings.

The foregoing risks apply equally to the Bond Trustee (for itself and on behalf of the other Secured Creditors). If any of the risks described in the first two bullet points above were to occur then the realizable value of the Covered Bond Portfolio or any part thereof and/or the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee or the Bond Trustee (for itself and on behalf of the other Secured Creditors) to enforce its Security granted under the Security Agreement with respect to the Covered Bond Portfolio may be adversely affected.

While the exercise of set-off rights by Borrowers may adversely affect the realizable value of the Covered Bond Portfolio and/or the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee or the Bond Trustee (for itself and on behalf of the other Secured Creditors) to realize on the Covered Bond Portfolio under the Security Agreement, 100.0% of the Loans in the Covered Bond Portfolio as at 30 April 2024 expressly prohibited, and all Loans extended, advanced or renewed on or after 1 July 2014 expressly prohibit, the exercise of such rights by the related Borrower. In addition, the Canadian dollar deposits of Borrowers with the Issuer are currently insured up to C$100,000, subject to certain exceptions, by the Canada Deposit Insurance Corporation, a Canadian Crown corporation.

Once notice has been given to the Borrowers of the sale, transfer and assignment of the Loans and their Related Security to the Guarantor and of the interest of the Bond Trustee in the Loans and their Related Security (for itself and on behalf of the other Secured Creditors), legal set-off rights which a Borrower may have against the Seller (such as, for example, set-off rights associated with Borrowers holding deposits with the Seller), will crystallize and further rights of legal set-off would cease to accrue from that date and no new rights of legal set-off could be asserted following that notice. Set-off rights arising out of a transaction connected with the Loan will not be affected by that notice and will continue to exist.

Further, for so long as notice of the sale, transfer and assignment of the Loans and their Related Security has not been given to the Borrowers and legal title to the Mortgages has not been registered in the appropriate land registry or land titles offices in the name of the Guarantor, the Seller will undertake for the benefit of the Guarantor and the Secured Creditors that it will lend its name to, and take such other steps as may be reasonably required by the Guarantor and/or the Bond Trustee in relation to, any legal proceedings in respect of the Loans and their Related Security.

Limitations on recourse to the Seller

The Guarantor and the Bond Trustee will not undertake any investigations, searches or other actions on any Loan or its Related Security and will rely instead on the Loan Representations and Warranties given in the Mortgage Sale Agreement by the Seller in respect of the Loans and their Related Security sold by it to the Guarantor.

If any Loan and its Related Security assigned by the Seller to the Guarantor does not materially comply with any of the Loan Representations and Warranties made by the Seller as at the Transfer Date of that Loan, then the Seller will be required to notify the Guarantor and the Bond Trustee as soon as reasonably practical after becoming aware of the fact and remedy the breach within 20 Toronto Business Days of becoming aware thereof. There is no further recourse to the Seller in respect of a breach of a Loan Representation or Warranty.

If the Seller fails to remedy the breach of a Representation and Warranty within 20 Toronto Business Days of such request, then the Seller will be required (but only prior to the occurrence of an Issuer Event of Default and after the service of a Loan Repurchase Notice) to repurchase on or before the next following Calculation Date (or such other date that may be agreed between the Guarantor and the Seller) the relevant Loan and its Related Security and any other Loans of the relevant Borrower that are included in the Covered Bond Portfolio, at the purchase price paid by the Guarantor for the relevant Loan(s) and its or their Related Security, as the case may be, plus expenses as at the relevant repurchase date, less any amounts received from the Borrower since the Transfer Date in respect of principal on such Loan.

There can be no assurance that the Seller, in the future, will have the financial resources to repurchase a Loan or Loans and its or their Related Security. Any failure by the Seller to do so when required could have a negative impact on the realizable value of the Covered Bond Portfolio.

6. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING RISKS RELATED TO THE COVERED BONDS GENERALLY

Sole Obligors of the Covered Bonds are the Issuer and, after a Covered Bond Guarantee Activation Event, the Guarantor

The Covered Bonds will not represent an obligation or be the responsibility of any of the Dealers, the Arranger, the Bond Trustee, or any other person involved in or associated with the Programme, or their officers, directors, employees, security holders or incorporators, other than the Issuer and, after a Covered Bond Guarantee Activation Event, the Guarantor. The Issuer will be liable solely in its corporate capacity, the Managing GP and Liquidation GP will be liable solely as general partners of the Guarantor in their corporate capacity and the Limited Partner of the Guarantor will be liable in its corporate capacity solely to the extent of its interests in the Guarantor, for their respective obligations in respect of the Covered Bonds and the Covered Bond Guarantee, as applicable, and such obligations will not be the obligations of any of their respective officers, directors, employees, security holders or incorporators, as the case may be.

The Issuer is liable to make payments when due on the Covered Bonds

The Issuer is liable to make payments when due on 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) ("**CDIC Act**") 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 Guarantor has no obligation to pay the Guaranteed Amounts payable under the Covered Bond Guarantee until the occurrence of a Covered Bond Guarantee Activation Event. The occurrence of an Issuer Event of Default does not constitute a Guarantor Event of Default. However, failure by the Guarantor to pay amounts when Due for Payment under the Covered Bond Guarantee would constitute a Guarantor Event of Default which would entitle the Bond Trustee to accelerate the obligations of the Issuer under the Covered Bonds (if the Covered Bonds have not already become due and payable) and the obligations of the Guarantor under the Covered Bond Guarantee and entitle the Bond Trustee to enforce the Security.

The Guarantor is only obliged to pay Guaranteed Amounts when the same are Due for Payment

Subsequent to a failure by the Issuer to make a payment in respect of one or more Series of Covered Bonds, the Bond Trustee may, but is not obliged to, serve an Issuer Acceleration Notice on the Issuer and Notice to Pay on the Guarantor (which would constitute a Covered Bond Guarantee Activation Event) (see Condition 4 on page 100 of this Prospectus) unless and until service of such Issuer Acceleration Notice is requested or directed, as applicable, by the Holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds then outstanding as if they were a single Series or an Extraordinary Resolution of all the Holders of the Covered Bonds in accordance with Condition 7.01. As a result, a certain percentage of the Holders of the Covered Bonds may be able to direct such action without obtaining the consent of the other Holders of the Covered Bonds.

Following a Covered Bond Guarantee Activation Event, the Guarantor will be obliged to pay Guaranteed Amounts as and when the same are Due for Payment. The Guarantor will not be obliged to pay Holders of the Covered Bonds any amounts which may be payable in respect of the Covered Bonds until a Covered Bond Guarantee Activation Event has occurred.

Payments by the Guarantor will be made subject to any applicable withholding or deduction and the Guarantor will not be obliged to pay any additional amounts as a consequence. Prior to service on the Guarantor of a Guarantor Acceleration Notice, the Guarantor will not be obliged to make any payments payable in respect of broken funding indemnities, penalties, premiums, default interest or interest on interest which may accrue on or in respect of the Covered Bonds. In addition, the Guarantor will not be obliged at any time to make any payments in respect of additional amounts which may become payable by the Issuer under Condition 8.

Subject to any grace period, if the Guarantor fails to make a payment when Due for Payment under the Covered Bond Guarantee or any other Guarantor Event of Default occurs, then the Bond Trustee may accelerate the obligations of the Guarantor under the Covered Bond Guarantee by service of a Guarantor Acceleration Notice, whereupon the Bond Trustee will have a claim under the Covered Bond Guarantee for an amount equal to the Early Redemption Amount of each Covered Bond, together with accrued interest and all other amounts then due under the Covered Bonds (other than additional amounts payable under Condition 8). In such circumstances, the Guarantor will not be obliged to gross up in respect of any withholding or deduction which may be required in respect of any payment. Following service of a Guarantor Acceleration Notice, the Bond Trustee may enforce the security granted under the Security Agreement over the Covered Bond Portfolio. The proceeds of enforcement of the Security will be applied by the Bond Trustee in accordance with the Post-Enforcement Priority of Payments in the Security Agreement, and holders of the Covered Bonds will receive amounts from the Guarantor (if any) on an accelerated basis.

Excess Proceeds received by the Bond Trustee

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may receive Excess Proceeds. The Excess Proceeds will 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 for the account of the Guarantor and will be held by the Guarantor in the Guarantor Accounts (as described in Condition 7.01 on page 125 of this Prospectus). The Excess Proceeds will thereafter form part of the Security granted pursuant to the Security Agreement and will be used by the Guarantor in the same manner as all other moneys from time to time standing to the credit of the Guarantor Accounts. Any Excess Proceeds received by the Bond Trustee will discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (subject to restitution of the same if such Excess Proceeds will be required to be repaid by the Guarantor). 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 will not reduce or discharge any such obligations.

By subscribing for Covered Bond(s), each holder of the Covered Bonds will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Guarantor in the manner as described above. As a result, the holders of the Covered Bonds will not receive the Excess Proceeds directly from the Issuer or the Guarantor and will be limited on their recovery against the Guarantor only for the Guaranteed Amounts and only pursuant to the Covered Bond Guarantee.

All Covered Bonds issued under the Programme will accelerate at the same time if there is a Covered Bond Guarantee Activation Event

Covered Bonds issued under the Programme will either be fungible with an existing Series of Covered Bonds or have different terms from an existing Series of Covered Bonds (in which case they will constitute a new Series).

All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects and will share in the Security granted by the Guarantor under the Security Agreement. If an Issuer Event of Default occurs in respect of a particular Series of Covered Bonds, the Covered Bonds of all Series outstanding will, provided a Covered Bond Guarantee Activation Event has occurred, accelerate at the same time against the Issuer and have the benefit of payments made by the Guarantor under the Covered Bond Guarantee. In order to ensure that any further issue of Covered Bonds under the Programme does not adversely affect Holders of the existing Covered Bonds:

- the Asset Coverage Test will be required to be met both before and after any further issue of Covered Bonds; and

- on or prior to the date of issue of any further Covered Bonds, the Issuer will be obliged to satisfy the Rating Agency Condition.

Based on the foregoing, the holders of a Series of Covered Bonds will not have full entitlement to amounts available from the Issuer for holders of Covered Bonds and will be limited to their applicable entitlement on a shared priority basis and will, on a similar basis, be limited in their access to the security granted by the Guarantor under the Security Agreement.

The Bond Trustee's powers may affect the interests of the Holders of the Covered Bonds

In the exercise of its powers, trusts, authorities and discretions, the Bond Trustee will only have regard to the interests of the Holders of the Covered Bonds. In the exercise of its powers, trusts, authorities and discretions, the Bond Trustee may not act on behalf of the Issuer.

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 will 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 representing at least 25 per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding. See Condition 21 "*Indemnification of Bond Trustee and Bond Trustee contracting with the Issuer and/or the Guarantor*" on page 153 of this Prospectus. As a result, the rights of an individual holder of Covered Bonds may be adversely affected by decisions made by the Bond Trustee, by an Extraordinary Resolution of the holders of the applicable Series or a direction in writing by holders of Covered Bonds representing the requisite percentage of Covered Bonds of the relevant Series.

Extendable obligations under the Covered Bond Guarantee

Following the failure by the Issuer to pay the Final Redemption Amount of a Series of Covered Bonds on their Final Maturity Date (subject to applicable grace periods) and if following service of a Notice to Pay on the Guarantor (by no later than the date which falls one Toronto Business Day prior to the Extension Determination Date), payment of the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such Series of the Covered Bonds are not paid in full, then the payment of such Guaranteed Amounts may be automatically deferred for payment until the applicable Extended Due for Payment Date (where the relevant Series of Covered Bonds are subject to an Extended Due for Payment Date) and interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 5, at the applicable Rate of Interest including, if applicable, as may be determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds). To the extent that a Notice to Pay has been served on the Guarantor and the Guarantor has sufficient time and sufficient moneys to pay in part the Guaranteed Amounts corresponding to the relevant Final Redemption Amount in respect of such Covered Bonds, the Guarantor will make such partial payment on any Interest Payment Date up to and including the relevant Extended Due for Payment Date in accordance with the Priorities of Payments and as described in Condition 6.01 and the Guarantor will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and the Extended Due for Payment Date and any unpaid amounts in respect thereof shall be due and

payable on the Extended Due for Payment Date. The Issuer is not required to notify Covered Bondholders of such deferral. This will occur (subject to no Guarantor Event of Default having occurred) if the Final Terms or Pricing Supplement for a relevant Series of Covered Bonds provides that such Covered Bonds are subject to an Extended Due for Payment Date.

The Extended Due for Payment Date will fall up to one year after the Final Maturity Date (as specified in the applicable Final Terms or Pricing Supplement) and the Guarantor will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and the Extended Due for Payment Date and any unpaid amounts in respect thereof shall be due and payable on the Extended Due for Payment Date. In these circumstances, except where the Guarantor has failed to apply money in accordance with the Priorities of Payments, failure by the Guarantor to meet its obligations in respect of the Final Redemption Amount on the Final Maturity Date (or such later date within any applicable grace period) will not constitute a Guarantor Event of Default. However, failure by the Guarantor to pay Guaranteed Amounts corresponding to the Final Redemption Amount or the balance thereof, as the case may be, on the Extended Due for Payment Date and/or pay Guaranteed Amounts constituting Scheduled Interest on any Original Due for Payment Date or the Extended Due for Payment Date will (subject to any applicable grace period) be a Guarantor Event of Default.

Modification and Waivers; The Bond Trustee may agree to modifications to the Transaction Documents without, respectively, the holders of the Covered Bonds' or Secured Creditors' prior consent

The Conditions of the Covered Bonds contain provisions for calling meetings of Holders of Covered Bonds to consider matters affecting their interest generally. These provisions permit defined majorities to bind all Holders of Covered Bonds including Holders of Covered Bonds who do not attend and vote at the relevant meeting and Holders of Covered Bonds who voted in a manner contrary to the majority. Pursuant to the Trust Deed, 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 Swap Rate. Except to the extent the Trust Indenture Act applies, an individual Covered Bondholder may not be in position to affect the outcome of resolutions adopted by meetings of Covered Bondholders (see "*Summary of the Principal Documents – Trust Deed – Trust Indenture Act*").

Pursuant to the terms of the Trust Deed, the Bond Trustee may also, without the consent or sanction of any of the Holders of the Covered Bonds or any of the other Secured Creditors, concur with any person in making or sanctioning any modification to the Transaction Documents:

- provided that the Bond Trustee is of the opinion that such modification will not be materially prejudicial to the interest of any of the Holders of the Covered Bonds of any Series; or

- which in the opinion of the Bond Trustee are made to correct a manifest error or are of a formal, minor or technical nature or are made to comply with mandatory provisions of law.

Pursuant to the terms of the Trust Deed, the Bond Trustee may, without the consent or sanction of any of the Holders of the Covered Bonds or any of the other Secured Creditors grant any authorization or waiver of (on such terms and conditions (if any) as shall seem expedient to it) any proposed or actual breach of any of the covenants contained in the Trust Deed, the Security Agreement or any of the other Transaction Documents, provided that the Bond Trustee is of the opinion that such waiver or authorization will not be materially prejudicial to the interest of any of the Holders of the Covered Bonds of any Series.

Certain modifications to the Transaction Documents may be made in some cases without the consent of Covered Bondholders, and in other cases, Covered Bondholders will be deemed to have consented to such modifications unless holders of the Covered Bonds representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds have notified their objection to the Bond Trustee in writing

For the purpose of changing the Reference Rate to an Alternative Base Rate, the Bond Trustee shall, without any consent or sanction of any of the holders of the Covered Bonds or any of the other Secured Creditors (except for those party to the relevant Transaction Document being amended or whose ranking in any Priorities of Payments is affected), concur with the Issuer in making any modification (other than a Series Reserved Matter) to the Trust Deed, the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security, as further described in Condition 13.02(c)(i) for the relevant Series of Covered Bonds (and such other amendments as are

necessary or advisable in the reasonable judgment of the Issuer to facilitate such change, which, as provided for in Condition 13.02(c)(i) may include an Adjustment Spread (if any), including pursuant to the Issuer, in its sole discretion, determining same or appointing an Independent Financial Adviser to assist in such determination) to the extent there has been or there is reasonably expected to be a material disruption or cessation to EURIBOR or any other relevant benchmark (other than in respect of SOFR, €STR and SARON), provided that, for greater certainty, such amendments will not constitute a Series Reserved Matter and, in each case subject to the satisfaction of certain requirements, including receipt by the Bond Trustee of a Base Rate Modification Certificate, certifying, among other things, that the modification is required for its stated purpose. The Bond Trustee also has the right to make certain modifications to the Transaction Documents without the consent of the holders of the Covered Bonds described under "*—Modifications and Waivers; The Bond Trustee may agree to modifications to the Transaction Documents without, respectively, the holders of the Covered Bonds' or Secured Creditors' prior consent*".

Further to the above paragraph, the Issuer must provide at least 30 days' notice to the holders of the Covered Bonds of the proposed modification in accordance with Condition 14 and by publication on Bloomberg on the "Company News" screen relating to the Covered Bonds. If, within 30 days from the giving of such notice, holders of the Covered Bonds representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds have notified the Issuer or the Issuing and Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Covered Bonds may be held) that such holders of the Covered Bonds do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Covered Bondholders of the relevant Series is passed in favour of the Base Rate Modification in accordance with Condition 13.02(c)(i). However, in the absence of such a notification, all Covered Bondholders will be deemed to have consented to such modification and the Bond Trustee shall, subject to the requirements of Condition 13.02(c)(i), without seeking further consent or sanction of any of the holders of the Covered Bonds and irrespective of whether such modification is or may be materially prejudicial to the interest of the holders of the Covered Bonds as a class, concur with the Issuer in making the proposed modification.

In respect of USD Benchmark-referenced Floating Rate Covered Bonds, if the Issuer or the Benchmark Transition Designee (as defined below in Condition 13.02(c)(ii)) determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, then the Bond Trustee shall be obliged, subject to the satisfaction of certain conditions but without the consent or sanction of the Covered Bondholders, to concur with the Issuer or the Benchmark Transition Designee, in making any modification to the Conditions or any of the Transaction Documents that the Issuer or the Benchmark Transition Designee decides may be appropriate to give effect to the provisions set forth in Condition 13.02(c)(ii) (*Meetings of Holders of Covered Bonds, Modification and Waiver - Modification and Waiver*) in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR and any related Covered Bond Swap Agreements. The Covered Bondholders and the other Secured Creditors shall be deemed to have instructed the Bond Trustee to concur with such amendments and shall be bound by them regardless of whether or not they are materially prejudicial to the interests of the Covered Bondholders or the other Secured Creditors.

In respect of SARON-referenced Floating Rate Covered Bonds, please refer to "*— The market continues to develop in relation to SARON as a reference rate for Covered Bonds*."

Therefore, it is possible that a modification to the Reference Rate (and as otherwise described above) could be made without the vote of any holders of the relevant Series of Covered Bonds or even if holders of such Series of Covered Bonds holding less than 10 per cent. of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds objected to it. In addition, holders of the Covered Bonds should be aware that, unless they have made arrangements to promptly receive notices sent to Covered Bondholders from any custodians or other intermediaries through which they hold their Covered Bonds and give the same their prompt attention, meetings may be convened or resolutions (including Extraordinary Resolutions) may be proposed and considered and passed or rejected or deemed to be passed or rejected without their involvement even if, were they to have been promptly informed by such custodians or other intermediaries as aforesaid, they would have voted in an affirmative manner to the holders of the Covered Bonds which passed or rejected the relevant proposal or resolution.

Issuer's potential conflict of interest in connection with the Covered Bond Programme

The Issuer has a number of roles pursuant to the Programme including, but not limited to, the roles of Issuer, Seller, Servicer, Cash Manager, initial counterparty under the Swap Agreements and Limited Partner (as further described in "*Summary of the Principal Documents*" on pages 197 to 243 of this Prospectus). In respect of the Programme, the

Issuer will act in its own interest subject to compliance with the Transaction Documents. Such actions by the Issuer may not be in the best interests of and may adversely affect the holders of the Covered Bonds, including by negatively impacting the ability for the Issuer to pay to the holders of the Covered Bonds any principal and/or interest due on the Covered Bonds. Subject to compliance with the Transaction Documents, the Issuer may act in its own interest without incurring any liability to the holders of any Series or Tranche of Covered Bonds.

Privacy Issues associated with the Covered Bond Programme

The Loans originated by the Seller have been originated at various times with the result that the underlying loan documentation may vary from Loan to Loan. See the section entitled "*Loan Origination and Lending Criteria*" on pages 192 to 196 of this Prospectus for further details on the Loans. Earlier Loan documentation may not have the same level of acknowledgements and consents from borrowers regarding the disclosure of information, and, in certain circumstances may not provide for an express right to share borrower information. As a result, limited information may be available to parties other than the Issuer and its related entities (which would include the Guarantor), which may adversely affect the ability of the Guarantor to sell the Loans, in particular, at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor, as described in the section entitled "*Guarantor Agreement—Sales of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor*" in this Prospectus.

Certain decisions of Holders of the Covered Bonds taken at the Programme level

Any Extraordinary Resolution to direct the Bond Trustee to serve an Issuer Acceleration Notice following an Issuer Event of Default, to direct the Bond Trustee to serve a Guarantor Acceleration Notice following a Guarantor Event of Default and any direction to the Bond Trustee to take any enforcement action must be passed at a single meeting of the Holders of all Covered Bonds of all Series then outstanding. In the event that there is more than one Series of Covered Bonds outstanding, the Holders of the Covered Bonds of any particular Series may not have sufficient votes to control any matter voted on at a single meeting of the Holders of all Covered Bonds of all Series outstanding. See Condition 13.01 "*Meetings of Holders of the Covered Bonds*" for additional information.

Change of law

The structure of the issue of the Covered Bonds and the ratings which are to be assigned to them are based on the laws of Ontario and the laws of Canada applicable therein including federal banking, bankruptcy and income tax laws in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change in law, including the applicable laws, regulations and policies with respect to the issuance of Covered Bonds, the Covered Bonds themselves or the bankruptcy, insolvency, winding-up and receivership of the Issuer or the Guarantor after the date of this Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to meet its obligations in respect of the Covered Bonds or the Guarantor to meet its obligations under the Covered Bond Guarantee. Any such change could adversely impact the value of the Covered Bonds.

It should also be noted that the covered bond directive (Directive (EU) 2019/2162) and regulation (Regulation (EU) 2019/2160 ,which replaced article 52(4) of the UCITS Directive established a revised common base-line for the issue of covered bonds for EU regulatory purposes (subject to various options that Member States may choose to exercise when implementing the new directive through national laws), amended article 129 of the Capital Requirements Regulation ("**CRR**") (and certain related provisions) and strengthened the criteria for covered bonds that benefit from preferential capital treatment under the CRR regime, has been directly applicable in the EU since July 8, 2022. Pursuant to a combination of article 129 CRR and article 3 of the covered bond directive, the preferential capital treatment under CRR cannot extend currently to covered bonds issued by Canadian issuers (and the holders thereof). Any such extension is dependent on a third country equivalence determination being made by the EU Commission and Article 31 of the directive stipulates that the EU Commission shall submit a report on third country equivalence to the European Parliament and Council by July 2024. The report may be accompanied by a legislative proposal on whether or how an equivalence regime should be introduced. How this might apply to the Covered Bonds or affect the marketability of the Covered Bonds and other covered bonds issued by Canadian issuers is ultimately unknown.

In the UK, the FCA confirmed in 2019 that it intended to implement the EU covered bonds reform. No consultation on the proposed amendments has yet been published and it is unclear whether the FCA or UK government may take any steps to reform this legislative package. No assurances or predictions can be made as to the precise effects of the UK's covered bond regime on the Covered Bonds in the future.

In addition, the implementation of and/or changes to the Basel III framework may affect the capital requirements and/or liquidity associated with a holding of the Covered Bonds for certain investors. See the risk factor entitled "*Factors which are material for the purposes of assessing the risks relating to the Issuer's and the Guarantor's legal and regulatory situation — Basel Committee on Banking Supervision Global Standards for Capital and Liquidity Reform (Basel III*)" below.

Change of Tax Law

Statements in this Prospectus concerning the taxation of investors (see the section entitled "*Taxation*" on page 265 of this Prospectus) are of a general nature and are based upon current tax law and published practice in the jurisdictions stated. Such law and practice is, in principle, subject to change, possibly with retrospective or retroactive effect, and this could adversely affect Holders.

In addition, any change in the Issuer's tax status or in taxation legislation or practice in a relevant jurisdiction could adversely impact (i) the ability of the Issuer to service the Covered Bonds and (ii) the market value of the Covered Bonds.

Ratings of the Covered Bonds

With respect to Moody's, the ratings assigned to the Covered Bonds address the expected loss posed to investors.

The ratings assigned to the Covered Bonds address with respect to DBRS the risk that the Issuer will fail to satisfy its financial obligations thereunder in accordance with the terms under which the Covered Bonds are issued.

The ratings assigned to the Covered Bonds address, with respect to Fitch, an indication of the probability of default and of recovery given a default of the Covered Bonds.

The expected ratings of the Covered Bonds are set out in the relevant Final Terms or Pricing Supplement for each Series of Covered Bonds. Any Rating Agency may lower its rating or withdraw its rating or place the rating on negative watch if, in the sole judgment of the Rating Agency, the credit quality of the Covered Bonds, the Issuer or Canada has declined or is in question. If any rating assigned to the Covered Bonds is lowered or withdrawn or placed on negative watch, the market value of the Covered Bonds may be reduced. The rating assigned to the Covered Bonds may not reflect the potential of all risks related to structure, market, additional and other factors discussed herein and other factors that may affect the value of the Covered Bonds. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

(i) Credit ratings might not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Covered Bonds. The ratings might not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Covered Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time based on a number of factors including the Issuer's financial strength, competitive position, and liquidity, as well as factors not entirely within the Issuer's control, including the methodologies used by rating agencies and conditions affecting the overall financial services industry. For example, in July 2021, Moody's updated its bank ratings methodology, which updates included revisions to certain of Moody's Advanced Loss Given Failure framework. This update reflected Moody's view that some banking groups' resolutions are coordinated in a unified manner across operational resolution regimes. These methodological modifications introduced an expectation that the parent will support subsidiaries in failure and resulted in a downgrade of the Issuer's legacy senior debt and senior debt credit ratings, on the basis that the Issuer holds loss absorbing instruments of its U.S. subsidiaries.

In general, EEA regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU under the EU CRA Regulation (and such registration has not been withdrawn or suspended) subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. See "*Credit Rating Agencies*" on page 9 of this Prospectus for additional information. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EU Registered

CRA or the relevant third country non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

The list of registered and certified credit rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a UK Registered CRA. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK Registered CRA; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

The list of registered and certified credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated FCA list.

If the regulated status of a rating agency under the EU CRA Regulation or the UK CRA Regulation changes, EEA or, as applicable, UK regulated investors may no longer be able to use the rating for regulatory purposes and the Covered Bonds may have a different regulatory treatment. This may result in EEA or, as applicable, UK regulated investors selling the Covered Bonds which may impact the value of the Covered Bonds on any secondary market. Certain information with respect to the credit rating agencies and ratings is disclosed in the "*Credit Rating Agencies*" section on page 9 of this Prospectus.

(ii) Rating Agency Condition in respect of Covered Bonds

The terms of certain of the Transaction Documents provide that, in certain circumstances, the Issuer and/or the Guarantor must, and the Bond Trustee may, obtain confirmation from each Rating Agency that any particular 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. However, holders of the Covered Bonds should be aware that if a confirmation 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 confirmation of the satisfaction of the Rating Agency Condition is delivered to that Rating Agency by any of the Issuer, the Guarantor and/or the Bond Trustee, as applicable, and either (i) the Rating Agency indicates in its sole discretion that it does not consider such confirmation or response necessary in the circumstances or (ii) within 30 days (or, in the case of Moody's or Fitch, 10 Business Days) of actual receipt of such request by the Rating Agency, such request elicits no confirmation or response and/or such request elicits no statement by the Rating Agency that such confirmation or response could not be given, the Issuer, the Guarantor and/or the Bond Trustee, as applicable, will be entitled to disregard the requirement for the satisfaction of the Rating Agency Condition, affirmation of rating or other response by the Rating Agency and proceed on the basis that such confirmation or affirmation of rating or other response by the Rating Agency is not required in the particular circumstances of the request. In such circumstances, there can be no assurance that a Rating Agency would not downgrade or place on watch the then current rating of the Covered Bonds or cause such rating to be withdrawn or suspended.

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 satisfaction of the Rating Agency Condition or affirmation of rating or other response in respect of such action or step. No Rating Agency is a party to any of the Transaction Documents and no Rating Agency will at any time be under an obligation to confirm the satisfaction of the Rating Agency Condition.

As described in Condition 20 on page 152 of this Prospectus, 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 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 Rating Agency Condition in respect of an action proposed to be taken, 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.

Further, as discussed in Condition 20 on page 152 of this Prospectus, by subscribing for or purchasing Covered Bond(s), each holder of Covered Bonds shall be deemed to have acknowledged and agreed that: (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) 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) 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.

7. RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF COVERED BONDS

A wide range of Covered Bonds may be issued under the Programme. A number of these Covered Bonds may have features which contain particular risks for potential investors, the most common of which are set out below:

(a) ***Risks related to Floating Rate Covered Bonds***

The market continues to develop in relation to SONIA as a reference rate for Floating Rate Covered Bonds

Where the relevant Final Terms or the applicable Pricing Supplement for a series of Covered Bonds identifies that the Rate of Interest for such Covered Bonds will be determined by reference to SONIA, the Rate of Interest will be determined on the basis of Compounded Daily SONIA (as defined in Condition 5.03). Compounded Daily SONIA differs from sterling LIBOR in a number of material respects, including (without limitation) that Compounded Daily SONIA is a backwards-looking, compounded, risk-free overnight rate, whereas sterling LIBOR is expressed on the basis of a forward-looking term and includes a credit risk-element based on inter-bank lending. As such, investors should be aware that sterling LIBOR and SONIA may behave materially differently as interest reference rates for Covered Bonds. In addition, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term by reference, primarily, to SONIA Overnight Index Swap quotes provided in interdealer central limit order books and, where such data is unavailable, subject to a waterfall of alternative data). The adoption of SONIA has already seen component inputs into swap rates or other composite rates transferring from sterling LIBOR or another reference rate to SONIA.

Accordingly, prospective investors in any Covered Bonds referencing Compounded Daily SONIA should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to sterling LIBOR. The use of SONIA as a reference rate for Eurobonds is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SONIA.

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Floating Rate Covered Bonds that reference a SONIA rate issued under this Prospectus. Furthermore, the Issuer may in the future issue Covered Bonds referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA-referenced Covered Bonds issued by it under the Programme. Equally in such circumstances, it may be difficult for the Guarantor to find any future required replacement Swap Provider to properly hedge its then interest rate exposure on such a Floating Rate Covered Bond should a Swap Provider need to be replaced and such Floating Rate Covered Bond at that time uses an application of SONIA that then differs from products then prepared to be hedged by such Swap Providers. The continued development of Compounded Daily SONIA as an interest reference rate for the capital markets, as well as continued

development of SONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Covered Bonds issued under the Programme from time to time.

As SONIA and the SONIA Compounded Index are published by the Bank of England based upon data from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that SONIA or the SONIA Compounded Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in floating rate covered bonds that reference SONIA. If the manner in which SONIA or the SONIA Compounded Index is calculated is changed, then that change might result in a reduction of the amount of interest payable on the relevant Covered Bonds and the trading prices of investments in such Covered Bonds. Furthermore, to the extent SONIA or the SONIA Compounded Index is no longer published, the applicable rate to be used to calculate the Rate of Interest on floating rate Covered Bonds will be determined using the alternative methods described in Condition 5.03. Such alternative methods might result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on such Covered Bonds if SONIA and/or the SONIA Compounded Index had been provided by the Bank of England in its current form. In addition, the use of such alternative methods might also result in a fixed rate of interest being applied to the relevant Covered Bonds.

Furthermore, the Rate of Interest on Covered Bonds which reference Compounded Daily SONIA is only capable of being determined at the end of the relevant Interest Period and immediately or shortly prior to the relevant Interest Payment Date. It may be difficult for investors in Covered Bonds which reference a Compounded Daily SONIA to reliably estimate the amount of interest which will be payable on such Covered Bonds, and some investors may be unable or unwilling to trade such Covered Bonds without changes to their information technology systems, both of which factors could adversely impact the liquidity of such Covered Bonds. Further, in contrast to LIBOR-based Covered Bonds, if the Covered Bonds referencing Compounded Daily SONIA become due and payable under Condition 7, the Rate of Interest payable shall be determined for the final Interest Period on the date the Covered Bonds became due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Covered Bonds referencing Compounded Daily SONIA.

Since SONIA is a relatively new market index, Covered Bonds linked to SONIA may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SONIA, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Covered Bonds may be lower than those of later-issued indexed debt securities as a result. Further, if SONIA does not prove to be widely used in securities like the Covered Bonds, the trading price of such Covered Bonds linked to SONIA may be lower than those of Covered Bonds linked to indices that are more widely used. Investors in such Covered Bonds may not be able to sell such Covered Bonds at all or may not be able to sell such Covered Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Covered Bonds referencing SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Covered Bonds and the trading prices of such Covered Bonds.

Accordingly, an investment in Floating Rate Covered Bonds that reference SONIA entails significant risks not associated with similar investments in conventional debt securities. Any investor should ensure that it understands the nature of the terms of such Floating Rate Covered Bonds and the extent of its exposure to risk, and that it considers the suitability of such Floating Rate Covered Bonds as an investment in the light of its own circumstances and financial condition. Investors should carefully consider these matters when making their investment decision with respect to any such Floating Rate Covered Bonds.

The market continues to develop in relation to SOFR as a reference rate for Floating Rate Covered Bonds

(i) The composition and characteristics of SOFR are not the same as those of U.S. dollar LIBOR, and SOFR is not expected to be a comparable replacement for U.S. dollar LIBOR.

Where the applicable Final Terms for a Series of Covered Bonds specifies that the interest rate for such Covered Bonds will be determined by reference to SOFR, interest will be determined on the basis of SOFR (as defined in the Terms and Conditions of the Covered Bonds). SOFR differs from U.S. dollar LIBOR in a number of material respects, including (without limitation) that SOFR is a backwards-looking, compounded, secured, risk-free overnight rate, whereas U.S. dollar LIBOR is expressed on the basis of a forward-looking term and includes a credit risk-element based on inter-bank lending. As such, investors should be aware that U.S. dollar LIBOR and SOFR may behave materially differently as interest reference rates for Covered Bonds. The use of SOFR as a reference rate is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of debt securities referencing SOFR.

As a result, there can be no assurance that SOFR will perform in the same way as U.S. dollar LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events. For the same reasons, SOFR is not expected to be a comparable replacement for U.S. dollar LIBOR.

(ii) SOFR has a limited history, and the future performance of SOFR cannot be predicted based on historical performance.

The publication of SOFR began in April 2018, and, therefore, it has a limited history. In addition, the future performance of SOFR cannot be predicted based on the limited historical performance. Future levels of SOFR may bear little or no relation to the historical actual or historical indicative SOFR data. Prior observed patterns, if any, in the behavior of market variables and their relation to SOFR, such as correlations, may change in the future. While some pre-publication historical data have been released by the FRBNY, such analysis inherently involves assumptions, estimates and approximations. The future performance of SOFR is impossible to predict and therefore no future performance of SOFR may be inferred from any of the historical actual or historical indicative data. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR. There can be no assurance that SOFR or Compounded SOFR (as defined below in Condition 5.03) will be positive.

(iii) SOFR may be more volatile than other benchmark or market rates.

Since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in other benchmark or market rates, such as three-month U.S. dollar LIBOR, during corresponding periods, and SOFR may bear little or no relation to the historical actual or historical indicative data. Although changes in Compounded SOFR generally are not expected to be as volatile as changes in daily levels of SOFR, the return on value of and market for any SOFR-referenced Covered Bonds issued under the Programme from time to time may fluctuate more than floating rate securities that are linked to less volatile rates. In addition, the volatility of SOFR has reflected the underlying volatility of the overnight U.S. Treasury repo market. The FRBNY has at times conducted operations in the overnight U.S. Treasury repo market in order to help maintain the federal funds rate within a target range. There can be no assurance that the FRBNY will continue to conduct such operations in the future, and the duration and extent of any such operations is inherently uncertain. The effect of any such operations, or of the cessation of such operations to the extent they are commenced, is uncertain and could be materially adverse to investors in the Covered Bonds.

(iv) Any failure of SOFR to gain market acceptance could adversely affect any SOFR-referenced Covered Bonds.

According to the ARRC, SOFR was developed for use in certain U.S. dollar derivatives and other financial contracts as an alternative to U.S. dollar LIBOR in part because it is considered a good representation of general funding conditions in the overnight U.S. Treasury repurchase agreement market. However, as a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants would not consider SOFR a suitable replacement or successor for all of the purposes for which U.S. dollar LIBOR historically has been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen market acceptance of SOFR. Any failure of SOFR to gain market acceptance could

adversely affect the return on and value of any SOFR-referenced Covered Bonds issued under the Programme from time to time and the price at which investors can sell such Covered Bonds in the secondary market.

(v) The Compounded SOFR rate is relatively new in the marketplace.

For any SOFR-referenced Covered Bonds issued under the Programme from time to time, in each Interest Period, the interest rate is based on Compounded SOFR, which is calculated using the specific formula described in Condition 5.03, not the SOFR rate published on or in respect of a particular date during such Interest Period or an arithmetic average of SOFR rates during such period. For this and other reasons, the interest rate on the SOFR-referenced Covered Bonds during any Interest Period will not be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Further, if the SOFR rate in respect of a particular date during an Interest Period is negative, its contribution to Compounded SOFR will be less than one, resulting in a reduction to Compounded SOFR used to calculate the interest payable on the SOFR-referenced Covered Bonds on the Interest Payment Date for such Interest Period.

In addition, very limited market precedent exists for securities that use SOFR as the interest rate and the method for calculating an interest rate based upon SOFR in those precedents varies. Accordingly, the specific formula for the Compounded SOFR rate used in any SOFR-referenced Covered Bonds may not be widely adopted by other market participants, if at all. If the market adopts a different calculation method, that could adversely affect the market value of such Covered Bonds.

(vi) Compounded SOFR with respect to a particular Interest Period will only be capable of being determined near the end of the relevant Interest Period.

For any SOFR-referenced Covered Bonds issued under the Programme from time to time, the level of Compounded SOFR applicable to a particular Interest Period and, therefore, the amount of interest payable with respect to such Interest Period will be determined on the Interest Determination Date for such Interest Period. Because each such date is near the end of such Interest Period, investors will not know the amount of interest payable with respect to a particular Interest Period until shortly prior to the related Interest Payment Date and it may be difficult for investors to reliably estimate the amount of interest that will be payable on each such Interest Payment Date. In addition, some investors may be unwilling or unable to trade such Covered Bonds without changes to their information technology systems, both of which could adversely impact the liquidity and trading price of such Covered Bonds.

(vii) The secondary trading market for securities linked to SOFR may be limited.

If SOFR does not prove to be widely used as a benchmark in securities that are similar or comparable to any SOFR-referenced Covered Bonds issued under the Programme from time to time, the trading price of such Covered Bonds may be lower than those of securities that are linked to rates that are more widely used. Similarly, market terms for securities that are linked to SOFR, including, but not limited to, the spread over the reference rate reflected in the interest rate provisions, or manner of compounding the reference rate, may evolve over time, and as a result, trading prices of any SOFR-referenced Covered Bonds may be lower than those of later-issued securities that are based on SOFR. Investors in such Covered Bonds may not be able to sell the Covered Bonds at all or may not be able to sell the Covered Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

In addition, there currently is no uniform market convention with respect to the implementation of SOFR as a base rate for floating-rate covered bonds or other securities. The manner of calculation and related conventions with respect to the determination of interest rates based on SOFR in floating-rate covered bond markets may differ materially compared with the manner of calculation and related conventions with respect to the determination of interest rates based on SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any potential inconsistencies between the manner of calculation and related conventions with respect to the determination of interest rates based on SOFR across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposition of the SOFR-referenced Covered Bonds.

(viii) SOFR may be modified or discontinued and any SOFR-referenced Covered Bonds may bear interest by reference to a rate other than Compounded SOFR, which could adversely affect the value of such Covered Bonds.

SOFR is a relatively new rate, and the FRBNY (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. SOFR is published by the FRBNY based on data received by it from sources other than the Issuer and the Issuer does not have any control over its method of calculation, publication schedule, rate revision practices or availability of SOFR at any time. There can be no guarantee, particularly given its relatively recent introduction, that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in SOFR-referenced Covered Bonds. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on any SOFR-referenced Covered Bonds issued under the Programme from time to time, which may adversely affect the trading prices of such Covered Bonds. The administrator of SOFR may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of SOFR in its sole discretion and without notice (in which case a fallback method of determining the interest rate on any SOFR-referenced Covered Bonds as further described under Condition 13.02(c)(ii) will apply) and has no obligation to consider the interests of holders of the Covered Bonds in calculating, withdrawing, modifying, amending, suspending or discontinuing SOFR. The interest rate for any Interest Period will not be adjusted for any modifications or amendments to SOFR or SOFR data that the FRBNY may publish after the interest rate for that Interest Period has been determined.

The market continues to develop in relation to €STR as a reference rate for Covered Bonds

The Rate of Interest in respect of Covered Bonds with €STR as a reference rate will be determined on the basis of Compounded Daily €STR (as defined in the Conditions), which is a backwards-looking, compounded near risk-free overnight rate.

€STR is published by the European Central Bank, as the administrator of €STR, and is intended to reflect the wholesale euro unsecured overnight borrowing costs of banks located in the euro area. The European Central Bank reports that €STR is published on each T2 Business Day (as defined in the Conditions) based on transactions conducted and settled on the previous T2 Business Day (the reporting date "T") with a maturity date of T+1 which are deemed to have been executed at arm's length and thus reflect market rates in an unbiased way.

The European Central Bank began to publish the €STR Reference Rate (as defined in the Conditions) on 2 October 2019, intending to reflect trading activity on 1 October 2019. The European Central Bank notes on its publication page for the €STR Reference Rate that use of the €STR Reference Rate is subject to important disclaimers. The European Central Bank also published pre-€STR up to 30 September 2019. The European Central Bank reports that, while €STR follows the same calculation methodology as pre-€STR, pre-€STR was based on final data and included all revisions in terms of cancellations, corrections and amendments submitted by reporting agents at the time of calculation. The European Central Bank reports that, by contrast €STR is published on each T2 Business Day at 8:00 a.m., Central European Time, taking into account only the statistical information received by the submission deadline of 7:00 a.m. Central European Time, subject to the quality processing steps described in the €STR methodology and policies. Investors should not rely on any trends in pre–€STR as an indicator of future changes in the €STR Reference Rate and/or the liquidity or market price of the Covered Bonds with €STR as a reference rate.

Investors should be aware that the market continues to develop in relation to €STR as a reference rate in the capital markets and its adoption as an alternative to EURIBOR. Furthermore, the market or a significant part thereof may adopt an application of €STR that differs significantly from that set out in the Conditions and the Issuer may in the future issue Covered Bonds referencing €STR that differ materially in terms of interest determination when compared with any previous €STR referenced Covered Bonds issued by it. The development of Compounded Daily €STR as an interest reference rate for bond markets, as well as continued development of €STR-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of Covered Bonds with €STR as a reference rate. Similarly, if €STR does not prove to be widely used in securities such as the Covered Bonds, investors may not be able to sell the Covered Bonds at all or the trading price of the Covered Bonds may be lower than those of securities linked to indices that are more widely used.

The Rate of Interest for Covered Bonds with €STR as a reference rate is only capable of being determined at the end of the relevant Interest Period (as defined in the Conditions) and immediately prior to the relevant Interest Payment Date (as set defined in the Conditions). It may be difficult for investors in Covered Bonds with €STR as a reference rate to estimate reliably the amount of interest which will be payable on the Covered Bonds, and some investors may

be unable or unwilling to trade such Covered Bonds without changes to their IT systems, both of which factors could adversely affect the liquidity of such Covered Bonds. Further, if such Covered Bonds become due and payable prior to their stated maturity, the final Rate of Interest payable in respect of such Covered Bonds shall only be determined immediately prior to the date on which the Covered Bonds become due and payable.

As €STR is published by the European Central Bank based on data received from other sources, the Issuer has no control over its determination, calculation or publication and there can be no guarantee that €STR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interest of investors in Covered Bonds with €STR as a reference rate. If the manner in which €STR is calculated is changed, that change may result in a reduction of the amount of interest payable on the Covered Bonds and the trading prices of the Covered Bonds. Furthermore, the manner of adoption or application of €STR in the bond markets may differ materially compared with the application and adoption of €STR in other markets such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of €STR across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of such Covered Bonds.

To the extent the €STR Reference Rate is discontinued or is no longer published as described in the Conditions, the applicable rate to be used to calculate the Rate of Interest on such Covered Bonds will be determined using the alternative methods described in the Conditions ("**€STR Fallbacks**") or if these do not enable the rate of interest (or component thereof) to be determined or necessary conforming changes to be made, Condition 13.02 will apply (see "*Fallback Arrangements under the Conditions*" below). Any of these €STR Fallbacks may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Covered Bonds if the €STR Reference Rate had been provided by the European Central Bank in its form as at the Issue Date of the Covered Bonds. In addition, use of the €STR Fallbacks may result in a fixed rate of interest being applied to the Covered Bonds.

An investment in Covered Bonds with €STR as the reference rate may entail significant risks not associated with similar investments in conventional debt securities. Any investor should ensure it understands the nature of the terms of such Covered Bonds and the extent of its exposure to risk.

The market continues to develop in relation to SARON as a reference rate for Covered Bonds

Where the applicable Final Terms or the applicable Pricing Supplement for Covered Bonds specifies that the Rate of Interest for such Covered Bonds will be determined by reference to SARON, interest will be determined on the basis of SARON (as defined in the Conditions). The interest rate in respect of with SARON as a Reference Rate will be determined on the basis of Compounded Daily SARON (as defined in the Conditions), which is a backwards-looking, compounded risk-free overnight rate.

Investors in Covered Bonds with SARON as a Reference Rate should be aware that the market continues to develop in relation to the daily SARON as a reference rate in the capital markets and its adoption as an alternative to CHF LIBOR. Furthermore, the market or a significant part thereof may adopt an application of SARON as a reference rate that differs significantly from that set out in the Conditions and the Issuer may in the future issue Covered Bonds referencing SARON that differ materially in terms of interest determination when compared with any previous SARON referenced Covered Bonds issued by it. The development of SARON as a reference rate, as well as continued development of SARON-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of Covered Bonds with SARON as a Reference Rate.

The interest rate for Covered Bonds with SARON as a Reference Rate is only be capable of being determined shortly before the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. Consequently, it may be difficult for investors in Covered Bonds with SARON as a Reference Rate to estimate reliably the amount of interest that will be payable on such Covered Bonds, and some investors may be unable or unwilling to trade such Covered Bonds without changes to their IT systems, both of which factors could adversely impact the liquidity of such Covered Bonds. Further, if any SARON-referenced Covered Bonds become due and payable prior to their stated maturity, the final interest rate payable in respect of such Covered Bonds shall only be determined immediately prior to the date on which the Covered Bonds become due and payable.

In addition, the manner of adoption or application of SARON reference rates in the debt capital markets may differ materially when compared with the application and adoption of SARON in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SARON reference rates across these markets may impact any hedging or other financial arrangements, if any, which they may put in place in connection with such Covered Bonds.

To the extent the SARON Reference Rate is discontinued or is no longer published as described in the Conditions, the applicable rate to be used to calculate the interest rate on such Covered Bonds will be determined using the alternative methods described in Condition 13.02 ("**SARON Fallbacks**"). Any of these SARON Fallbacks may result in interest payments that are lower than, or do not otherwise correlate over time with, the payment that would have been made on the Covered Bonds if the SARON Reference Rate had been provided by SIX Index AG in its form as at the Issue Date of the Covered Bonds. In addition, use of the SARON Fallbacks may result in a fixed rate of interest being applied to the Covered Bonds.

An investment in Covered Bonds with SARON as the Reference Rate may entail significant risks not associated with similar investments in conventional debt securities. Any investor should ensure it understands the nature of the terms of such Covered Bonds and the extent of its exposure to risk.

Changes or uncertainty in respect of interest rates and indices that are deemed "benchmarks" may adversely affect the value or payment of interest under the Covered Bonds, including where such benchmarks may not be available.

(i) IBOR Replacement

As announced by the ICE Benchmark Administration Limited and its regulator the FCA on 5 March 2021, all sterling, euro, Swiss franc and Japanese yen, one-week and two-month U.S. dollar settings either ceased to be provided by any administrator or were no longer representative after 31 December 2021, and the same became true for the remaining U.S. dollars settings immediately after 30 June 2023. The FRBNY's Alternative Reference Rates Committee (the "**ARRC**") stated that the announcements constituted a "Benchmark Transition Event" with respect to all USD LIBOR settings pursuant to ARRC-recommended benchmark fallback language.

Further, the Benchmarks Regulations could have a material impact on Covered Bonds linked to or referencing a benchmark (as defined in the Benchmarks Regulations), in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulations. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark and could have a material adverse effect on the value of a return on any Covered Bonds linked to or referencing a benchmark (including potential rates of interest thereon). See the risk factor entitled "*Interbank Offered Rate* (*IBOR) Transition*" above for further information on risks associated with the Benchmarks Regulations more generally.

The EMMI, as the registered benchmark administrator of EURIBOR, shifted in 2019 from a quote-based methodology of calculating EURIBOR to a hybrid methodology that is based upon contributions of individual panel banks that submit transaction-based data, as adjusted with a phased implementation from mid-May 2024. On 13 September 2018, the working group on euro risk-free rates recommended €STR as the new risk-free rate. Although EURIBOR has been reformed in order to comply with the terms of the Benchmarks Regulations, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

Investors should be aware that the euro risk-free rate working group for the euro area published a set of guiding principles and high level recommendations for fallback provisions in, among other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the working group published recommendations relating to fallback trigger events and fallback rates for contracts and financial instruments referencing EURIBOR which follow the guiding principles.

These reforms and other pressures may cause some benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue

to administer or contribute to certain benchmarks or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Covered Bonds linked to such a benchmark.

It is not possible to predict the further effect of any changes in the methodologies pursuant to which any relevant benchmark rates are determined, or any other reforms to or other proposals affecting any relevant benchmarks that will be enacted in the UK, the EU, the U.S. and elsewhere, each of which may adversely affect the trading market for relevant benchmark based securities, including any Covered Bonds that bear interest at rates based on any relevant benchmarks. In addition, any future changes in the method pursuant to which the relevant benchmarks are determined or the transition to a successor benchmark may result in, among other things, a sudden or prolonged increase or decrease in the reported benchmark rates, a delay in the publication of any such benchmark rates, trigger changes in the rules or methodologies in certain benchmarks discouraging market participants from continuing to administer or participate in certain benchmarks, and, in certain situations, could result in a benchmark rate no longer being determined and published. Accordingly, in respect of a Covered Bond referencing a relevant benchmark, this could result in: (i) the substitution of replacement rates for such benchmark; and (ii) adjustments to the terms of the relevant Covered Bonds. Any such consequences could have a material adverse effect on the value of and return on any Covered Bonds linked to, referencing or otherwise dependent (in whole or in part) on a relevant benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulations, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Covered Bonds in making any investment decision with respect to the Covered Bonds.

(ii) Fallback arrangements under the Conditions

In the case of Covered Bonds (i) using a reference rate other than €STR to determine the rate of interest (or a component thereof) or (ii) using €STR as a reference rate where an €STR Index Cessation Event has occurred and the €STR Fallbacks (as defined above) do not enable the rate of interest (or a component thereof) to be determined, the Conditions provide for certain fallback arrangements in the event that a published benchmark is discontinued or otherwise becomes unavailable or unrepresentative of its underlying market, including, the possibility under Condition 13.02 (and subject to the requirements thereof) that the Rate of Interest could be determined: (i) by the Issuer, either solely or in consultation with an Independent Financial Adviser (as defined below), (ii) by the Benchmark Transition Designee (as defined below), or (iii) set by reference to an Alternative Base Rate. In making such determinations and adjustments, the Issuer may be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

Based on the foregoing, investors should be aware that:

1) any of the reforms or pressures described above or any other changes to a relevant benchmark could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

2) If any relevant benchmark is discontinued or is otherwise unavailable, then, to the extent that an amendment as described in paragraph 3 below has not been made at the relevant time, the Rate of Interest on the Covered Bonds will be determined by the fallback provisions provided for under Condition 5.03, although if such provisions are dependent in part upon the provision by reference banks of offered quotations to prime banks in the Eurozone interbank market (in the case of EURIBOR), they may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may result in the Rate of Interest for the last preceding Interest Period being used for any reference rate or, in the case of SONIA, the last published rate being used for all remaining calendar days in the relevant period for purposes of determining the applicable compounded daily rate in accordance with the applicable formula. This may result in the effective application of a fixed rate based on the rate which applied in the previous period when the applicable benchmark was available or, in the case of SONIA, a reference rate based, at least in part, on prior daily rates for days affected by the Benchmark Event;

3) while an amendment may be made (i) following the occurrence of an €STR Cessation Effective Date to change the base rate on the Floating Rate Covered Bonds from €STR or (ii) under Condition 13.02(c) to change the base rate on the Floating Rate Covered Bonds from EURIBOR, SONIA, SOFR or SARON or any other relevant benchmark, to an alternative base rate under certain circumstances broadly related to a discontinuation of such benchmark and subject to certain conditions being satisfied there can be no assurance that any such amendment will be made or, if made, that it (i) will, fully or effectively, mitigate all or any relevant interest rate risks or result in an

equivalent methodology for determining the interest rates on the Floating Rate Covered Bonds, which could result in a material adverse effect on the value of and return on such Covered Bonds or (ii) will be made prior to any date on which any of the risks described in this risk factor may arise;

4) if a relevant interest rate benchmark is discontinued, and whether or not an amendment is made under Condition 13.02(c) to change the base rate with respect to the Floating Rate Covered Bonds as described in paragraph 3 above, there can be no assurance that any applicable fallback provisions under the Swap Agreements would operate so as to ensure that the benchmark used to determine payments under the Swap Agreements would be the same as that used to determine interest payments under the Intercompany Loan or under the Covered Bonds, or that the Swap Agreements would operate to allow the transactions under the Swap Agreements to effectively mitigate interest rate and currency risks in respect of the Guarantor's obligations under the Covered Bond Guarantee or the Intercompany Loan (subject to the Intercompany Loan Agreement's requirement that the applicable rate of interest thereunder will not exceed the amount received by the Guarantor pursuant to the Interest Rate Swap, less certain specified amounts);

5) due to the uncertainty concerning the availability of successor rates and alternative reference rates and the determination of the applicable Adjustment Spread (if any) and the involvement of an Independent Financial Adviser or the Issuer, the relevant fallback provisions may not operate as intended at the relevant time; and

6) it is possible that an amendment under Condition 13.02(c) to change the base rate of a Series of the Floating Rate Covered Bonds will be treated as a deemed exchange of old Covered Bonds for new Covered Bonds, which may be taxable to U.S. holders.

(iii) Additional risks related to benchmarks applicable to Covered Bonds

The use of an Alternative Base Rate, the replacement of the USD Benchmark by the Benchmark Replacement or effecting Benchmark Replacement Conforming Changes may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Covered Bonds if the relevant benchmark remained available in its current form.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Mortgage Loans, the Covered Bonds and/or the Swap Agreements due to applicable fallback provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer or the Guarantor to meet its payment obligations in respect of the Covered Bonds.

Moreover, any of the above matters (including an amendment to change the base rate as described in paragraph 3 above) or any other significant change to the setting or existence of any relevant benchmark rate could affect the ability of the Issuer or the Guarantor to meet its obligations under the Covered Bonds and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Covered Bonds. No assurance can be provided that relevant changes will not occur with respect to any relevant benchmark rate and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Covered Bonds. As the Issuer has significant contractual rights and obligations referenced to IBOR benchmarks, discontinuance of, or changes to, benchmark rates could adversely affect its business and results of operations. The Issuer is evaluating the impact on its products, services, systems and processes with the intention of minimizing the impact through appropriate mitigating actions.

(b) ***The Issuer may issue Exempt Covered Bonds under the Programme, which rank pari passu with the Covered Bonds and are guaranteed by the Guarantor under the Covered Bond Guarantee***

Under the Programme, the Issuer may issue Exempt Covered Bonds and, in particular, the Issuer may issue (i) U.S. Registered Covered Bonds (the terms and conditions of which are as set out in the applicable form attached to the Trust Deed and not in the form of the Terms and Conditions as set out in this Prospectus), (ii) covered bonds in the form of German law governed *Namensschuldverschreibungen* ("**N Covered Bonds**"), represented by a certificate made out in the name of the relevant holder of the N Covered Bond with the terms and conditions attached (such terms and conditions as set out in the applicable form attached to the Trust Deed and not in the form of the Terms and Conditions as set out in this Prospectus), (iii) Canadian Dollar denominated Covered Bonds, (iv) Australian Dollar denominated Covered Bonds, and (v) covered bonds in other markets. The N Covered Bonds do not constitute transferable securities within the meaning of Article 2(a) of the Prospectus Regulation and will not be listed and/or

admitted to trading on any stock exchange. Exempt Covered Bonds will rank *pari passu* with all other Covered Bonds and payments of principal and interest payable will be guaranteed by the Guarantor under and subject to the terms of the Covered Bond Guarantee. Accordingly, any potential investor in the Covered Bonds should be aware that the Programme may include Exempt Covered Bonds, the holders of which will have equivalent rights as against the Issuer and the Guarantor as the holders of Covered Bonds issued pursuant to this Prospectus, which may dilute the ability of the Issuer or the Guarantor to make payments on the Covered Bonds or the Covered Bond Guarantee, as applicable. Such Exempt Covered Bonds do not form part of this Prospectus approved by the FCA and the FCA has neither reviewed nor approved any information contained in this Prospectus in connection with such Exempt Covered Bonds.

(c) ***Covered Bonds where denominations involve integral multiples: definitive Covered Bonds***

In relation to any issue of Covered Bonds which has denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that the Covered Bonds may be traded in the clearing systems in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Covered Bond in respect of such holding (should definitive Covered Bonds be provided) and would need to purchase or sell a principal amount of Covered Bonds such that its holding amounts to a Specified Denomination before definitive Covered Bonds are issued to such Holder. See "*Form of the Covered Bonds – Bearer Covered Bonds*" on page 88 of this Prospectus for additional information.

If definitive Covered Bonds are issued, Holders should be aware that definitive Covered Bonds which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

(d) ***Covered Bonds subject to optional redemption by the Issuer***

An optional redemption feature of Covered Bonds is likely to limit their market value and could reduce secondary market liquidity of the Covered Bonds. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Covered Bonds, if the Issuer has a right of redemption in respect of the relevant Series of Covered Bonds, when its cost of borrowing is lower than the interest rate on the Covered Bonds. See Condition 6.03 "*Call Option*" on page 122 of this Prospectus for additional information. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

(e) ***Risks related to Fixed Rate Covered Bonds***

Investment in Fixed Rate Covered Bonds involves the risk that subsequent changes in the market interest rates applying to fixed rate debt instruments issued in the same currency and having the same term to maturity as those Fixed Rate Covered Bonds may adversely affect the value of the Fixed Rate Covered Bonds, as an equivalent investment issued at the current market interest rate may be more attractive to investors. In such circumstances an investor may not be able to obtain the expected return on the sale of the relevant Covered Bonds.

(f) ***Covered Bonds issued at a substantial discount or premium***

The issue price of Covered Bonds specified in the applicable Final Terms or Pricing Supplement may be more than the market value of such Covered Bonds as of the issue date, and the price, if any at which a Dealer or any other person willing to purchase the Covered Bonds in secondary market transactions may be lower than the issue price. In particular, the issue price may take into account amounts with respect to commissions relating to the hedging of the Issuer's obligations under such Covered Bonds, and secondary market prices are likely to exclude such amounts. In addition, pricing models of market participants may differ or produce a different result. See "*Market Discount*" and "*Acquisition Premium and Amortizable Bond Premium"* on page 271 of this Prospectus for additional information.

Covered Bonds may also be issued at a discount or premium from their principal amount as a result of off-market coupons, including zero coupons.

The market values of Covered Bonds issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Covered Bonds. Generally, the longer the remaining term of the Covered Bonds, the greater the price volatility as compared to conventional interest-bearing Covered Bonds with comparable maturities.

(g) ***Registered Global Covered Bonds***

The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. See "*Form of the Covered Bonds – Transfer of Interests*" on page 91 of this Prospectus for additional information. Similarly, because certain clearing systems can only act on behalf of direct participants in such clearing systems who in turn act on behalf of indirect participants, the ability of a person having an interest in Covered Bonds represented by a Registered Global Covered Bond accepted by such clearing systems to pledge such Covered Bonds to persons or entities that do not participate in such clearing systems or otherwise take action in respect of such Covered Bonds may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form.

(h) ***Risks related to Covered Bonds issued by the Issuer's London branch***

The Issuer has operations in a number of countries outside of Canada, including in particular the UK. In accordance with the Financial Stability Board's "Key attributes of effective Resolution Regimes for Financial Institutions" dated 15 October 2014, resolution authorities should have resolution powers over local branches of foreign firms and the capacity to use their powers either to support a resolution carried out by a foreign home authority (for example, by ordering a transfer of property located in its jurisdiction to a bridge institution established by the foreign home authority) or, in exceptional cases, to take measures on its own initiative where the foreign home authority is not taking action or acts in a manner that does not take sufficient account of the need to preserve the local jurisdiction's financial stability or where other relevant conditions are met. It is therefore possible that resolution authorities in countries where the Issuer has branches or assets, including the UK, may adversely affect the rights of holders of the Covered Bonds.

Under the UK's Banking Act 2009 (as amended, the "**UK Banking Act**"), substantial powers are granted to HM Treasury, the Bank of England, the FCA and the Prudential Regulation Authority (the "**PRA**") (together, the "**Authorities**") as part of a special resolution regime (the "**SRR**"). These SRR powers can be exercised, as applicable, by the Authorities in respect of a third country incorporated credit institution (such as the Issuer) or a third country incorporated investment firm ("**third country entity**") either where that third country entity is subject to resolution in its jurisdiction of incorporation (a "**third country resolution action**") or where no third country resolution actions have been taken, but the Authorities consider that the commencement of resolution proceedings is in the public interest. The Authorities' powers (such as those pertaining to bail-in liabilities) are subject to additional conditions where they are used in respect of branches of third-country entities (such as the Issuer) as compared with their use in respect of UK banks.

Covered Bonds may be issued by the Issuer's London branch if the Branch of Account specified in the Final Terms or Pricing Supplement is London. The Authorities' power to bail-in liabilities is not intended to apply to secured debt. Therefore, claims in relation to Covered Bonds should not be subject to the SRR powers to the extent they are secured. However, the Authorities' SRR powers may include actions such as transferring assets located in the UK to a purchaser under the Canadian equivalent of a sale of business tool, or to a bridge bank in Canada.

Where the Authorities choose to recognise a third country resolution action, in whole or in part, they must make a statutory instrument which may provide for the exercise of the stabilisation options in relation to the third country entity. The stabilisation options include: (i) private sector purchaser option; (ii) bridge bank option; (iii) asset management vehicle option; (iv) bail-in option; and (v) temporary public sector ownership option. These stabilisation options may apply to: (i) assets of the third country entity or its group located in the UK or governed by UK law; and (ii) rights or liabilities of the third country entity that are booked by its London branch, governed by UK law, or where the claims in relation to such rights and liabilities are enforceable in the UK. Accordingly, exercise of these powers is

possible where the relevant Authorities are acting to support or give full effect to a resolution carried out by the Canadian resolution authority.

In addition, under the BRRD which has been implemented in the UK through the UK Banking Act, the UK has provided the Authorities with the necessary powers to resolve the London branch of a third country entity (such as the Issuer's London branch) that is not subject to third country resolution action (including resolution proceedings of the Canadian authorities), or where the Authorities have refused to recognise or enforce third country resolution action. If the Authorities independently resolve the London branch of a third country entity, their stabilisation options are limited to the "business of the UK branch" and are: (i) to transfer some or all of the assets, rights and liabilities (the "**business of the branch**") to a private sector purchaser, bridge bank or asset management vehicle; and (ii) the power to bail-in liabilities (which should not include the Covered Bonds to the extent they are secured) in connection with the transfer to the private-sector purchaser, bridge bank or asset management vehicle (together, the "**Independent Resolution of UK Branch Powers**" or "**IRUKBPs**"). These powers could affect the Covered Bonds, to the extent that they are considered to be within the "business of the branch". As outlined above, the bail-in tool is not intended to apply to secured debt such as the Covered Bonds. However, Covered Bondholders may be subject to the relevant powers listed in clause (i) above, which may result in such Covered Bondholders losing some or all of their investment.

As at the date of this Prospectus, the Authorities have not exercised any powers under the SRR in respect of either the Issuer or the Issuer's London branch and there has been no indication that they will do so. However, there can be no assurance that this will not change and any exercise of any power under the SRR or any suggestion of such exercise could, therefore, adversely affect the rights of the Covered Bondholders, the price or value of their investment in the Covered Bonds and/or the ability of the Issuer to satisfy its obligations under the relevant Covered Bonds.

8. FACTORS WHICH ARE MATERIAL FOR THE PURPOSES OF ASSESSING THE RISKS RELATING TO THE ISSUER'S AND THE GUARANTOR'S LEGAL AND REGULATORY SITUATION

The principal risks related to the Issuer's and the Guarantor's legal and regulatory situation are described below. There can be no assurance that further regulations or guidance from CMHC, OSFI, Canada Deposit Insurance Corporation or any other regulatory authority, in addition to those referred to specifically below, will not arise with regard to the mortgage market in Canada generally, the Issuer's or Guarantor's particular sector in that market or specifically in relation to the Issuer or the Guarantor. Any such action or developments may have a material adverse effect on the Issuer, and/or the Guarantor and their respective businesses and operations. This may adversely affect the ability of the Guarantor to dispose of the Covered Bond Portfolio or any part thereof in a timely manner and/or the realizable value of the Covered Bond Portfolio or any part thereof and accordingly affect the ability of the Issuer and (following the occurrence of a Covered Bond Guarantee Activation Event) the Guarantor, respectively, to meet their obligations under the Covered Bonds in the case of the Issuer and the Covered Bond Guarantee in the case of the Guarantor.

Bankruptcy or Insolvency Risk

The assignments of the Loans and their Related Security from the Seller to the Guarantor pursuant to the terms of the Mortgage Sale Agreement are intended by the Seller and the Guarantor to be and have been documented as sales for legal purposes. For a description of the principal terms of the Mortgage Sale Agreement, see pages 201 to 211 of this Prospectus. As the subject of a legal sale, the Loans and their Related Security would not form part of the assets of the Issuer and would not be available to the creditors of the Issuer. However, if the Seller or the Guarantor were to become bankrupt or otherwise subject to insolvency and/or restructuring proceedings, the Superintendent of Financial Institutions (the "**Superintendent**"), appointed pursuant to the Office of the *Superintendent of Financial Institutions Act* (Canada), any liquidator or other stakeholder of the Seller, could attempt to re-characterize the sale of the Loans and their Related Security as a loan from the Guarantor to the Seller secured by the Loans and their Related Security, to challenge the sale under the fraudulent transfer or similar provisions of the *Winding-up and Restructuring Act* ("**WURA**") or other applicable laws or to consolidate the assets of the Seller with the assets of the Guarantor. In this regard, the Transaction Documents contain restrictions on the Seller and the Guarantor intended to reduce the possibility that a Canadian court would order consolidation of the assets and liabilities of the Seller and the Guarantor given, among other things, current jurisprudence on the matter. Further, the Covered Bond Legislative Framework contains provisions that will limit the application of the laws of Canada and the provinces relating to bankruptcy, insolvency and fraudulent conveyance to the assignments of the Loans and their Related Security from the Seller to the Guarantor. Nonetheless, any attempt to challenge the transaction or to consolidate the assets of the Seller with the assets of the Guarantor, even if unsuccessful, could result in a delay or reduction of collections on the Loans and their

Related Security available to the Guarantor to meet its obligations under the Covered Bond Guarantee, which could prevent timely or ultimate payment of amounts due to the Guarantor, and consequently, the holders of the Covered Bonds.

The interests of the Guarantor may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the Seller arising prior to the time that the Loans and their Related Security are transferred to the Guarantor, which may reduce the amounts that may be available to the Guarantor and, consequently, the holders of the Covered Bonds. The Guarantor will not, at the time of sale, give notice to Borrowers of the transfer to the Guarantor of the Loans and their Related Security or the grant of a security interest therein to the Bond Trustee. However, under the Mortgage Sale Agreement, the Seller will warrant that the Loans and their Related Security have been or will be transferred to the Guarantor free and clear of the security interest or lien of any third party claiming an interest therein, through or under the Seller, other than certain permitted security interests. The Guarantor will warrant and covenant that it has not taken and will not take any action to encumber or create any security interests or other liens in any of the property of the Guarantor, except for the security interest granted to the Bond Trustee and except as permitted under the Transaction Documents.

Amounts that are on deposit from time to time in the Guarantor Accounts may be invested in certain permitted investments pursuant to the Transaction Documents. In the event of the liquidation, insolvency, receivership or administration of any entity with which an investment of the Guarantor is made (such as pursuant to the Guaranteed Deposit Account Contract or the Standby Guaranteed Deposit Account Contract) or which is an issuer, obligor or guarantor of any investment, the ability of the Guarantor to enforce its rights to any such investments and the ability of the Guarantor to make payments to holders of the Covered Bonds in a timely manner may be adversely affected and may result in a loss on some or all of the Covered Bonds. In order to reduce this risk, these investments must satisfy certain criteria, including those provided for in the Covered Bond Legislative Framework.

Payments of interest and principal on the Covered Bonds are subordinate to certain payments (including payments for services provided to the Guarantor), taxes and the reimbursement of all costs, charges and expenses of and incidental to the enforcement of the Trust Deed and the other Transaction Documents to which the Bond Trustee is a party, including the appointment of a receiver in respect of the Loans and their Related Security (including legal fees and disbursements) and the exercise by the receiver or the Bond Trustee of all or any of the powers granted to them under the Trust Deed and the other Transaction Documents to which the Bond Trustee is a party, and the reasonable remuneration of such receiver or any agent or employee of such receiver or any agent of the Bond Trustee and all reasonable costs, charges and expenses properly incurred by such receiver or the Bond Trustee in exercising their power. These amounts could increase, especially in adverse circumstances such as the occurrence of a Guarantor Event of Default, the insolvency of the Issuer or the Guarantor or a Servicer Termination Event. If such expenses or the costs of a receiver or the Bond Trustee become too great, payments of interest on and principal of the Covered Bonds may be reduced or delayed.

The ability of the Bond Trustee (for itself and on behalf of the other Secured Creditors) to enforce the security granted to it pursuant to the terms of the Security Agreement is subject to the bankruptcy and insolvency laws of Canada. The *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") and the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") both provide regimes pursuant to which debtor companies are entitled to seek temporary relief from their creditors. The BIA applies to limited partnerships. In addition, Canadian jurisprudence makes it clear that both the BIA and the CCAA can apply to limited partnerships. Further, it is a possibility that the Seller, a liquidator of the Seller, another creditor of the Guarantor or the Superintendent could seek the court appointment of a receiver of the Guarantor or a winding-up of the Guarantor, or might commence involuntary insolvency proceedings against the Guarantor under the BIA or the CCAA.

If the Guarantor or Issuer, including as Seller and initial Servicer, voluntarily or involuntarily becomes subject to insolvency or winding-up proceedings including pursuant to the BIA, the CCAA or the WURA, or subject to "control" pursuant to the Bank Act or "resolution" processes pursuant to the CDIC Act, or if a receiver is appointed over the Issuer or the Guarantor, notwithstanding the protective provisions of the Covered Bond Legislative Framework, this may delay or otherwise impair the exercise of rights or any realization by the Bond Trustee (for itself and on behalf of the other Secured Creditors) under the Covered Bond Guarantee and/or the Security Agreement and/or impair the ability of the Guarantor or Bond Trustee to trace and recover any funds which the Servicer has commingled with any other funds held by it prior to such funds being paid into the GDA Account. In the event of a Servicer Termination Event as a result of the insolvency of the Issuer, the right of the Guarantor to appoint a successor Servicer may be stayed or prevented.

Pursuant to the CDIC Act, if the Superintendent is of the opinion that a D-SIB, such as the Issuer, has ceased or is about to cease to be viable and its viability cannot be restored through the exercise of the Superintendent's powers, the GOC can, among other things, appoint the Canada Deposit Insurance Corporation ("**CDIC**") as receiver of the Issuer and direct CDIC to convert certain shares (including preferred shares) and liabilities of the Issuer (including senior debt securities) into common shares of the Issuer or any of its affiliates (a "**Bail-in Conversion**"). However, under the CDIC Act, the conversion powers of CDIC would not apply to shares and liabilities issued or originated before September 23, 2018 (the date on which the Bail-in Regulations came into force) unless, on or after such date, they are amended or in the case of liabilities, their term is extended.

The Bail-in Regulations prescribe the types of shares and liabilities that are subject to a Bail-in Conversion. In general, any senior debt securities with an initial or amended term-to-maturity greater than 400 days that are unsecured or partially secured and have been assigned a CUSIP, ISIN, or similar identification number are subject to a Bail-in Conversion. Shares, other than common shares, and subordinated debt, that are not NVCC instruments, are also subject to a Bail-in Conversion. However, certain other debt obligations of the Issuer such as structured notes (as defined in the Bail-in Regulations), covered bonds (including the Covered Bonds), and certain derivatives are not subject to a Bail-in Conversion.

CMHC has the right under the Covered Bond Legislative Framework and the CMHC Guide to suspend a registered issuer from issuing further covered bonds under a registered program if the issuer has breached certain requirements of its registered program or the CMHC Guide.

Remedial Powers of the Superintendent under the Bank Act

The Superintendent, under Section 645(1) of the Bank Act, has the power, where in the opinion of the Superintendent a person, a bank, like the Issuer, or a person with respect to a bank, is committing, or is about to commit, an act that is an unsafe or unsound practice in conducting the business of the bank, or is pursuing or is about to pursue any course of conduct that is an unsafe or unsound practice in conducting the business of the bank, to direct the person or bank, as the case may be, to cease or refrain from committing the act or pursuing the course of conduct and to perform such acts as in the opinion of the Superintendent are necessary to remedy the situation.

Although the above remedial power exists, following an initial review of potential regulatory and policy concerns associated with the issuance of covered bonds by Canadian deposit taking institutions, including the Issuer (during which it requested that financial institutions refrain from issuing covered bonds), OSFI confirmed by letter dated 27 June 2007 that Canadian deposit taking institutions, including the Issuer may issue covered bonds, provided certain conditions are met. That letter from OSFI was first updated in a letter dated 19 December 2014 from OSFI to Canadian deposit taking institutions issuing covered bonds (the "**December 2014 letter**") and further updated in a second letter dated 23 May 2019 from OSFI to Canadian deposit taking institutions issuing covered bonds (the "**May 2019 letter**"), a third letter dated 27 March 2020 from OSFI to Canadian deposit taking institutions (the "**March 2020 letter**") and a fourth letter dated 6 April 2021 (the "**April 2021 letter**"). The conditions set out in the 27 June 2007 letter, as modified by the December 2014 letter, included that at the time of issuance, the covered bonds must not make up more than 4 per cent. of the Total Assets (defined using a select number of data points from the 2015 Leverage Requirements Return and 2015 Basel Capital Adequacy Return filed with OSFI) of the relevant deposit taking institution.

As a result of the May 2019 letter, as of 1 August 2019, OSFI required that the total assets pledged by the deposit taking institution for covered bonds (calculated as the Canadian dollar equivalent of the deposit-taking institution's covered bonds outstanding multiplied by the level of overcollateralization, as calculated in accordance with the CMHC Guide and reported in the monthly investors' reports), must not, at any time, exceed 5.5 per cent. of the deposit-taking institution's on-balance sheet assets (as reported on the regulatory balance sheet return of the deposit taking institution). The March 2020 letter temporarily increased the 5.5 per cent. limit to 10 per cent. from and after 27 March 2020. The April 2021 letter unwound the temporary increase to the limit from and after 6 April 2021, returning the limit to 5.5 per cent. The OSFI covered bond limit must be met on an ongoing basis and, (i) if at any time after issuance the 5.5 per cent limit is exceeded, the relevant deposit taking institution must notify OSFI in a timely manner; and (ii) excesses (above the 5.5 per cent limit) due to factors not under the control of the issuing institution, such as foreign exchange fluctuations, will not require the relevant deposit taking institution to take action to reduce the amount outstanding, however, for other excesses, the relevant deposit taking institution must provide a plan showing how it proposes to eliminate the excess quickly. As at the date of this Prospectus, the Issuer is in compliance with the OSFI covered bond limits.

The May 2019 letter also confirms that relevant deposit taking institutions will continue to be expected to amend the pledging policies they are required to maintain under the Bank Act or other applicable federal law to take into account the issuance of covered bonds consistent with the above limits. The Issuer is not able to carry out a future issuance unless such applicable test is satisfied at the time of issuance.

Basel Committee on Banking Supervision Global Standards for Capital and Liquidity Reform ("Basel III")

In response to the global financial crisis, the Basel Committee on Banking Supervision ("**BCBS**") has been reviewing standards for capital and liquidity. The BCBS's aim is to improve the banking sector's ability to absorb shocks from financial and economic stress through more stringent capital requirements and new liquidity standards (commonly referred to as "**Basel III**").

Based on the Issuer's current understanding of OSFI's guideline, it has met, as at 30 April 2024, all capital adequacy requirements. The BCBS published the final Basel III reforms in December 2017 (commonly referred to as "**Basel III reforms**"). The Issuer manages its regulatory capital in accordance with OSFI's implementation of the Basel III Reforms and, as at 30 April 2024, the Issuer's Common Equity Tier 1 ratio was 13.41% under these guidelines.

However, in Europe, the U.S. and elsewhere, there is significant focus on fostering greater financial stability through increased regulation of financial institutions, and their corresponding capital and liquidity positions. This has resulted in a number of regulatory initiatives which are currently at various stages of implementation and which may have an impact on the regulatory position for certain investors in covered bond exposures and/or on the incentives for certain investors to hold covered bonds, and may thereby affect the liquidity of such securities. Investors in the Covered Bonds are responsible for analysing their own regulatory position and none of the Issuer, the Guarantor, any Arranger or any Dealer makes any representation to any prospective investor or purchaser of the Covered Bonds regarding the treatment of their investment on the closing date of such Covered Bonds or at any time in the future. See also risk factor entitled "*Legal, regulatory compliance and conduct risk*" above for details on the Issuer's approach to managing regulatory compliance risk more generally.

In addition, as the implementation of Basel III requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of covered bonds (e.g., as Liquidity Coverage Ratio (LCR) eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements are anticipated for insurance and reinsurance undertakings through national initiatives, such as the Solvency II framework in Europe.

Prospective investors should therefore make themselves aware of the requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Covered Bonds. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Impact of Regulatory Guidelines on Residential Mortgage Underwriting Practices and Procedures

Guideline B-20 — Residential Mortgage Underwriting Practices and Procedures ("**Guideline B-20**"), published by OSFI in June 2012 as amended in November 2014, July 2017 and revised in October 2017, sets out OSFI's expectations for prudent residential mortgage underwriting by federally-regulated financial institutions, which includes the Seller in respect of Loans originated by it. Guideline B-20 calls for the establishment of a Residential Mortgage Underwriting Policy by the Seller and sets out expectations with respect to borrower due diligence, collateral management and appraisal processes and credit and counterparty risk management practices and procedures by the Seller. OSFI indicates in Guideline B-20 that it expects federally-regulated financial institutions, such as the Issuer in its role as the Seller, to limit the non-amortizing home equity line of credit ("**HELOC**") component of a residential mortgage to a maximum authorized loan-to-value ratio of less than or equal to 65 percent, and has further clarified by way of a 28 June 2022 advisory that on combined loan plans any and all lending above the 65 percent loan-to-value limit should be both amortizing and non-re-advanceable. The implementation of the 28 June 2022 advisory for federally-regulated lenders with a October 31st fiscal year end, such as the Seller, will be after the Seller's fiscal year end on 31 October 2023. See the section entitled "*Loan Origination and Lending Criteria*" on pages 192 to 196 of this Prospectus for further details regarding the loan-to-value ratio requirements as related to the Covered Bond Portfolio. The Issuer is compliant with Guideline B-20 as it relates to the Covered Bond Programme. Guideline B-20

does not apply to any Loans that are HELOCs which are existing and in force prior to the implementation of Guideline B-20.

Loans that may be sold to the Guarantor in the future may have characteristics differing from current Loans forming part of the Covered Bond Portfolio, including in respect of loss experience, delinquencies, revenue experience and monthly payment rates. Compliance with Guideline B-20 may impact the Seller's ability to generate new Loans, including HELOCs for sale to the Guarantor under the Programme, at the same rate as the Seller originated prior to the date hereof.

Guideline B-20 also provides that where a federally-regulated financial institution such as the Issuer acquires a residential mortgage loan, including a home equity line of credit, that has been originated by a third party, such federally regulated financial institution should ensure that the underwriting standards of that third party are consistent with those set out in the Residential Mortgage Underwriting Policy of the federally-regulated financial institution and compliant with Guideline B-20. OSFI published the final version of the Guideline B-20 on 17 October 2017 which went into effect on 1 January 2018.

On 1 January 2018, OSFI implemented changes to clarify or strengthen expectations in a number of specific areas, including:

- requiring a qualifying stress test for all uninsured mortgages;
- requiring that loan-to-value (LTV) measurements remain dynamic and adjust for local market conditions where they are used as a risk control, such as for qualifying borrowers; and
- expressly prohibiting co-lending arrangements that are, or appear to be, designed to circumvent regulatory requirements.

Additionally, as of 1 June 2021, OSFI has increased the minimum qualifying rate for uninsured mortgages.

Also, pursuant to a consultation process launched in January 2023, OSFI noted that mortgage lending risks, particularly related to debt serviceability, have increased considerably since the onset of the pandemic, and stated that, in addition to the Minimum Qualifying Rate (MQR), or "stress test", OSFI is exploring complementary measures to better mitigate risks to federally regulated financial institutions, such as the Issuer, arising from high consumer indebtedness. New measures being considered include volume limits on high Loan-to-Income (LTI) and high debt service lending. The proposed debt serviceability measures include loan-to-income (LTI) and debt-to-income (DTI) restrictions, debt service coverage restrictions, and interest rate affordability stress tests.

Financial Regulatory Reforms in the U.S. and Canada Could Have a Significant Impact on the Issuer or the Guarantor

The 2018 U.S. Economic Growth, Regulatory Relief and Consumer Protection Act ("**Reform Act**") included modifications to aspects of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**"), including stress testing. In general, in connection with Dodd-Frank the Issuer could be negatively impacted by loss of revenue, limitations on the products or services it offers, and additional operational and compliance costs. Many parts of Dodd-Frank are in effect and others are in the implementation stage. Certain rules under Dodd-Frank and other regulatory requirements that impact the Issuer include: the so-called "Volcker Rule", which generally restricts banking entities from engaging in proprietary trading and from sponsoring or holding ownership interests in or having certain relationships with certain hedge funds and private equity funds; capital planning and stress testing requirements for the Issuer's top-tier U.S. intermediate holding company; stress testing requirement for TD Bank, N.A.; and various "enhanced prudential standards" under Federal Reserve regulations. The Issuer has incurred, and will continue to incur, operational, capital, liquidity, and compliance costs, and compliance with these standards may impact the Issuer's businesses, operations, and results in the U.S. and overall. In addition, as a result of the Issuer's designation as a G-SIB by the Financial Stability Board, the Issuer's U.S. operations will be subject to certain additional long-term debt and "total loss-absorbing capacity" capital requirements, effective in 2023.

The current U.S. regulatory environment for banking organizations may be impacted by recent and future legislative or regulatory developments, including resulting from changes in U.S. executive administration, congressional leadership and/or agency leadership, and regulators focusing on potential racial discrimination and economic inequity,

including fair lending. For example, the Economic Growth, Regulatory Relief and Consumer Protection Act (Reform Act) included modifications to the stress testing and other aspects of Dodd-Frank. In addition, the applicable U.S. Federal regulatory agencies have proposed and in some cases, adopted regulatory amendments to certain of these requirements, including with respect to the Volcker Rule regulations and capital planning and stress testing requirements.

The ultimate consequences of these developments and their impact on the Issuer remain uncertain and it remains unclear whether any other legislative or regulatory proposals relating to these requirements will be enacted or adopted.

In addition to the regulations referred to above affecting the financial services industry generally, Title VII of Dodd-Frank ("**Title VII**") imposes a regulatory framework on swap transactions, including interest rate and currency swaps of the type entered into by the Guarantor in connection with the issuance of the Covered Bonds. As such, the Guarantor may face certain regulatory requirements under Dodd-Frank, subject to any applicable exemptions or relief. The Commodity Futures Trading Commission has primary regulatory jurisdiction over such swap transactions, although some regulations have been jointly issued with, or separately issued by, the Securities Exchange Commission and other regulations relating to swaps may be issued by other U.S. regulatory agencies (for example, the prudential regulators' margin regulations). Many of the regulations implementing Title VII have become effective; however, the interpretation and potential impact of these regulations is not yet entirely clear, and certain other key regulations are yet to be finalized or to become effective. Once fully implemented and/or once the scope of these regulations are further clarified through regulator action or guidance, these regulations could adversely affect the value, availability and performance of certain derivatives instruments and may result in additional costs and restrictions with respect to the use of those instruments, including as they are used by the Guarantor in relation to the issuance of the Covered Bonds.

Such requirements may disrupt the Guarantor's ability to hedge its exposure to various transactions (see "*Summary of the Principal Documents – Interest Rate Swap Agreement*" and *"Covered Bond Swap Agreement*" on pages 231 to 234 of this Prospectus), including any obligations it may owe to investors under the Covered Bonds, and may therefore materially and adversely impact a transaction's value or the value of the Covered Bonds. The Guarantor cannot be certain as to how these regulatory developments will impact the treatment of the Covered Bonds.

In particular, any amendments to existing swap transactions or new swap transactions entered into by the Guarantor may be subject to clearing, execution, capital, margin posting and collecting, reporting and recordkeeping requirements under Title VII that could result in additional regulatory burdens, costs and expenses (including extraordinary, non-recurring expenses of the Guarantor).

Additionally, the Issuer is subject to a number of specific requirements, including, among other things: (i) mandatory clearing, trade reporting and registration of over-the-counter derivative trading activities; (ii) heightened capital, liquidity and prudential standards, such as the enhanced prudential standards and early remediation requirements under Sections 165 and 166 of Dodd-Frank; (iii) mandatory risk retention rules, applicable to sponsors of asset-backed securities and securitisations; and (iv) restrictions on proprietary trading, private equity and hedge fund activities, commonly known as the Volcker Rule.

In Canada, a regulatory framework for swap transactions similar to the regulatory framework under Title VII is proposed by the regulators, and certain rules thereunder are in effect. Such regulatory framework may have similar consequences for the Issuer and the Guarantor. In addition, it is possible that compliance with other emerging regulations could result in the imposition of higher administration expenses on the Issuer and the Guarantor.

Although these reforms have increased the Issuer's cost of regulatory compliance and have restricted its ability to engage in certain activities in the U.S. and elsewhere, the Issuer does not expect costs and restrictions associated with the new regulations to have a material impact on its financial results. The Issuer continues to devote the resources necessary to ensure that it implements the requirements in compliance with all applicable regulations under Dodd-Frank and in Canada. The Issuer continues to monitor developments in this area, including upcoming changes in laws or regulations that may be enacted by the current U.S. government administration and Canadian regulators.

No assurance can be given that Dodd-Frank and related regulations, the proposed similar regulatory framework in Canada, or any other new legislative changes enacted will not have a significant impact on the Issuer or the Guarantor, including on the amount of Covered Bonds that may be issued in the future or the Guarantor's ability to maintain or enter into swap transactions.

Bank Recapitalization "Bail-In" Regime

The Government of Canada's bail-in regime, which became effective in September 2018, was implemented through regulations published under the CDIC Act and the Bank Act, providing the final details of conversion and issuance regimes for bail-in instruments issued by D-SIBs including the Issuer (collectively, the "**Bail-in Regulations**"). Further amendments were introduced to the CDIC Act in 2021 through Bill C-30 that would support and clarify the scope of the cross-border enforceability of the stay provisions applicable to eligible financial contracts as well as clarify how investors, creditors and other participants may be compensated as a result of actions taken by financial sector authorities to sell, wind-down or restore to viability a failing bank, among other things. The bail-in regime could adversely affect the Issuer's cost of funding. See also risk factor entitled "*Bankruptcy or Insolvency Risk*" above for additional information about the bail-in regime.

On 18 April 2018, OSFI published the final Total Loss Absorbing Capacity Guideline ("**TLAC Guideline**") setting forth its expectations in respect of D-SIBs' minimum capacity to absorb losses. The TLAC Guideline sets forth requirements for a risk-based TLAC ratio and a TLAC leverage ratio, beginning 1 November, 2021.

The bail-in regime and TLAC Guideline could adversely affect the Issuer's cost of funding due to compliance with such requirements resulting in the Issuer's overall funding costs being increased to the extent that the Issuer is required to adapt its liability structure to higher cost liabilities due to the issuance of bail-in debt as opposed to lower cost non-bail-in debt or the replacement of existing liabilities with higher-cost ones that are TLAC-eligible or having to chose a TLAC-eligible liability over a lower cost non-TLAC eligible liability to satisfy applicable regulatory capital requirements.

Over-the-Counter Derivatives Reform

Over-the-counter ("**OTC**") derivatives markets globally are facing profound changes in the capital regimes, national regulatory frameworks and market infrastructures in which they operate. One of the changes is that the Issuer is required to clear certain OTC derivatives through a central counterparty. Similar to the other Canadian banks' wholesale banking businesses, the impact of these changes on TD Securities' client and trading-related derivatives revenues is uncertain.

The Issuer is monitoring international and Canadian developments and proposed reforms, and will take action to mitigate the impact on its business, where possible. The changes may result in significant systems changes, less flexible trading options, higher capital requirements, more stringent regulatory requirements along with some potential benefits as a result of reduced risk through central counterparty clearing.

9. OTHER FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS INVOLVED IN AN INVESTMENT OF THE COVERED BONDS

UK Political and Regulatory Uncertainty

Following the end of the Brexit transition period on 30 December 2020, aspects of the relationship between the UK and the EU have been governed by the EU-UK Trade and Cooperation Agreement (the "**TCA**"). The TCA came into effect on 1 May 2021, following its provisional application. The TCA sets out a number of preferential arrangements in areas such as trade in goods and in services, digital trade and intellectual property, but many matters pertaining to the provision of financial services remain uncertain.

Although direct operations of the Issuer in the UK are limited, given that the Issuer is operating in the financial markets and that the Covered Bonds, when issued, may be listed and admitted to trading in London, any significant new uncertainties and instability in the financial markets may affect the Issuer and the trading price of the Covered Bonds.

Uncertainties remain relating to certain aspects of the UK's future economic, trading and legal relationships with the EU and with other countries. Until these aspects are better understood, it is not possible to determine the impact any related matters may have on the Issuer or any of the Issuer's Covered Bonds as a result of, amongst other items, their listing and admission to trading in London, including the market value or the liquidity thereof in the secondary market, or on the other parties to the transaction documents. See "*Subscription and Sale and Transfer and Selling Restrictions - Prohibition of Sales to EEA Retail Investors* and - *Prohibition of Sales to UK Retail Investors*" on page 287 and 287 of this Prospectus for additional information on the UK and EU selling restrictions applicable to this Programme.

Risks related to the secondary market

Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed liquid secondary market. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, credit, currency or market risks or are not admitted to trading on a regulated market or another established securities exchange. See also the risk factors under sub-category "*Risks relating to the structure of a particular issue of Covered Bond*" above. These types of Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Covered Bonds.

The Covered Bonds have not been, and will not be, registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and are subject to certain restrictions on the resale and other transfer thereof as set forth under the section entitled "*Subscription and Sale and Transfer and Selling Restrictions*" on pages 281 to 292 of this Prospectus. If a secondary market does develop, it may not continue for the life of the Covered Bonds or it may not provide holders of the Covered Bonds with liquidity of investment with the result that a holder of the Covered Bonds may not be able to find a buyer to buy its Covered Bonds readily or at prices that will enable the holder of the Covered Bonds to realize a desired yield. There can be no expectation or assurance that the Issuer or any of its affiliates will create or maintain a market in the Covered Bonds.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Covered Bonds in the Specified Currency (see Condition 9 "*Payments*" and Condition 5 "*Interest*" for additional information). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Covered Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (3) the Investor's Currency-equivalent market value of the Covered Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal or receive payments in a significantly devalued Specified Currency.

No obligation to maintain listing

The Issuer is not under any obligation to Holders of the Covered Bonds to maintain any listing of Covered Bonds and may, in good faith, determine that it is impractical or unduly burdensome to maintain such listing and seek to terminate the listing of such Covered Bonds provided it uses all reasonable efforts to seek an alternative admission to listing, trading and/or quotation of such Covered Bonds by another listing authority, securities exchange and/or quotation system (including a market which is not a regulated market for the purposes of UK MiFIR or a market outside the UK) that it may reasonably determine, provided however that any such listing authority, securities exchange and/or quotation system is commonly used for the listing and trading of debt securities in the international debt markets (see "*Overview of the Programme*" on page 20 of this Prospectus for further details regarding listings). Although there is no assurance as to the liquidity of any Covered Bonds as a result of the admission to trading on a regulated market for the purposes of UK MiFIR, delisting of such Covered Bonds may have a material effect on the ability of investors to (i) continue to hold such Covered Bonds, (ii) resell the Covered Bonds in the secondary market or (iii) use the Covered Bonds as eligible collateral.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published by the Issuer or are published simultaneously with this Prospectus and as at the date of this Prospectus have been approved by or filed with the FCA are hereby incorporated in, and form part of, this Prospectus and the Base Prospectus:

(a) the Issuer's Annual Information Form dated 29 November 2023 (the "**2023 Annual Information Form**"), including information concerning the Issuer's principal subsidiaries which is provided in Appendix A of the 2023 Annual Information Form;

(b) the Issuer's 2023 MD&A;

(c) the Issuer's audited consolidated financial statements for the years ended 31 October 2023 and 2022, prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board, together with the notes thereto and the auditor's reports thereon (the "**2023 Annual Consolidated Financial Statements**");

Items (a) to (c) above are incorporated by reference in their entirety including, without limitation, the following specific sections as set out in items (d) to (f) below:

(d) information about trends for each business segment known to the Issuer's management which is provided under the headings "*Economic Summary and Outlook*" on page 21, "*Business Focus*" on page 33, and "*2023 Accomplishments and Focus for 2024*" on page 51 of the 2023 MD&A and the caution regarding forward-looking statements on page 18 of the 2023 MD&A in respect of such information;

(e) information about legal proceedings to which the Issuer is a party which is provided under the heading "*Note 26: Provisions, Contingent Liabilities, Commitments, Guarantees, Pledged Assets, and Collateral*" on pages 212 to 214 of the 2023 Annual Consolidated Financial Statements;

(f) information about commitments, events and uncertainties known to the Issuer's management which is provided under the heading "*Note 26: Provisions, Contingent Liabilities, Commitments, Guarantees, Pledged Assets, and Collateral*" on pages 212 to 214 of the 2023 Annual Consolidated Financial Statements;

(g) the Issuer's Report to Shareholders for the quarter ended 30 April 2024 (the "**Second Quarter 2024 Report**") in its entirety, including without limitation the following specific sections:

  (i) Management's Discussion and Analysis on pages 4 to 48 (the "**Q2 2024 MD&A**");

  (ii) the unaudited interim consolidated financial statements and notes thereto for the three and six-month periods ended 30 April 2024, with comparative unaudited interim consolidated financial statements for the three and six-month periods ended 30 April 2023, (including the notes thereto), prepared in accordance with International Accounting Standard (IAS) 34 "*Interim Financial Reporting*", as set out on pages 49 to 80 including without limitation Note 19: Provisions and Contingent Liabilities on page 78; and

  (iii) information about trends for each business segment known to the Issuer's management which is provided under the heading "Economic Summary and Outlook" on pages 14 to 20 and the caution regarding forward-looking statements on page 4 in respect of such information;

(h) the section entitled "Terms and Conditions of the Covered Bonds" set out in the Issuer's prospectus in connection with the Programme dated 7 September 2017 at pages 71 through 109, comprising the terms and conditions at the time of issuance applicable to the Covered Bonds issued pursuant to such prospectus, the remainder of such prospectus is either not relevant for prospective investors or is covered elsewhere in this Prospectus and is not incorporated by reference;

(i) the section entitled "Terms and Conditions of the Covered Bonds" set out in the Issuer's prospectus in connection with the Programme dated 27 July 2018 at pages 72 through 112, comprising the terms and conditions at the time of issuance applicable to the Covered Bonds issued pursuant to such prospectus, the remainder of such prospectus is either not relevant for prospective investors or is covered elsewhere in this Prospectus and is not incorporated by reference;

(j) the section entitled "Terms and Conditions of the Covered Bonds" set out in the Issuer's prospectus in connection with the Programme dated 5 July 2019 at pages 84 through 131, comprising the terms and conditions at the time of issuance applicable to the Covered Bonds issued pursuant to such prospectus, the remainder of such prospectus is either not relevant for prospective investors or is covered elsewhere in this Prospectus and is not incorporated by reference;

(k) the section entitled "Terms and Conditions of the Covered Bonds" set out in the Issuer's prospectus in connection with the Programme dated 30 June 2020 at pages 87 through 138, comprising the terms and conditions at the time of issuance applicable to the Covered Bonds issued pursuant to such prospectus, the remainder of such prospectus is either not relevant for prospective investors or is covered elsewhere in this Prospectus and is not incorporated by reference;

(l) the section entitled "Terms and Conditions of the Covered Bonds" set out in the Issuer's prospectus in connection with the Programme dated 30 June 2021 at pages 91 through 144, comprising the terms and conditions at the time of issuance applicable to the Covered Bonds issued pursuant to such prospectus, the remainder of such prospectus is either not relevant for prospective investors or is covered elsewhere in this Prospectus and is not incorporated by reference;

(m) the section entitled "Terms and Conditions of the Covered Bonds" set out in the Issuer's prospectus in connection with the Programme dated 30 June 2022 at pages 91 through 145, comprising the terms and conditions at the time of issuance applicable to the Covered Bonds issued pursuant to such prospectus, as amended by the supplement dated 26 August 2022, the remainder of such prospectus is either not relevant for prospective investors or is covered elsewhere in this Prospectus and is not incorporated by reference;

(n) the section entitled "Terms and Conditions of the Covered Bonds" set out in the Issuer's prospectus in connection with the Programme dated 30 June 2023 at pages 93 through 153, comprising the terms and conditions at the time of issuance applicable to the Covered Bonds issued pursuant to such prospectus, as amended by the supplements dated 6 December 2023 and 1 March 2024, the remainder of such prospectus is either not relevant for prospective investors or is covered elsewhere in this Prospectus and is not incorporated by reference;

(o) the Issuer's monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on 31 May 2024, respectively.

To the extent that any document or information incorporated by reference in this Prospectus, itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Prospectus, except where such information or documents are stated within this Prospectus as specifically being incorporated by reference or where this Prospectus is specifically defined as including such information.

Following the publication of this Prospectus, one or more supplements to this Prospectus may be prepared by the Issuer and approved by the FCA in accordance with Article 23 of the UK Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of this Prospectus and the documents incorporated by reference in this Prospectus and any supplement hereto approved by the FCA can be (i) viewed on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name of the Issuer and the headline "Publication of Prospectus"; (ii) obtained on written request and without charge from the specified offices of the Issuer and each Paying Agent, as set out at the end of this Prospectus; and (iii) on the

Issuer's website maintained in respect of the Programme at http://www.td.com/investor-relations/ir-homepage/debt-information/legislative-covered-bonds/LCBTermsofAccess.jsp. The Issuer's disclosure documents may also be accessed through the Internet (A) on the Canadian System for Electronic Document Analysis and Retrieval at http://www.SEDAR.com (an internet based securities regulatory filing system), and (B) at the U.S. Securities and Exchange Commission's web site at http://www.sec.gov. Any websites included in the Base Prospectus other than in respect of the information incorporated by reference are for information purposes only and do not form part of the Base Prospectus and the FCA has neither scrutinised or approved the information contained therein.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of any Covered Bonds, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Covered Bonds issued in circumstances requiring publication of a prospectus under the UK Prospectus Regulation. The Issuer will also prepare supplements to this Prospectus from time to time for the purpose of incorporating by reference Investor Reports into this Prospectus. The Issuer has undertaken to the Dealers in the Dealership Agreement that it will comply with Article 23 of the UK Prospectus Regulation.

FORM OF THE COVERED BONDS

The Covered Bonds of each Series will be in either bearer form, with or without receipts, interest coupons and/or talons attached, or registered form, without receipts, interest coupons and/or talons attached. Bearer Covered Bonds will be issued outside the United States to persons that are not U.S. persons in reliance on Regulation S under the Securities Act ("**Regulation S**") and Registered Covered Bonds issued pursuant to this Prospectus will be issued both outside the United States to persons that are not U.S. persons in reliance on the exemption from registration provided by Regulation S and within the United States or to, or for the benefit of U.S. persons in reliance on Rule 144A or another exemption from registration under the Securities Act.

Bearer Covered Bonds

Each Tranche of Bearer Covered Bonds will be initially issued in the form of a temporary global covered bond without receipts or interest coupons attached (a "**Temporary Global Covered Bond**") or, if so specified in the applicable Final Terms or Pricing Supplement, a permanent global covered bond without receipts or interest coupons attached (a "**Permanent Global Covered Bond**" and, together with the Temporary Global Covered Bonds, the "**Bearer Global Covered Bonds**" and each a "**Bearer Global Covered Bond**") which, in either case, will:

(a) if the Bearer Global Covered Bonds are intended to be issued in new global Covered Bond ("**NGCB**") form, as stated in the applicable Final Terms or Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to one of the international central securities depositories as common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking SA ("**Clearstream, Luxembourg**"); and

(b) if the Bearer Global Covered Bonds are not intended to be issued in NGCB form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg.

If the Bearer Global Covered Bonds are stated in the applicable Final Terms or Pricing Supplement to be issued in NGCB form, such Final Terms will also specify whether the Covered Bonds are intended to be held in a manner which would allow Eurosystem eligibility notwithstanding that recognition as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem will depend upon satisfaction of the Eurosystem eligibility criteria. However, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should note that recognition as to whether the Covered Bonds meet such Eurosystem eligibility criteria depends on the European Central Bank.

While any Bearer Covered Bond is represented by a Temporary Global Covered Bond, payments of principal, interest (if any) and any other amount payable in respect of the Bearer Covered Bonds due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Covered Bond if the Temporary Global Covered Bond is not intended to be issued in NGCB form) only to the extent that certification to the effect that the beneficial owners of interests in such Bearer Covered Bond are not U.S. persons for U.S. federal income tax purposes or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been

received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Covered Bond is issued, interests in such Temporary Global Covered Bond will be exchangeable (free of charge) upon a request as described therein either for: (i) interests in a Permanent Global Covered Bond of the same Series; or (ii) Bearer Definitive Covered Bonds of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms or Pricing Supplement and subject, in the case of Bearer Definitive Covered Bonds, to such notice period as is specified in the applicable Final Terms or Pricing Supplement), in each case against certification of non-U.S. beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Covered Bond for an interest in a Permanent Global Covered Bond or for Bearer Definitive Covered Bonds is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Covered Bond will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Covered Bond if the Permanent Global Covered Bond is not intended to be issued in NGCB form) without any requirement for certification.

The applicable Final Terms or Pricing Supplement will specify that a Permanent Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Bearer Definitive Covered Bonds with, where applicable, receipts, interest coupons and talons attached upon either: (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) to the Issuing and Paying Agent as described therein; or (ii) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) 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 (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bearer Covered Bonds represented by the Permanent Global Covered Bond in definitive form. The Issuer will promptly give notice to holders of the Covered Bonds of each Series of Bearer Global Covered Bonds in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event described in (i) above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) or the Bond Trustee may give notice to the Issuing and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may give notice to the Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent.

If the applicable Final Terms or Pricing Supplement indicate that a Bearer Global Covered Bond is exchangeable for Bearer Definitive Covered Bonds at the option of a Holder, the Covered Bonds shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) set out in the applicable Final Terms or Pricing Supplement and integral multiples thereof.

Bearer Global Covered Bonds and Bearer Definitive Covered Bonds will be issued pursuant to the Trust Deed and the Agency Agreement.

The following legend will appear on all Permanent Global Covered Bonds and all Bearer Definitive Covered Bonds and on all receipts and interest coupons relating to such Bearer Covered Bonds where TEFRA D is specified in the applicable Final Terms or Pricing Supplement:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE".

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Covered Bonds, receipts or interest coupons and will not be entitled to capital gains treatment of any

gain on any sale, disposition, redemption or payment of principal in respect of such Bearer Covered Bonds, receipts or interest coupons.

Covered Bonds which are represented by a Bearer Global Covered Bond will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Covered Bonds

The Registered Covered Bonds of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global covered bond in registered form (a "**Regulation S Global Covered Bond**"). Prior to expiry of the Distribution Compliance Period (as defined in Regulation S) applicable to each Tranche of Covered Bonds, beneficial interests in a Regulation S Global Covered Bond may not be offered, sold or delivered to, or for the account or benefit of, a U.S. person (as defined in Regulation S) save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Regulation S Global Covered Bond will bear a legend regarding such restrictions on transfer.

The Registered Covered Bonds of each Tranche issued pursuant to this Prospectus may only be offered and sold in the United States or to U.S. persons in private transactions exempt from registration under the Securities Act to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**").

The Registered Covered Bonds of each Tranche sold to QIBs will be represented by a global covered bond in registered form (a "**Rule 144A Global Covered Bond**" and, together with a Regulation S Global Covered Bond, the "**Registered Global Covered Bonds**").

Registered Global Covered Bonds will: (i) be deposited with a custodian, a common depositary or a common safekeeper for, and registered in the name of a nominee of, DTC or CDS for the accounts of its participants or Euroclear and/or Clearstream, Luxembourg; (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, or (iii) if held under the new safekeeping structure for registered global securities which are intended to constitute eligible collateral for Eurosystem monetary policy and intra-day credit operations (the "**NSS**"), be registered in the name of a nominee of, and delivered to, a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg, as specified in the applicable Final Terms or Pricing Supplement. Persons holding beneficial interests in Registered Global Covered Bonds will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Covered Bonds in fully registered form.

If the Registered Global Covered Bonds are stated in the applicable Final Terms or Pricing Supplement to be held under the NSS, such Final Terms will also specify whether the Covered Bonds are intended to be held in a manner which would allow Eurosystem eligibility, notwithstanding that recognition as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem will depend upon satisfaction of the Eurosystem eligibility criteria. However, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should note that recognition as to whether the Covered Bonds meet such Eurosystem eligibility criteria depends on the European Central Bank.

The Rule 144A Global Covered Bonds will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions described under "*Subscription and Sale and Transfer and Selling Restrictions*".

Payments of principal, interest and any other amount in respect of the Registered Global Covered Bonds will, in the absence of provision to the contrary, be made to the person shown on the Register as the registered holder of the Registered Global Covered Bonds. None of the Issuer, the Guarantor, the Bond Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries 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.

Payments of principal, interest or any other amount in respect of the Registered Covered Bonds in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Registered Definitive Covered Bonds without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) in the case of Covered Bonds registered in the name of a nominee for 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, 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; (ii) in the case of Covered Bonds registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depositary for the Covered Bonds and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act; (iii) in the case of Covered Bonds registered in the name of CDS or its nominee, CDS has notified the Issuer that it is unwilling or unable to continue to act as a depositary for the Covered Bonds and a successor depository is not appointed by the Issuer within 90 days after receiving such notice, or has ceased to be a recognised clearing agency under the *Securities Act* (Ontario) or a self-regulatory organisation under the *Securities Act* (Québec) or other applicable Canadian securities legislation and a successor is not appointed by the Issuer within 90 days after the Issuer becoming aware that CDS is no longer so authorised; or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Covered Bonds represented by the Registered Global Covered Bond in definitive form. The Issuer will promptly give notice to holders of the Covered Bonds of each Series of Registered Global Covered Bonds in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event described in (i)-(iii) above, DTC, CDS, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any registered holder of an interest in such Registered Global Covered Bond) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Registered Covered Bonds sold in reliance on Rule 144A under the Securities Act will be issued in the minimum denominations specified in the applicable Final Terms or Pricing Supplement in U.S. dollars (or the approximate equivalents in the applicable Specified Currency).

Transfer of Interests

Interests in a Registered Global Covered Bond may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Covered Bond. No beneficial owner of an interest in a Registered Global Covered Bond will be able to transfer such interest, except in accordance with the applicable procedures of DTC, CDS, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Covered Bonds are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*"**.

General

Pursuant to the Agency Agreement, the Issuing and Paying Agent (or any additional agent appointed pursuant to the Agency Agreement) shall arrange that, where a further Tranche of Covered Bonds is issued which is intended to form a single Series with an existing Tranche of Covered Bonds, the Covered Bonds of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Covered Bonds of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which should not be prior to the expiry of the Distribution Compliance Period applicable to the Covered Bonds of such Tranche, if any.

Any reference herein to DTC, CDS, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or Pricing Supplement or as may otherwise be approved by the Issuer, the Issuing and Paying Agent and the Bond Trustee.

Covered Bonds that are initially deposited with a clearing system may also be credited to the accounts of subscribers with other clearing systems (if indicated in the applicable Final Terms or Pricing Supplement) through direct or indirect accounts with such clearing systems held by such other clearing systems.

No holder of the Covered Bonds, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Bond Trustee, having become so bound to proceed, fails so to do within a reasonable period and the failure shall be continuing.

The Issuer will notify Euroclear, Clearstream, Luxembourg and the Issuing and Paying Agent upon issue whether the Covered Bonds are intended, or are not intended, to be held in a manner which would allow Eurosystem eligibility and deposited with one of Euroclear and Clearstream, Luxembourg as common safekeeper (and in the case of registered Covered Bonds, registered in the name of a nominee of one of Euroclear and Clearstream, Luxembourg acting as common safekeeper). Where the Covered Bonds are not intended to be deposited with one of Euroclear and Clearstream, Luxembourg as common safekeeper upon issuance, should the Eurosystem eligibility criteria be amended in the future such as that the Covered Bonds are capable of meeting such criteria, the Covered Bonds may then be deposited with one of Euroclear and Clearstream, Luxembourg as common safekeeper. Where the Covered Bonds are so deposited with one of Euroclear and Clearstream, Luxembourg as common safekeeper (and in the case of registered Covered Bonds, registered in the name of a nominee of one of Euroclear and Clearstream, Luxembourg acting as common safekeeper) upon issuance or otherwise, this does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at issuance or at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

TERMS AND CONDITIONS OF THE COVERED BONDS

*With the exception of N 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 or, in the case of Exempt Covered Bonds only, supplemented, amended and/or replaced by a Pricing Supplement in relation to any Tranche of Exempt Covered Bonds) apply to each Global Covered Bond and each 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 Definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms or Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Covered Bond and Definitive Covered Bond.*

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by The Toronto-Dominion Bank (the "**Issuer**" or the "**Bank**") as part of the Issuer's CAD 100 billion global legislative Covered Bond programme (the "**Programme**") and constituted by a trust deed initially dated as of the Programme Date and most recently amended and restated as of 28 June 2024 (such trust deed as may be further amended, restated, supplemented or replaced, the "**Trust Deed**") made between the Issuer, TD 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 dated as of the Programme Date (as may be amended, restated, supplemented or replaced, the "**Agency Agreement**") and made between the Issuer, the Guarantor, the Bond Trustee, Citibank, N.A., in its capacities as U.S. registrar (the "**U.S. Registrar**", which expression shall include any successor in such capacity), transfer agent and paying agent (the "**U.S. Paying Agent**", which expression shall include any successor in such capacity), in each case in respect of U.S. Registered Covered Bonds, and in respect of all other Covered Bonds, Citibank Europe PLC, in its capacity as European registrar (the "**European Registrar**", which expression shall include any successor to Citibank Europe PLC, in such capacity, and the "**Registrar**" or "**Registrars**" for a Tranche (as defined below) shall be as specified in the applicable Final Terms or Pricing Supplement (as defined below)), Citibank, N.A., acting through its London Branch, in its capacities as issuing and principal paying agent (the "**Issuing and Paying Agent**", which expression shall include any successor to Citibank, N.A., acting through its London Branch, in such capacity), calculation agent (the "**Calculation Agent**", which expression shall include any successor to Citibank, N.A., acting through its London Branch, in its capacity as such 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 transfer agent and the other transfer agents named therein (collectively, the "**Transfer Agent**" which expression shall include any Registrar and any additional or successor transfer agents), and the paying agents named therein (the "**Paying Agents**", which expression shall include the Issuing and Paying Agent, the U.S. Paying Agent and any substitute or additional paying agents appointed in accordance with the Agency Agreement either with respect to the Programme or with respect to a particular Series). As used herein, "**Agents**" shall mean the Paying Agents, the Registrar or Registrars, the Exchange Agent and the Transfer Agents. A branch of a bank is not a subsidiary of such bank and does not comprise a separate legal entity.

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 Covered Bonds represented by a global covered bond (a "**Global Covered Bond**"), units of the lowest Specified Denomination in the Specified Currency;

(b) any Global Covered Bond;

(c) any definitive Covered Bonds in bearer form ("**Bearer Definitive Covered Bonds**") issued in exchange for a Global Covered Bond in bearer form; and

(d) any definitive Covered Bonds in registered form ("**Registered Definitive Covered Bonds**") (whether or not issued in exchange for a Global Covered Bond in registered form).

Save as provided in Conditions 7 and 13, any references to "**Coupons**" (as defined in Condition 1.06), "**Receipts**" (as defined in Condition 1.07) or "**Talons**" (as defined in Condition 1.06) are to Coupons, Receipts and Talons relating to Covered Bonds of this Series.

References in these Terms and Conditions to the Final Terms or Pricing Supplement are to Part A of the Final Terms or Pricing Supplement 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, or, in the case of Exempt Covered Bonds only, as supplemented, amended, and/or replaced by the Pricing Supplement, 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 or a Pricing Supplement, 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. In the case of a Tranche of Exempt Covered Bonds, copies of the Pricing Supplement 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 Global Covered Bond, be construed as provided below), the holders of the Receipts (the "**Receiptholders**") and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons (as defined in Condition 1.06 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 Prospectus at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1 and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms of all Covered Bonds of each Series (or Pricing Supplement in relation to Exempt Covered Bonds of any Series) are obtainable during normal business hours of the specified office of each of the Paying Agents, 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, the Receiptholders and Couponholders 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 or Pricing Supplement which are applicable to them and to have notice of each set of Final Terms or Pricing Supplement 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 the parties to the Transaction Documents initially dated as of the Programme Date and most recently amended and restated as of 30 June 2023 and as amended on 28 June 2024 (such master definitions and construction agreement as may be further amended, restated, 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 bearer form ("**Bearer Covered Bonds**") or in registered form ("**Registered Covered Bonds**"), as specified in the Final Terms or Pricing Supplement and are serially numbered. Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds and vice versa.

The Covered Bond may be 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 or Pricing Supplement. The Covered Bond may also be an Instalment Covered Bond depending upon the Redemption/Payment Basis specified in the applicable Final Terms or Pricing Supplement.

1.02 For so long as any of the Covered Bonds is represented by a Temporary Global Covered Bond and/ or Permanent Global Covered Bond held on behalf of Euroclear and/or Clearstream, Luxembourg or so long as The Depository Trust Company ("**DTC**") or its nominee or CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee is the registered holder of a Registered Global Covered Bond, each person (other than Euroclear or Clearstream, Luxembourg, DTC or CDS) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg, DTC or CDS 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, DTC or CDS 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 Global Covered Bond and the Trust Deed, other than with respect to the payment of principal or interest on the Covered Bonds, and, in the case of DTC or its nominee or CDS or its nominee, voting, giving consents and making requests, for which purpose the bearer of the relevant Temporary Global Covered Bond and/or Permanent Global Covered Bond or registered holder of a Registered Global Covered Bond (or in either case, the Bond Trustee in accordance with the Trust Deed) 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 Global Covered Bond and the expression "Holder" and related expressions shall be construed accordingly. Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the then current rules and procedures of Euroclear or of Clearstream, Luxembourg, DTC or CDS or any other relevant clearing system, as the case may be.

References to DTC, CDS, Euroclear or Clearstream, Luxembourg shall, whenever the context so permits (but not in the case of any NGCB or 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 or Pricing Supplement as may otherwise be approved by the Issuer, the Issuing and Paying Agent and the Bond Trustee.

Bearer Covered Bonds

1.03 The Final Terms or Pricing Supplement shall, if applicable, specify whether U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**") or U.S. Treasury Regulation § 1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**") shall apply. Each Tranche of Bearer Covered Bonds with an original maturity of more than one year is represented upon issue by a Temporary Global Covered Bond, unless the Final Terms or Pricing Supplement specify otherwise, in particular, when the TEFRA C Rules apply.

Where the Final Terms or Pricing Supplement applicable to a Tranche of Bearer Covered Bonds so specify or where a Tranche of Bearer Covered Bonds has an original maturity of one year or less, such Tranche is (unless otherwise specified in the Final Terms or Pricing Supplement) represented upon issue by a Permanent Global Covered Bond.

Interests in the Temporary Global Covered Bond may be exchanged for:

(a) interests in a Permanent Global Covered Bond; or

(b) if so specified in the Final Terms or Pricing Supplement, Bearer Definitive Covered Bonds.

Exchanges of interests in a Temporary Global Covered Bond for Bearer Definitive Covered Bonds or, as the case may be, a Permanent Global Covered Bond will be made only on or after the Exchange Date (as specified in the Final Terms or Pricing Supplement) and (unless the Final Terms or Pricing Supplement specify that the TEFRA C Rules are applicable to the Covered Bonds) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations has been received in accordance with the terms of the Temporary Global Covered Bond (each certification in substantially the form set out in the Temporary Global Covered Bond or in such other form as is customarily issued in such circumstances by the relevant clearing system).

1.04 The bearer of any Temporary Global Covered Bond shall not (unless, upon due presentation of such Temporary Global Covered Bond for exchange (in whole but not in part only) for a Permanent Global Covered Bond or for delivery of Bearer Definitive Covered Bonds, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to collect any payment in respect of the Covered Bonds represented by such Temporary Global Covered Bond which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date specified in the applicable Final Terms or Pricing Supplement.

1.05 Unless the Final Terms or Pricing Supplement specify that the TEFRA C Rules are applicable to the Covered Bonds and subject to Condition 1.04 above, if any date on which a payment of interest is due on the Covered Bonds of a Tranche occurs while any of the Covered Bonds of that Tranche are represented by a Temporary Global Covered Bond, the related interest payment will be made on the Temporary Global Covered Bond only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Covered Bond or in such other form as is customarily issued in such circumstances by the relevant clearing system), has been received by Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking SA ("**Clearstream, Luxembourg**") or any other relevant clearing system in accordance with the terms of the Temporary Global Covered Bond. Payments of amounts due in respect of a Permanent Global Covered Bond or (subject to Condition 1.04 above) a Temporary Global Covered Bond will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for further certification. Any reference herein to Euroclear or Clearstream, Luxembourg shall be deemed to include a reference to any other relevant clearing system.

1.06 Bearer Definitive Covered Bonds that are not Zero Coupon Covered Bonds have attached thereto, at the time of their initial delivery, coupons ("**Coupons**"), the presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. Definitive Covered Bonds that are not Zero Coupon Covered Bonds, if so specified in the Final Terms or Pricing Supplement, have attached thereto, at the time of their initial delivery, a talon ("**Talon**") for further coupons and the expression "Coupons" shall, where the context so requires, include Talons.

1.07 Bearer Definitive Covered Bonds, the principal amount of which is repayable by instalments ("**Instalment Covered Bonds**") in such amounts as may be specified in, or determined in accordance with, the provisions of the Final Terms or Pricing Supplement (each an "**Instalment Amount**"), have endorsed thereon a grid for recording the repayment of Instalment Amounts or, if so specified in the Final Terms or Pricing Supplement, have attached thereto, at the time of their initial delivery, payment receipts ("**Receipts**") in respect of the Instalment Amounts repaid.

Denomination

Denomination of Bearer Covered Bonds

1.08 Bearer Covered Bonds are in the Specified Denomination(s) specified in the Final Terms or Pricing Supplement. Bearer Covered Bonds of one denomination may not be exchanged for Bearer Covered Bonds of any other denomination.

Denomination of Registered Covered Bonds

1.09 Registered Covered Bonds are in the Specified Denominations specified in the Final Terms or Pricing Supplement.

Currency of Covered Bonds

1.10 The Covered Bonds are denominated in such currency as may be specified in the Final Terms or Pricing Supplement. 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 Bearer Covered Bonds, Receipts and Coupons passes by delivery. References herein to the "Holders" of Bearer Covered Bonds or of Receipts or Coupons are to the bearers of such Bearer Covered Bonds or such Receipts or Coupons.

2.02 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.

2.03 The Holder of any Bearer Covered Bond, Coupon, Receipt or 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

2.04 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 or Pricing Supplement) 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.

2.05 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.

2.06 Transfers of beneficial interests in Rule 144A Global Covered Bonds (as defined below) and Regulation S Global Covered Bonds (as defined below) (together, the "**Registered Global Covered Bonds**") will be effected by DTC, CDS, 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. The laws of some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Covered Bonds represented by a

Registered Global Covered Bond accepted by DTC to pledge such Covered Bonds to persons or entities that do not participate in the DTC system or otherwise take action in respect of such Covered Bonds 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 or Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, CDS, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Covered Bond registered in the name of a nominee for DTC or CDS shall be limited to transfers of such Registered Global Covered Bond, in whole but not in part, to another nominee of DTC or CDS, as applicable, or to a successor of DTC or CDS, as applicable, or such successor's nominee.

2.07 Subject as provided in Conditions 2.09, 2.10, 2.11 and 2.12, 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 authorized denominations set out in the applicable Final Terms or Pricing Supplement. 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 such person or their, attorney or attorneys duly authorized 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.

2.08 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 of which such Covered Bonds are a part;

(b) "**Legended Covered Bonds**" means Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

(c) "**NGCB**" means a Temporary Global Covered Bond or a Permanent Global Covered Bond, in either case in respect of which the applicable Final Terms or Pricing Supplement specify that it is a new global covered bond;

(d) "**QIB**" means a "qualified institutional buyer" within the meaning of Rule 144A;

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

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

(g) "**Relevant Banking Day**" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Covered Bond for a Registered Covered Bond, where such request for exchange is made to the Issuing and Paying Agent, in the place where the specified office of the Issuing and Paying Agent is located;

(h) "**Rule 144A**" means Rule 144A under the Securities Act;

(i) "**Rule 144A Global Covered Bond**" means a Registered Global Covered Bond representing Covered Bonds sold in the United States to QIBs in reliance on Rule 144A;

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

(k) 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 2.04.

2.09 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.

2.10 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.

2.11 Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Covered Bond to a transferee in the United States or who is a U.S. person will only be made:

(a) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Covered Bond or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(b) otherwise 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,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of (a) above, such transferee may take delivery through a Legended Covered Bond in global or definitive form. Prior to the end of the applicable Distribution Compliance Period, beneficial interests in Regulation S Covered Bonds registered in the name of a nominee for DTC may only be held through the accounts of Euroclear and Clearstream, Luxembourg. After expiry of the applicable Distribution Compliance Period: (A) beneficial interests in Regulation S Global Covered Bonds registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC or indirectly through a participant in DTC; and (B) such certification requirements will no longer apply to such transfers.

2.12 Transfers of Legended Covered Bonds or beneficial interests therein may be made:

(a) to a transferee who takes delivery of such interest through a Regulation S Global Covered Bond, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Regulation S Global Covered Bond registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Covered Bonds being transferred will be held immediately thereafter through CDS, Euroclear and/or Clearstream, Luxembourg; or

(b) to a transferee who takes delivery of such interest through a Legended Covered Bond where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(c) otherwise 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,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Covered Bonds, or upon specific request for removal of the legend therein, the Registrar shall deliver only Legended Covered Bonds or refuse to remove the legend therein, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of United States counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

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), 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). Unless otherwise specified in the Final Terms or Pricing Supplement, the deposits to be evidenced by the Covered Bonds will be taken by the main branch 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 Priority 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, Receipts and Coupons 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 or Pricing Supplement. 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 or Pricing Supplement, 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 or Pricing Supplement, 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 (in the case of a Global Covered Bond, interest will be paid to Clearstream, Luxembourg and/or Euroclear and/or DTC and/or CDS 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 or Pricing Supplement, 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 or Pricing Supplement, 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 Pricing Supplement; or

(b) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms or Pricing Supplement, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms or Pricing Supplement 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 (which expression, shall, in these Terms and Conditions, mean 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 Floating Rate Covered Bonds and will be paid to the Holders of the Covered Bonds (in the case of a Global Covered Bond, interest will be paid to Clearstream, Luxembourg and/or Euroclear and/or DTC and/or CDS for distribution by them to Relevant Account Holders in accordance with their usual rules and operating procedures).

Rate of Interest – Other than SONIA, SOFR, €STR or SARON

Where the Screen Rate Determination is specified in the applicable Final Terms or Pricing Supplement as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being a rate other than SONIA, SOFR, €STR or SARON, 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 (if there is only one quotation for the Reference Rate on the Relevant Screen Page) or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the quotations for the Reference Rate in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(b) if, on any Interest Determination Date, no such rate so appears on the Relevant Screen Page or, as the case may be, if fewer than two such quotations for the Reference Rate so appear 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 relevant Principal Financial Centre (as defined herein, and which, for greater certainty will be the Euro-zone in the case of EURIBOR) interbank market 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, 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, the Calculation Agent will determine the arithmetic mean (rounded as described above) of the rates quoted by four major banks in the Principal Financial Centre 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 or Pricing Supplement 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, as the case may be, 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 determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as provided in the applicable Final Terms or Pricing Supplement) relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).

Rate of Interest – SONIA

Where the Screen Rate Determination is specified in the applicable Final Terms or Pricing Supplement as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being SONIA, then the Rate of Interest for each Interest Period will, as provided below and

subject to the provisions of Condition 13.02, be Compounded Daily SONIA for such Interest Period plus or minus the Margin (as indicated in the applicable Final Terms or Pricing Supplement), as determined by the Calculation Agent. Compounded Daily SONIA will be calculated in accordance with either the lag observation method (the "**Observation Lookback Convention**"), the shift observation method (the "**Observation Shift Convention**") or the SONIA index method (the "**SONIA Index Convention**" and each a "**Compounded Daily SONIA Observation Convention**"). The applicable Final Terms or Pricing Supplement will indicate which Compounded Daily SONIA Observation Convention is applicable.

"**Compounded Daily SONIA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily SONIA reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 per cent being rounded upwards:

Observation Lookback Convention:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{i\text{-}pLBD} \times n_i}{365}\right)-1\right] \times \frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"$\mathbf{d_o}$" is the number of London Banking Days in the relevant Interest Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

"$\mathbf{n_i}$", for any London Banking Day "i" in the Interest Period, means the number of calendar days from and including such London Banking Day "i" to, but excluding, the earlier of (i) the following London Banking Day and (ii) the last day of the relevant Interest Period or, in respect of the final Interest Period, the Final Maturity Date;

"**Observation Lookback Period**" is as specified in the applicable Final Terms or Pricing Supplement;

"**p**" is the number of London Banking Days included in the Observation Lookback Period, as specified in the applicable Final Terms or Pricing Supplement; and

"$\mathbf{SONIA_{i-pLBD}}$" means, in respect of any London Banking Day "i" in the relevant Interest Period, the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i".

Observation Shift Convention:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_i \times n_i}{365}\right)-1\right] \times \frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Period;

"$\mathbf{d_o}$" is the number of London Banking Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Observation Period;

"n_i", for any London Banking Day "i" in the Observation Period, means the number of calendar days from and including such London Banking Day "i" to, but excluding, the following London Banking Day;

"**p**" is the number of London Banking Days included in the Observation Period Shift, as specified in the applicable Final Terms or Pricing Supplement;

"**Observation Period**" means the period from and including the date falling "p" London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Period;

"**Observation Period Shift**" means the number of London Banking Days specified in the applicable Final Terms or Pricing Supplement; and

"**SONIA$_i$**" means, in respect of any London Banking Day "i" falling in the relevant Observation Period, the SONIA reference rate for that day London Banking Day "i".

SONIA Index Convention

$$\left(\frac{SONIA\ Compounded\ Index_{y}}{SONIA\ Compounded\ Index_{x}} - 1\right) x \frac{365}{d}$$

where:

"**SONIA Compounded Index**" in respect of any London Banking Day, means the screen rate or index for Compounded Daily SONIA administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service at the relevant time on the relevant Index Determination Dates specified below, as further specified in the applicable Final Terms or Pricing Supplement;

"**x**" denotes that the relevant SONIA Compounded Index is the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of the relevant Interest Period;

"**y**" denotes that the relevant SONIA Compounded Index is the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the Interest Payment Date for such Interest Period, or such other date as when the relevant payment of interest falls to be due (but which by definition or the operation of the relevant provisions is excluded from such Interest Period);

A day on which the SONIA Compounded Index is determined pursuant to paragraph "**x**" or "**y**" above is referred to as an "**Index Determination Date**";

"**d**" is the number of calendar days from (and including) the day in relation to which x is determined to (but excluding) the day in relation to which y is determined.

"**Relevant Number**" is as specified in the applicable Final Terms or Pricing Supplement;

And, for each Compounded Daily SONIA Observation Convention:

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, United Kingdom ("**UK**"); and

"**SONIA reference rate**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day.

The following fallbacks for the SONIA reference rate apply to both the Observation Lookback Convention and the Observation Shift Convention:

If, subject to Condition 13.02, in respect of any London Banking Day, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms or Pricing Supplement) determines that the SONIA reference rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, then the SONIA reference rate in respect of such London Banking Day shall be: (a) (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5:00 p.m. (or, if earlier, close of business) on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days in respect of which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or (b) if the Bank Rate is not available on the relevant London Banking Day, the most recent SONIA reference rate in respect of a London Banking Day.

Notwithstanding the paragraph above and without prejudice to Condition 13.02, in the event the Bank of England publishes guidance as to (i) how the SONIA rate is to be determined or (ii) any rate that is to replace the SONIA reference rate, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms or Pricing Supplement) shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA rate for any London Banking Day "i" for the purpose of the relevant Series of Covered Bonds for so long as the SONIA rate is not available and has not been published by the authorised distributors.

The following fallbacks apply to the SONIA Index Convention

If the SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service at the relevant time on any relevant Index Determination Date, the Compounded Daily SONIA rate for the applicable Interest Period for which SONIA Compounded Index is not available shall be "Compounded Daily SONIA" determined in accordance with the provisions of "Observation Shift Convention" above as if SONIA Index Convention had not been specified as being applicable in the applicable Final Terms or Pricing Supplement. For these purposes, the Relevant Number specified in the applicable Final Terms or Pricing Supplement shall be the "Observation Period Shift" and the Compounded Daily SONIA Observation Convention shall be deemed to be Observation Shift Convention as if SONIA Index Convention had not been specified as being applicable and these alternative elections had been made.

In respect of each Compounded Daily SONIA Observation Convention:

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms or Pricing Supplement, be deemed to be the date on which such Covered Bonds become due and payable, and the Rate of Interest on such Covered Bonds shall, for so long as such Covered Bonds remain outstanding, be that determined on such date.

Rate of Interest – SOFR

SOFR is published by the Federal Reserve Bank of New York and is intended to be a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities.

The Federal Reserve Bank of New York notes on its publication page for SOFR that use of SOFR is subject to important limitations, indemnification obligations and disclaimers, including that the Federal Reserve Bank of New York may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice.

Where the Screen Rate Determination is specified in the applicable Final Terms or Pricing Supplement as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being SOFR, then the Rate of Interest for each Interest Period will, subject as provided below and subject to the provisions of Condition 13.02, be Compounded SOFR plus or minus the Margin (as indicated in the applicable Final Terms or Pricing Supplement) as determined by the Calculation Agent. Compounded SOFR will be

determined in accordance with either the observation shift method (an "**Observation Shift Convention**") or the index method (a "**SOFR Index Convention**", each a "**Compounded SOFR Convention**"), in accordance with the terms and provisions applicable to either such convention as set forth below. The applicable Final Terms or Pricing Supplement will specify the applicable Compounded SOFR Convention.

Observation Shift Convention

Where the Compounded SOFR Convention is specified in the applicable Final Terms or Pricing Supplement as Observation Shift Convention, "**Compounded SOFR**" means, in relation to any Interest Period, the rate of return of a daily compound interest investment (with SOFR as the reference rate for the calculation of interest) as calculated by the Calculation Agent (or the person specified in the applicable Final Terms or Pricing Supplement as the party responsible for calculating the Rate of Interest) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \; x \; n_i}{360}\right)-1\right] \text{x} \; \frac{360}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Period;

"$\mathbf{d_o}$" for any Observation Period, is the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period; and

"$\mathbf{n_i}$" for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day.

"$\mathbf{SOFR_i}$" for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is equal to SOFR in respect of that day "i".

"**Secured Overnight Financing Rate**" or "**SOFR**" means, with respect to any U.S. Government Securities Business Day:

(1) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day; or

(2) if the rate specified in (1) above does not so appear, unless both a Benchmark Transition Event (as defined in Condition 13.02(c)(ii)) and its related Benchmark Replacement Date (as defined in Condition 13.02(c)(ii)) have occurred, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website.

(3) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, then SOFR shall be determined to be the rate determined in accordance with Condition 13.02(c)(ii).

"**Observation Period**" means in respect of each Interest Period, the period from, and including, the date falling "*p*" U.S. Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the date falling "*p*" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period, or such other period as may be specified in the Final Terms or Pricing Supplement.

"**Observation Period Shift**" means the number of U.S. Government Securities Business Days specified in the applicable Final Terms or Pricing Supplement.

"**p**", for any Observation Period, is the number of U.S. Government Securities Business Days included in the Observation Period Shift, as specified in the applicable Final Terms or Pricing Supplement.

SOFR Index Convention

Where the Compounded SOFR Convention is specified in the applicable Final Terms or Pricing Supplement as SOFR Index Convention, "**Compounded SOFR**" means, in relation to any Interest Period, the rate of return of a daily compound interest investment (with SOFR as the reference rate for the calculation of interest) as calculated by the Calculation Agent (or the person specified in the applicable Final Terms or Pricing Supplement as the party responsible for calculating the Rate of Interest) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards):

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d}\right)$$

where:

"**SOFR Index$_{Start}$**" is the SOFR Index value for the day which is the first day of the relevant SOFR Index Observation Period;

"**SOFR Index$_{End}$**" is the SOFR Index value for the day which is the last day of the relevant SOFR Index Observation Period;

"**d**" is the number of calendar days in the relevant SOFR Index Observation Period;

"**SOFR Index**" means, with respect to any U.S. Government Securities Business Day:

(a) the SOFR Index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on such U.S. Government Securities Business Day; provided that:

(b) if a SOFR Index value does not so appear as specified in (1) above at the specified time, unless both a Benchmark Transition Event (as defined in Condition 13.02(c)(ii)) and its related Benchmark Replacement Date (as defined in Condition 13.02(c)(ii)) have occurred, then Compounded SOFR shall be the rate determined pursuant to the "SOFR Index Unavailable" provisions (defined below);

(c) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then Compounded SOFR shall be the rate determined pursuant to Condition 13.02(c)(ii);

"**SOFR Index Observation Period**" means in respect of each Interest Period, the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period, or such other period as may be specified in the Final Terms or Pricing Supplement;

"**SOFR Index Observation Period Shift**" is the number of U.S. Government Securities Business specified in the applicable Final Terms or Pricing Supplement; and

"**p**", for any SOFR Index Observation Period, is the number of U.S. Government Securities Business Days included in the SOFR Index Observation Period Shift, as specified in the applicable Final Terms or Pricing Supplement.

"**SOFR**" means the daily secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator's Website.

"**SOFR Index Unavailable**" means if the SOFR Index is not published for a SOFR Index$_{Start}$ or SOFR Index$_{End,}$ on the associated Interest Determination Date, "Compounded SOFR" means, for an Interest Determination Date for the applicable Interest Period for which such index is not available and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and the definitions required for such formula, published on the SOFR Administrator's Website at https://www.newyorkfed.org/markets/treasury-repo-reference-rates-information. For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "SOFR Index Observation Period" and the words "that is, 30-, 90-, or 180- calendar days" shall be removed. If the daily SOFR ("**SOFRi**") does not so appear for any day, "i" in the SOFR Index Observation Period, SOFRi for such day "i" shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website.

For the purposes of this section "*Rate of Interest – SOFR*", the following expressions have the following meaning:

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate).

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source.

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

In respect of each Compounded SOFR Convention:

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms or Pricing Supplement, be deemed to be the date on which such Covered Bonds become due and payable, and the Rate of Interest on such Covered Bonds shall, for so long as such Covered Bonds remain outstanding, be that determined on such date.

Rate of Interest – €STR

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, and the Reference Rate is specified in the applicable Final Terms as being €STR, then the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus the Margin (as indicated in the applicable Final Terms or Pricing Supplement) as determined by the Calculation Agent.

"**Compounded Daily €STR**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with each 0.00005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\text{€STR}_{i-pTBD}\ \times\ n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"***d$_o$***", for any Interest Period, is the number of T2 Business Days (as defined below) in the relevant Interest Period;

"**€STR$_{i\text{-}pTBD}$**" means, in respect for any T2 Business Day "*i*" falling in the relevant Interest Period, the €STR Reference Rate for the T2 Business Day falling "p" T2 Business Days prior to that T2 Business Day "*i*";

"***i***" is a series of whole numbers from one to d_o, each representing the relevant T2 Business Day in chronological order from, and including, the first T2 Business Day in the relevant Interest Period;

"$\mathbf{n}_i$" for any T2 Business Day "*i*" is the number of calendar days from, and including, such T2 Business Day "*i*" up to, but excluding, the earlier of (i) the following T2 Business Day, and (ii) the last day of the relevant Interest Period or, in respect of the final Interest Period, the Final Maturity Date;

"**p**", for any Interest Period, is the number of T2 Business Days included in the Observation Lookback Period, as specified in the applicable Final Terms;

"**ECB Recommended Rate Index Cessation Effective Date**" means, in respect of an ECB Recommended Rate Index Cessation Event, the first date on which the ECB Recommended Rate would ordinarily have been provided and is no longer provided;

"**ECB Recommended Rate Index Cessation Event**" means the occurrence of one or more of the following events:

(a) a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate;

"**€STR Index Cessation Event**" means the occurrence of one or more of the following events:

(a) a public statement or publication of information by or on behalf of the administrator of €STR announcing that it has ceased or will cease to publish or provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR; or

(b) a public statement or publication of information by the regulatory supervisor for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a resolution authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to publish or provide €STR;

"**€STR Index Cessation Effective Date**" means, in respect of €STR and an €STR Index Cessation Event, the first date on which €STR would ordinarily have been provided and is no longer provided;

"**€STR Reference Rate**" means in respect of any T2 Business Day, a reference rate equal to the daily euro short-term rate ("**€STR**") for such T2 Business Day as provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank, currently at http://www.ecb.europa.eu, or any successor website officially designated by the European Central Bank (the "**ECB's Website**") (in each case, on or before 9:00 a.m. Frankfurt Time on the T2 Business Day immediately following such T2 Business Day (or any amended publication time for €STR as specified by the administrator of €STR in the €STR benchmark methodology));

"**Observation Lookback Period**" is as specified in the applicable Final Terms;

If the €STR Reference Rate does not appear on a T2 Business Day as specified above, unless both an €STR Index Cessation Event and an €STR Index Cessation Effective Date (each as defined above) have occurred, the €STR Reference Rate shall be a rate equal to €STR in respect of the last T2 Business Day for which such rate was published on the ECB's Website.

If the €STR Reference Rate does not appear on a T2 Business Day as specified above, and both an €STR Index Cessation Event and an €STR Index Cessation Effective Date have occurred, the rate for each T2 Business Day in the relevant Interest Period occurring on or after such €STR Index Cessation Effective Date will be determined as if references to "€STR" were references to the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for €STR by the European Central Bank (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by (i) the European Central Bank (or any successor administrator of €STR) and/or (ii) the European Securities and Markets Authority, in each case for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor (the "**ECB Recommended Rate**"), provided that, if no such rate has been recommended before the end of the first T2 Business Day following the €STR Index Cessation Effective Date, then the rate for each T2 Business Day in the relevant Interest Period occurring on or after such €STR Index Cessation Effective Date will be determined as if references to €STR were references to the Eurosystem Deposit Facility Rate, the rate on the deposit facility that banks may use to make overnight deposits with the Eurosystem, as published on the ECB's Website (the "**EDFR**") on such T2 Business Day plus the arithmetic mean of the daily difference between the €STR and the EDFR over an observation period of 30 T2 Business Days starting 30 T2 Business Days prior to the day on which the €STR Index Cessation Event occurs and ending on the T2 Business Day immediately preceding the day on which the €STR Index Cessation Event occurs (the "**EDFR Spread**"); provided further that, if both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate for each T2 Business Day in the relevant Interest Period occurring on or after that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to "€STR" were references to the EDFR on such T2 Business Day plus the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR over an observation period of 30 T2 Business Days starting 30 T2 Business Days prior to the day on which the ECB Recommended Rate Index Cessation Event occurs and ending on the T2 Business Day immediately preceding the day on which the ECB Recommended Rate Index Cessation Event occurs.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, (i) the Rate of Interest shall be that determined at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the Rate of Interest shall be determined as if references to €STR for each T2 Business Day in the relevant Interest Period occurring on or after the €STR Index Cessation Effective Date were references to the latest published ECB Recommended Rate or, if the EDFR is published on a later date than the latest published ECB Recommended Rate, the latest published EDFR plus the EDFR Spread.

If a €STR Index Cessation Event and €STR Index Cessation Effective Date occur, the Issuer will promptly notify the Covered Bondholders in accordance with Condition 14 and the Calculation Agent thereof as well as all other action taken in accordance with the above fallback provisions.

If the Covered Bonds become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which the Covered Bonds became due and payable with corresponding adjustments being deemed to be made to the Compounded Daily €STR formula and the Rate of Interest on the Covered Bonds shall, for so long as any such Covered Bonds remain outstanding, be the Rate of Interest determined on such date.

Rate of Interest – SARON

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, and the Reference Rate is specified in the applicable Final Terms as being SARON, then the Rate of Interest for each Interest Period will, subject as provided below and subject to the provisions of

Condition 13.02, be Compounded Daily SARON plus or minus the Margin (as indicated in the applicable Final Terms) as determined by the Calculation Agent.

"**Compounded Daily SARON**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily overnight interest rate of the secured funding market for Swiss franc) as calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one tenthousandth of a percentage point, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_b}\left(1+\frac{SARON_i \times n_i}{360}\right)-1\right]\times\frac{360}{d_c}$$

where:

"***d**b*" means the number of Zurich Banking Days (as defined below) in the relevant Observation Period;

"**d**$_c$" is the number of calendar days in the relevant Observation Period;

"***i***" is a series of whole numbers from one to d_b, representing the Zurich Banking Days in the relevant Observation Period in chronological order from, and including, the first Zurich Banking Day in such Observation Period;

"**n**$_i$" for any Zurich Banking Day "*i*" is the number of calendar days from, and including, such Zurich Banking Day "*i*" up to, but excluding, the first following Zurich Banking Day;

"**Observation Period**" means, in respect of an Interest Period, the period from, and including, the date falling "p" Zurich Banking Days prior to the first day of such Interest Period and ending on, but excluding, the date falling "p" Zurich Banking Days prior to the Interest Payment Date for such Interest Period;

"**Observation Period Shift**" is as specified in the applicable Final Terms;

"**p**", for any Interest Period, is the number of Zurich Banking Days included in the Observation Period Shift, as specified in the applicable Final Terms;

"**Relevant Time**" is as is specified, in respect of SARON, in Condition 13.02(c)(iv);

"**SARON**$_i$" means, in respect of any Zurich Banking Day *i*, SARON for such Zurich Banking Day *i*;

"**SARON**" means, in respect of any Zurich Banking Day, the Swiss Average Rate Overnight for such Zurich Banking Day published by the SARON Administrator on the SARON Administrator Website at the Relevant Time on such Zurich Banking Day; or

(i) if SARON does not so appear on the SARON Administrator Website or is not so published by the Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have not both occurred on or prior to such Zurich Banking Day, the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the first preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website; or

(ii) if such rate does not so appear on the SARON Administrator Website or is not so published by the Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have both occurred on or prior to such Zurich Banking Day, then SARON shall be determined to be the SARON Replacement determined in accordance with Condition 13.02(c)(iv);

"**SARON Administrator**" is as is specified in Condition 13.02(c)(iv);

"**SARON Administrator Website**" is as is specified in Condition 13.02(c)(iv);

"**Zurich Banking Day**" is as is specified in Condition 13.02(c)(iv).

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Covered Bonds become due and payable, and the Rate of Interest on such Covered Bonds shall, for so long as such Covered Bonds remain outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

ISDA Rate Covered Bonds

5.04 Where ISDA Determination is specified in the Final Terms or Pricing Supplement 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 or Pricing Supplement) 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 determinations(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 or Pricing Supplement, 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 and confirmation and credit support annex, if applicable, 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 or Pricing Supplement);
- the Effective Date is the Interest Commencement Date;
- the Floating Rate Option is as specified in the applicable Final Terms or Pricing Supplement;
- the Designated Maturity, if applicable, is the period specified in the applicable Final Terms or Pricing Supplement;
- 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 or Pricing Supplement;
- if applicable, the Applicable Benchmark, Fixing Day, Fixing Time and /or any other items specified in the applicable Final Terms or Pricing Supplement as relating to ISDA Determination are as specified in the applicable Final Terms or Pricing Supplement;
- 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 or Pricing Supplement (which may be Actual/Actual, Actual/365 (Sterling), 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 or Pricing Supplement (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 or Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

Accrual of Interest after the due date

5.06 Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Covered Bond, in respect of each Instalment Amount, on the due date for payment of the relevant Instalment Amount) unless upon due presentation or surrender thereof (if required), payment in full of the Final Redemption Amount or the relevant Instalment 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 or Pricing Supplement if permitted by applicable law 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 or Pricing Supplement, the Calculation Agent, as soon as practicable after the time at which the Rate of Interest is to be determined in accordance with these Conditions, including the Relevant Time, as applicable (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 Instalment Amount, obtain any quote 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 Instalment Amount, obtain such quote 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, as the case may be, the Final Redemption Amount or any Instalment Amount to be notified to the Paying Agents, the Registrar (in the case of Registered Covered Bonds), the Issuer, the Holders in accordance with Condition 14 (except for U.S. Registered Covered Bonds) 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 fourth London Banking Day thereafter (or, in the case of Covered Bonds where the applicable Final Terms specify the Reference Rate as being SONIA, no later than the second London Banking Day thereafter) or, if earlier in the case of notification to the stock exchange or other relevant authority, 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, Final Redemption Amount and Instalment Amount, the obtaining of each quote 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, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Rate of Interest applicable to the Covered Bonds and 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 or Pricing Supplement), 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 or Pricing Supplement 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 per cent. being rounded up to 0.00001 per cent.), (b) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount and (c) 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 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 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:

"**Adjustment Spread**" means either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Financial Adviser, if applicable, and acting in good faith and a commercially reasonable manner, determines is required to be applied to the Alternative Base Rate and is the spread, formula or methodology which:

(i) is formally recommended in relation to the replacement of the Reference Rate with the Alternative Base Rate by any Relevant Nominating Body; or

(ii) if no such recommendation has been made, the Issuer determines, following consultation with the Independent Financial Adviser, if applicable, and acting in good faith and a commercially reasonable manner, is customarily applied to the Alternative Base Rate in international debt capital markets transactions to produce an industry-accepted replacement rate for the original Reference Rate; or

(iii) if the Issuer determines that no such spread is customarily applied in international debt capital markets transactions, the Issuer following consultation with the Independent

Financial Adviser (if applicable) determines, acting in good faith and a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the original Reference Rate, where such rate has been replaced by the Alternative Base Rate (as the case may be); or

(iv) if the Issuer determines that no such industry standard is recognised or acknowledged, the Issuer, acting in good faith and a commercially reasonable manner, determines, or, in its sole discretion, appoints an Independent Financial Adviser to assist in determining, to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the holders of the Covered Bonds, Receiptholders or Couponholders as a result of the replacement of the Reference Rate with the Alternative Base Rate.

"**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 or Pricing Supplement, (ii) if T2 is specified in the Final Terms or Pricing Supplement as a Business Centre, a T2 Business Day, or (iii) in relation to Covered Bonds payable in euro, a day which is a T2 Business Day (as defined below) and 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 or Pricing Supplement.

"**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 or Pricing Supplement 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 or Pricing Supplement 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 or Pricing Supplement as the Calculation Agent.

"**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 or Pricing Supplement and:

(a) if "**Actual/Actual**" or "**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 (Sterling)**" is so specified, means the actual number of days in the Accrual Period divided by 365 or, in the case where the last day of the Accrual Period falls in a leap year, 366;

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

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

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

$$\text{Day Count Fraction} = \frac{[\mathbf{360} \times (\boldsymbol{Y}_{(2)} - \boldsymbol{Y}_{(1)}] + [\mathbf{30} \times (\boldsymbol{M}_{(2)} - \boldsymbol{M}_{(1)})] + (D_{(2)} - D_{(1)})}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of such period falls;

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

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

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

"$\mathbf{D_1}$" 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

"$\mathbf{D_2}$" 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.

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

$$\text{Day Count Fraction} = \frac{[\mathbf{360} \times (\boldsymbol{Y}_{(2)} - \boldsymbol{Y}_{(1)}] + [\mathbf{30} \times (\boldsymbol{M}_{(2)} - \boldsymbol{M}_{(1)})] + (D_{(2)} - D_{(1)})}{360}$$

where:

"$\mathbf{Y_1}$" 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 number, in which the day immediately following the last day included in such period falls;

"**D_1**" 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 and D_1 is greater than 29, in which case D_2 will be 30; and

(g) 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:

$$\text{Day Count Fraction} = \frac{[\mathbf{360} \times (\boldsymbol{Y}_{(2)} - \boldsymbol{Y}_{(1)}] + [\mathbf{30} \times (\boldsymbol{M}_{(2)} - \boldsymbol{M}_{(1)})] + (D_{(2)} - D_{(1)})}{360}$$

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

(h) if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is specified in the applicable Final Terms or Pricing Supplement, 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 or Pricing Supplement) 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 in the Reference Rate.

"**Determination Date**" means such date as specified in the applicable Final Terms or Pricing Supplement.

"**Determination Period**" means the period from and including a Determination Date 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 European Union 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 with appropriate expertise, 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 Pricing Supplement) or such other date as may be specified as such in the Final Terms or Pricing Supplement.

"**Interest Determination Date**" means, in respect of any Interest Period, the date specified as such in the applicable Final Terms or Pricing Supplement, or if none is so specified:

(a) the first day of such Interest Period; or

(b) in the case of Covered Bonds denominated in Pounds Sterling where the Reference Rate is SONIA, the fifth London Banking Day prior to each Interest Payment Date; or

(c) in the case of Covered Bonds denominated in U.S. Dollars where the Reference Rate is SOFR, two U.S. Government Securities Business Days prior to each Interest Payment Date;

(d) in the case of Covered Bonds denominated in euro where the Reference Rate is €STR, the fifth T2 Business Day prior to each Interest Payment Date;

(e) in the case of Covered Bonds denominated in Swiss Francs where the Reference Rate is SARON, the Fifth Zurich Banking Day prior to the end of each Interest Period;

(f) in the case of EURIBOR, two T2 Business Days prior to the first day of such Interest Period ; or

(g) in the case of Covered Bonds denominated in Norwegian Kroner where the Reference Rate is NIBOR, the second Oslo Business Day prior to the start of each Interest Period.

"**Interest Payment Date**" means the date or dates specified as such in the Final Terms or Pricing Supplement and, as the same may be adjusted in accordance with the Business Day Convention, if any, specified in the Final Terms or Pricing Supplement 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 or Pricing Supplement 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 7, shall be the date on which such Covered Bonds become due and payable).

"**ISDA Definitions**" means, in relation to any Series of Covered Bonds:

(a) unless "2021 ISDA Definitions" are specified as being applicable in the relevant Final Terms, the 2006 ISDA Definitions (as amended and supplemented as at the date of issue of the first Tranche of the Covered Bonds of such Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc. (or any successor) ("**ISDA**"); or

(b) if "2021 ISDA Definitions" are specified as being applicable in the relevant Final Terms, the latest version of the ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), each as published by ISDA at the date of issue of the first Tranche of the Covered Bonds of such Series.

"**Outstanding Principal Amount**" means, in respect of a Covered Bond, its principal amount less, in respect of any Instalment Covered Bond, any principal amount on which interest shall have ceased to accrue in accordance with Condition 5.06 or otherwise as indicated in the Final Terms or Pricing Supplement.

"**Principal Financial Centre**" means such financial centre or centres as may be indicated in the Final Terms or Pricing Supplement or, if none are specified or "Not Applicable" is specified in the Final Terms or Pricing Supplement, such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of "Business Day" in the ISDA Definitions or, in the case of Covered Bonds denominated in euro, such financial centre or centres as the Issuer may select.

"**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 or Pricing Supplement.

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

"**Reference Rate**" means the relevant EURIBOR, SONIA, SOFR, €STR, SARON, NIBOR or such other benchmark rate specified in the applicable Final Terms or Pricing Supplement or, in the case of Exempt Covered Bonds only, any other reference rate specified in the applicable Pricing Supplement.

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

(i) the European Commission, 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

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (w) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (x) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (y) a group of the aforementioned central banks or other supervisory authorities or (z) the Financial Stability Board ("**FSB**") 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 Pricing Supplement, 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 or Pricing Supplement (which in the case of SONIA means London time and in the case of EURIBOR means Central European Time and in the case of NIBOR means Oslo 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 Eurosystem which was launched in March 2023 or any successor thereto.

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

"**Toronto 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.

"**U.S. Registered Covered Bond**" means a Covered Bond issued under a registration statement under the Securities Act.

Linear Interpolation

5.10 Where "**Linear Interpolation**" is specified as applicable in respect of an Interest Period in the applicable Final Terms or Pricing Supplement, 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 Pricing Supplement) or the relevant floating rate option (where ISDA determination is specified as applicable in the applicable Final Terms or Pricing Supplement), 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 it 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 Pricing Supplement or at such other rate as may be specified for this purpose in the Final Terms or Pricing Supplement 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 Pricing Supplement or, if not so specified, 30E/360 (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 or Pricing Supplement 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 or Pricing Supplement 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 Pricing Supplement (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 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 (in the case of Registered Covered Bonds) 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 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 o*r 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 or Pricing Supplement 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.

"**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 Covered Bonds.

"**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 either Moody's Investors Service, Inc., DBRS Limited or Fitch Ratings, Inc., to the extent that at the relevant time they provide ratings in respect of the then outstanding Covered Bonds, or their successors and "Rating Agencies" means each 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 the UK or any political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of Covered Bonds issued by a branch of the Issuer outside Canada, of the country in which such branch is located or of 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 or Pricing Supplement, (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) 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 recognized 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 or Pricing Supplement, 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 or Pricing Supplement 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 or Pricing Supplement, 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 or Pricing Supplement 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 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 thirty 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 or Pricing Supplement 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 or Pricing Supplement;

- in the case of a partial redemption of Bearer Definitive Covered Bonds, the Covered Bonds to be redeemed shall be drawn by lot in such European city as the Issuing and Paying Agent may specify, or identified in such other manner or in such other place as the Issuing and Paying Agent may approve and deem appropriate and fair;

- in the case of a Global Covered Bond, the Covered Bonds to be redeemed shall be selected in accordance with the then rules of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or CDS and/or any other relevant clearing system (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or CDS 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 2.04 to 2.08, which shall apply as in the case of a transfer of Registered Definitive Covered Bonds as if such new Registered Definitive Covered Bonds were in respect of the untransferred balance.

Put Option

6.06 If a Put Option is specified in the Final Terms or Pricing Supplement 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 or Pricing Supplement (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 or Pricing Supplement 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 or Pricing Supplement, 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, Clearstream, Luxembourg, DTC and/or CDS deposit the relevant Covered Bond (together, in the case of a Bearer Definitive Covered Bond that is not a Zero Coupon Covered Bond, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the Optional Redemption Date (failing which the provisions of

Condition 9.06 apply)) during normal business hours at the specified office of, in the case of a Bearer Covered Bond, any Paying Agent or, in the case of a Registered Covered Bond, the Registrar together with a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar specifying, in the case of a 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 or Pricing Supplement). Notwithstanding the foregoing, Covered Bonds represented by a Permanent Global Covered Bond or Registered Global Covered Bond shall be deemed to be deposited with the Paying Agent or the Registrar, as the case may be, for purposes of this Condition 6.06 at the time a Put Notice has been received by the Paying Agent or Registrar, as the case may be, 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 2.04 to 2.08 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 or otherwise and at any price provided that all unmatured Receipts and Coupons appertaining thereto are purchased therewith.

Cancellation of Redeemed and Purchased Covered Bonds

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

Further Provisions applicable to Redemption Amount and Instalment 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 or any Instalment Amount required by the Final Terms or Pricing Supplement 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, final Instalment 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 or Pricing Supplement.

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

(a) the Issue Price specified in the Final Terms or Pricing Supplement; 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 or Pricing Supplement 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 or Pricing Supplement.

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).

Instalment Covered Bonds

6.12 Any Instalment Covered Bond will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms or Pricing Supplement.

Redemption due to Illegality

6.13 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 6.13 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 6.13, 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, Receiptholders and Couponholders.

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 per cent. 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 Swap 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, Receipts or Coupons 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) if the Pre-Maturity Test in respect of any 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 Toronto 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 Ratings, the Cash Management Deposit Ratings and the Servicer Deposit Threshold Ratings, such breach occurs at a time that the Guarantor is Independently Controlled and Governed.

For the purposes of these Terms and Conditions "**Calculation Date**" means the last Toronto 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, Receipts and Coupons. 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 per cent. 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 Swap 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 Ratings, the Cash Management Deposit Ratings and the Servicer Deposit Threshold Ratings, such breach occurs at a time that the Guarantor is Independently Controlled and Governed.

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.

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, the Receipts, the Coupons 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, the Receipts or the Coupons 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 per cent. 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 Swap 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 per cent. 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 Swap 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, Receiptholder or Couponholder 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, the Receipts, the Coupons, 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. Notwithstanding any other provision of these Terms and Conditions, for so long as there are U.S. Registered Covered Bonds outstanding, in accordance with Section 316(b) of the Trust Indenture Act, the right of any holder to receive payment of principal and interest on the Covered Bonds on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of the holders of the Covered Bonds, provided that no such right of enforcement will exist (i) in respect of a postponement of an interest payment which has been consented to by the holders of the Covered Bonds in accordance with the Trust Deed or (ii) to the extent that the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the security granted pursuant to the Trust Deed or the Security Agreement upon any property subject to such security.

8. Taxation

8.01 All payments (whether in respect of principal or interest) in respect of the Covered Bonds, Receipts and Coupons 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 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 or, in the case of Covered Bonds, Receipts or Coupons issued by a branch of the Issuer located outside Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges 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 and interest which would have been received in respect of the Covered Bonds, Receipts or Coupons (as the case may be), 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, Receipt or Coupon:

(a) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Covered Bond, Receipt or Coupon by reason of such person having some connection with Canada or the country in which such branch is located (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, Receipt or Coupon; or

(b) to, or to a third party on behalf of, a Holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the Holder or any other person entitled to payments under the Covered Bonds being a person with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)), or being a person who is, or does not deal at arm's length with any person who is, a "specified shareholder" (as defined in subsection 18(5) of the *Income Tax Act* (Canada)) of the Issuer or by reason of the Issuer or payor being a "specified entity" (as defined in proposed subsection 18.4(1) of the *Income Tax Act* (Canada) contained in Bill C-59 released by the Canadian federal government in November 2023) in respect of the Holder; or

(c) in respect of a debt or other obligation to pay an amount to a person, other than the recipient of the interest, with whom the Issuer or payor is not dealing at arm's length within the meaning of the *Income Tax Act* (Canada); 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; or

(e) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or other governmental charges 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, duty, assessment or other governmental charge 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, goods and services, harmonized sales, transfer, personal property or any similar tax, duty, assessment or governmental charge; or

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

nor will such additional amounts be payable with respect to any payment in respect of the Covered Bonds, Receipts and Coupons to a holder that is a fiduciary or partnership or to any person other than the sole beneficial owner of such Covered Bond, Receipt or Coupon to the extent that the beneficiary or settlor with respect to such fiduciary, or member of such partnership or beneficial owner thereof, would not have been entitled to receive a payment of such additional amounts had such beneficiary, settlor, member or beneficial owner 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, Receipt or Coupon, the date on which payment thereof first become 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 becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant branch of the Issuer is located, references in Condition 6.02 and Condition 8.01 to Canada or the country in which the relevant branch is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s), 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, Receipts and Coupons are subject to a U.S. federal withholding Tax imposed under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any regulations or agreements thereunder or any official interpretations thereof.

8.04 Any reference in these Terms and Conditions to any payment due in respect of the Covered Bonds, Receipts or Coupons 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 Instalment Amount or 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, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political sub-division thereof or any authority or agency therein or thereof having power to tax, or, in the case of payments made by the Guarantor under the Covered Bond Guarantee in respect of Covered Bonds, Receipts or Coupons issued by a branch of the Issuer located outside of Canada, the country in which such branch is located or any political subdivision thereof or by any authority or agency therein or thereof having the power to tax, the Guarantor will not be obliged to pay any additional amounts as a consequence.

9. Payments

Payments – Bearer Covered Bonds

9.01 Conditions 9.02 to 9.07 are applicable in relation to Bearer Covered Bonds.

9.02 Payment of amounts (other than interest) due in respect of Bearer Covered Bonds will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount other than the final Instalment Amount) surrender of the relevant Bearer Covered Bonds at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Covered Bond which is a Bearer Definitive Covered Bond with Receipts will be made against presentation of the Covered Bond together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Covered Bond to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Covered Bond without the relevant Receipt or the presentation of a Receipt without the Covered Bond to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

9.03 Payment of amounts in respect of interest on Bearer Covered Bonds will be made:

(a) in the case of a Temporary Global Covered Bond or Permanent Global Covered Bond, against presentation of the relevant Temporary Global Covered Bond or Permanent Global Covered Bond at the specified office of any of the Paying Agents outside (unless Condition 9.04 applies) the United States and, in the case of a Temporary Global Covered Bond, upon due certification as required therein;

(b) in the case of Bearer Definitive Covered Bonds without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Bearer Definitive Covered Bonds at the specified office of any of the Paying Agents outside (unless Condition 9.04 applies) the United States; and

(c) in the case of Bearer Definitive Covered Bonds delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on an Interest Payment Date, against presentation of the relevant Bearer Definitive Covered Bonds, in either case at the specified office of any of the Paying Agents outside (unless Condition 9.04 applies) the United States.

9.04 Notwithstanding the foregoing (and in relation to payments in U.S. dollars only), payments of amounts due in respect of interest on the Bearer Covered Bonds and exchanges of Talons for Coupon sheets in accordance with Condition 9.07 will not be made at the specified office of any Paying Agent in the United States (as defined in the Code and regulations promulgated thereunder) unless (i) payment in full of amounts due in respect of interest on such Covered Bonds when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) such payment or exchange is permitted by applicable United States law. If clauses (i) and (ii) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

9.05 If the due date for payment of any amount due in respect of any Bearer Covered Bond is not a Payment Day (as defined in Condition 9.13), 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.

9.06 Each Bearer Definitive Covered Bond initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:

(a) the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the Redemption Amount due) relating to Bearer Definitive Covered Bonds that are Fixed Rate Covered Bonds or bear interest in fixed amounts will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within two years of the Relevant Date applicable to payment of such Redemption Amount (whether or not the Issuer's obligation to make payment in respect of such Coupon would otherwise have ceased under Condition 10);

(b) all unmatured Coupons relating to such Bearer Definitive Covered Bonds that are Floating Rate Covered Bonds or that bear interest in variable amounts (whether or not such Coupons are surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;

(c) in the case of Bearer Definitive Covered Bonds initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and

(d) in the case of Bearer Definitive Covered Bonds initially delivered with Receipts attached thereto, all Receipts relating to such Covered Bonds in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (a) of this Condition 9.06 notwithstanding, if any Bearer Definitive Covered Bonds should be issued with a Final Maturity Date and Rate or Rates of Interest such that, on the presentation for payment of any such Bearer Definitive Covered Bond without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (a) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Bearer Definitive Covered Bond, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (a) in respect of such Coupons as have not so become void, the amount required by paragraph (a) to be deducted would not be greater than the Redemption Amount otherwise due for payment.

Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Bearer Definitive Covered Bond to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

9.07 In relation to Bearer Definitive Covered Bonds initially delivered with Talons attached thereto, on or after the Interest Payment Date of the final Coupon comprised in any Coupon sheet, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 9.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relevant Coupon sheet matures.

Payments – Registered Covered Bonds

9.08 Condition 9.09 is applicable in relation to Registered Covered Bonds.

9.09 Payments of principal (other than instalments of principal prior to the final instalment) 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 the Registrar or any of the Paying Agents. Notwithstanding Condition 9.11, 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 DTC, Euroclear or Clearstream, Luxembourg or CDS, as applicable, 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 U.S.$250,000 (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 (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident 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 (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) 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 Registrar 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 (i) the first day on which DTC, Euroclear or Clearstream, Luxembourg or CDS, as applicable, are open (in relation to Global Covered Bonds); and (ii) the fifteenth day (in relation to Registered Definitive Covered Bonds), whether or not such fifteenth day is a Business Day, before the relevant due date (in respect of payments of interest, the "**Record Date**") 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 Registrar not less than three Business Days in the city where the specified office of the Registrar 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 instalments of principal (other than the final instalment) in respect of the Registered Covered Bonds which become payable to the holder who has made the initial application until such time as the Registrar 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 instalment 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 Registrar in respect of any payments of principal or interest in respect of the Registered Covered Bonds.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Covered Bond in respect of Covered Bonds denominated in a Specified Currency other than U.S. dollars shall be paid by electronic transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

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 9.13), 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.

Payments-General Provisions

9.10 Save as otherwise specified in these Terms and Conditions, Conditions 9.11 to 9.14 are applicable in relation to Bearer Covered Bonds and Registered Covered Bonds.

9.11 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 (or in the case of USD, an account to which USD may be credited or transferred) specified by the payee. In the case of Bearer Covered Bonds, if payments are made by transfer, such payments will only be made by transfer to an account maintained by the payee outside of the United States. In no event will payment of amounts due in respect of Bearer Covered Bonds be made by a cheque mailed to an address in the United States. 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 an agreement described in section 1471(b) of the Code or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

9.12 Canadian usury laws

Pursuant to Condition 5.05, a maximum interest rate may be specified in the Final Terms or Pricing Supplement, as applicable. The Criminal Code (Canada) prohibits the receipt of "interest" (as such term is broadly defined therein) at a "criminal rate" (namely, an effective annual rate of interest that exceeds 60 per cent until Section 610 of Bill C-47 comes into force, and thereafter, an annual percentage rate that exceeds 35 per cent). 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 prescribed rate, currently

being an effective annual rate of interest of 60 per cent and after Section 610 of Bill C-47 comes into force, an annual percentage rate that exceeds 35 per cent. Section 610 of Bill C-47 will come into force on January 1, 2025.

9.13 For the purposes of these Terms and Conditions:

(a) "**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 or, as the case may be, Coupon; and

(b) "**Payment Day**" means (a) 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 or Pricing Supplement, (b) if T2 is specified in the Final Terms or Pricing Supplement as a Financial Centre, a T2 Business Day, or (c) in the case of payment in euro, a day which is a T2 Business Day and 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 or Pricing Supplement.

9.14 No commissions or expenses shall be charged to the Holders of Covered Bonds or Coupons 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 or Coupons, as the case may be, are not presented within two years after the Relevant Date (as defined in Condition 8.02) for payment thereof.

10.02 In relation to Bearer Definitive Covered Bonds initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void pursuant to Condition 9.06 or this Condition 10 or the maturity date or due date for the payment of which would fall after the due date for the redemption of the relevant Covered Bond, or any Talon the maturity date of which would fall after the due date for the redemption of the relevant Covered Bond.

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

11.01 The initial Paying Agents, the Registrar and the Transfer Agents and their respective initial specified offices are specified herein. The Issuer and the Guarantor each 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, the Exchange Agent or the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents or another Registrar, Exchange Agent or Calculation Agent provided that the Issuer and the Guarantor will at all times maintain (i) an Issuing and Paying Agent, (ii) in the case of Registered Covered Bonds, a Registrar, (iii) following the issuance of Bearer Definitive Covered Bonds, and while any such Bearer Definitive Covered Bonds are outstanding, a Paying Agent (which may be the Issuing and Paying Agent) with a specified office in a continental European city, (iv) so long as the Covered Bonds are admitted to the Official List and to trading on the London Stock Exchange and/or admitted to listing or trading on any other stock exchange or relevant authority, a Paying Agent (in the case of Bearer Covered Bonds) and a Transfer Agent (in the case of Registered Covered Bonds), which may in either case be the Issuing and Paying Agent, each 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, (v) in the circumstances described in Condition 9.04, a Paying Agent with a specified office in New York City, (vi) a Calculation Agent where required by the Terms and Conditions applicable to any Covered Bonds, and (vii) so long as any of the Registered Global Covered Bonds payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in the United States (in the case of (i), (ii), (iii) and (vii) 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 in the same metropolitan area. 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, Receipt or Coupon 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 or Pricing Supplement relating to such Covered Bonds shall include the relevant details regarding the applicable Paying Agent.

12. Replacement of Covered Bonds

If any Covered Bond, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent or any Paying Agent (in the case of Bearer Covered Bonds and Coupons) or of the Registrar or any Transfer Agent (in the case of Registered Covered Bonds) (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, Receipts and Coupons 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 signed a written resolution or provided an electronic consent, and on all Receiptholders and Couponholders 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, and on all related Receiptholders and Couponholders in respect of such Series of Covered Bonds.

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 Swap 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, Receiptholders or Couponholders 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, the related Receipts and/or Coupons 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, the related Receipts and/or Coupons 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) (i) 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 Covered Bond Swap Agreement) 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 following the occurrence of an €STR Index Cessation Effective Date or otherwise 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**") (other than in respect of a USD Benchmark or SARON) and making such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (including, without limitation, an Adjustment Spread (if any)) (such amendments, a "**Base Rate Modification**"), provided that:

(A) 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, Receiptholders or Couponholders 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 judgement, 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)(G), no other consents are required to be obtained in relation to the Base Rate Modification; and

(B) such Alternative Base Rate is:

(1) a base rate published, endorsed, approved or recognised by the Bank of England, the FRBNY, the European Commission or the European Central Bank, any regulator in the United States, the UK or 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,

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

(D) 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;

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

(F) 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;

(G) 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 per cent. 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 per cent. 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(c)(i) 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 this Condition 13.02(c)(i).

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 and

an Adjustment Spread (if any), as soon as reasonably practicable, following the satisfaction of the requirements of this Condition 13.02(c)(i). If the Issuer, following consultation with the Independent Financial Adviser (if applicable), acting in good faith and in a commercially reasonable manner and after satisfaction of the requirements of this Condition 13.02(c)(i), determines (i) that an Adjustment Spread is required to be applied to the Alternative Base Rate and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Alternative Base Rate.

An Independent Financial Adviser appointed pursuant to this Condition 13.02(c)(i) 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, the Covered Bondholders, the related Receiptholders and/or Couponholders 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)(i).

(ii) Effect of Benchmark Transition Event on USD Benchmark-referenced Floating Rate Covered Bonds

If the Issuer or the Benchmark Transition Designee determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined below) have occurred with respect to a USD Benchmark, then the Bond Trustee shall be obliged, without the consent or sanction of the Covered Bondholders being required (including without the requirement to provide Covered Bondholders an opportunity to object) and subject only to the consent of the Secured Creditors (i) party to the relevant Transaction Document being amended or (ii) whose ranking in any Priorities of Payments is affected, subject to the satisfaction of Condition 13.02(c)(ii)(D) (the "**Benchmark Transition Event Conditions**"), to concur with the Issuer or the Benchmark Transition Designee in making any modification (other than in respect of a Series Reserved Matter, provided that neither replacing the then-current USD Benchmark with the Benchmark Replacement nor any Benchmark Replacement Conforming Changes (each as defined below) shall constitute a Series Reserved Matter) of these Conditions or any of the Transaction Documents solely with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to the USD Benchmark that the Issuer or the Benchmark Transition Designee decides may be appropriate to give effect to the provisions set forth under this Condition 13.02(c)(ii) in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark and any related Covered Bond Swap Agreements, provided that:

(A) *Benchmark Replacement*. If the Issuer or the Benchmark Transition Designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Relevant Time in respect of any determination of the USD Benchmark on any date applicable to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark, subject to satisfaction of the Benchmark Transition Event Conditions, the Benchmark Replacement will replace the then-current USD Benchmark for all purposes relating to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark in respect of such determination on such date and all determinations on all subsequent dates.

(B) *Benchmark Replacement Conforming Changes*. In connection with the implementation of a Benchmark Replacement with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark, the Issuer or the Benchmark Transition Designee will have the right, subject to satisfaction of the Benchmark Transition Event Conditions, to make Benchmark Replacement Conforming Changes with respect to any U.S. dollar denominated Floating Rate Covered Bonds from time to time.

(C) *Decisions and Determinations*. Any determination, decision or election that may be made by the Issuer or the Benchmark Transition Designee pursuant to this Condition 13.02(c)(ii), including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark:

(i) will be conclusive and binding absent manifest error;

(ii) if made by the Issuer, will be made in the Issuer's sole discretion;

(iii) if made by the Benchmark Transition Designee, will be made after consultation with the Issuer, and the Benchmark Transition Designee will not make any such determination, decision or election to which the Issuer objects; and

(iv) shall become effective without consent from any other party (including Covered Bondholders), except with respect to Secured Creditors as otherwise provided in this Condition 13.02(c)(ii).

Any determination, decision or election pursuant to the benchmark replacement provisions not made by the Benchmark Transition Designee will be made by the Issuer on the basis as described above. The Benchmark Transition Designee shall have no liability for not making any such determination, decision or election absent bad faith or fraud.

(D) *Other Conditions*.

(i) The Issuer shall certify in writing to the Bond Trustee (such certificate, a "**USD Benchmark Base Rate Modification Certificate**") that (I) a Benchmark Transition Event and its related Benchmark Replacement Date have occurred specifying the Benchmark Replacement; and (II) that the Benchmark Replacement Conforming Changes have been made in accordance with this Condition 13.02(c)(ii);

(ii) The Issuer shall have obtained 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 (evidence of which shall be provided by the Issuer to the Bond Trustee with the Base Rate Modification Certificate);

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

(iv) 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.

The following definitions shall apply with respect to this Condition 13.02(c)(ii):

"**USD Benchmark**" means, initially, Compounded SOFR, as such term is defined in Condition 5.03; provided that if the Issuer or the Benchmark Transition Designee determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or the Benchmark Transition Designee as of the Benchmark Replacement Date:

(i) the sum of: (a) an alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current USD Benchmark and (b) the Benchmark Replacement Adjustment;

(ii) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(iii) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or the Benchmark Transition Designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current USD Benchmark for U.S. dollar denominated floating rate covered bonds at such time and (b) the Benchmark Replacement Adjustment.

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or the Benchmark Transition Designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; and

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or the Benchmark Transition Designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current USD Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate covered bonds at such time.

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark (including changes to the definitions or interpretations of Interest Period, the timing and frequency of determining rates and making payments of interest, the rounding of amounts, changes to the definition of " Corresponding Tenor" solely when such tenor is longer than the Interest Period and other administrative matters) and any related Covered Bond Swap Agreements that the Issuer or the Benchmark Transition Designee decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark in a manner substantially consistent with market practice (or, if the Issuer or the Benchmark Transition Designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or the Benchmark Transition Designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or the Benchmark Transition Designee determines is reasonably practicable).

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the USD Benchmark permanently or indefinitely ceases to provide the USD Benchmark; or

(ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

"**Benchmark Transition Designee**" means, with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark and a particular obligation to be performed in connection with the transition to a Benchmark Replacement, such investment bank of national standing in the United States as the Issuer may appoint, from time to time, to assist with any benchmark replacement determinations, including for greater certainty, an affiliate of the Issuer.

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current USD Benchmark (including the daily published component used in the calculation thereof, in each case, as applicable):

(i) a public statement or publication of information by or on behalf of the administrator of the USD Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the USD Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the USD Benchmark (or such component);

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the USD Benchmark (or such component), the central bank for the currency of the USD Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the USD Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the USD Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the USD Benchmark (or such component), which states that the administrator of the USD Benchmark has ceased or will cease to provide the USD Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the USD Benchmark (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the USD Benchmark announcing that the USD Benchmark is no longer representative.

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current USD Benchmark.

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

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the Relevant ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the Relevant ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the USD Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"**Reference Time**" with respect to any determination of the USD Benchmark means (1) if the USD Benchmark is Compounded SOFR, 3:00 p.m. (New York time) on the U.S. Government Securities Business Day the relevant rate is in respect of (where the Compounded SOFR Convention is SOFR Index Convention) or immediately following the date the relevant rate is in respect of (where the Compounded SOFR Convention is Observation Shift Convention) and (2) if the USD Benchmark is not Compounded SOFR, the time determined by the Issuer or the Benchmark Transition Designee after giving effect to the Benchmark Replacement Conforming Changes.

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

To the extent that there is any inconsistency between the conditions set out in this Condition 13.02(c)(ii) and any other Condition, the statements in this section shall prevail with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark.

Nothing in this Condition 13.02(c)(ii) affects the rights of the Covered Bondholders of Covered Bonds other than any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark.

(iii) For the avoidance of doubt, the Issuer may give effect to an Alternative Base Rate or Benchmark Replacement on more than one occasion provided that the conditions set out in this Condition 13.02(c) are satisfied.

Without prejudice to the obligations of the Issuer under this Condition 13.02(c), any Reference Rate (including in respect of a USD Benchmark) and the fallback provisions provided for in Condition 5.03 will continue to apply unless and until the Bond Trustee has received the USD Benchmark Base Rate Modification Certificate or Base Rate Modification Certificate, as applicable in accordance with this Condition 13.02(c). For the avoidance of doubt, this paragraph shall apply to the determination of the Interest Rate on

the relevant Interest Determination Date, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the operation of, and to adjustment as provided in, this Condition 13.02(c).

(iv) Effect of a SARON Index Cessation Event on SARON-referenced Floating Rate Covered Bonds

If the Issuer or its designee determines on or prior to the Relevant Time that a SARON Cessation Event and its related SARON Index Cessation Effective Date (each as defined below) have occurred with respect to SARON-referenced Covered Bonds, then the Bond Trustee shall be obliged, without the consent or sanction of the Covered Bondholders (including without the requirement to provide to Covered Bondholders an opportunity to object) and subject to the consent only of the Secured Creditors (x) party to the relevant Transaction Document being amended or (y) whose ranking in any Priorities of Payments is affected, subject to satisfaction of Condition 13.02(c)(iv)(D) (the "**Benchmark Transition Event Conditions**"), to concur with the Issuer or its designee in making any modification (other than in respect of a Series Reserved Matter, provided that neither replacing SARON with the SARON Replacement nor any SARON Replacement Conforming Changes (each as defined below) shall constitute a Series Reserved Matter) of these Conditions or any of the Transaction Documents solely with respect to any SARON-referenced Floating Rate Covered Bonds that the Issuer or its designee decides may be appropriate to give effect to the provisions set forth under this Condition 13.02(c)(iv) in relation only to all determinations of the rate of interest payable on any SARON-referenced Floating Rate Covered Bonds (and any related swap agreements), provided that:

(A) *Benchmark Replacement*. If the Issuer or its designee determines that a SARON Cessation Event and its related SARON Index Cessation Effective Date have occurred prior to the Relevant Time in respect of any determination of SARON on any date applicable to any SARON-referenced Floating Rate Covered Bonds, subject to satisfaction of the Benchmark Transition Event Conditions, the SARON Replacement will replace SARON for all purposes relating to any Floating Rate Covered Bonds calculated by reference to SARON in respect of such determination on such date and all determinations on all subsequent dates;

(B) *SARON Replacement Conforming Changes*. In connection with the implementation of a SARON Replacement with respect to any Floating Rate Covered Bonds calculated by reference to SARON, the Issuer or its designee will have the right, subject to satisfaction of the Benchmark Transition Event Conditions, to make SARON Replacement Conforming Changes with respect to any SARON-referenced Floating Rate Covered Bonds from time to time;

(C) *Decisions and Determinations*. Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 13.02(c)(iv), including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any Floating Rate Covered Bonds calculated by reference to SARON:

(i) will be conclusive and binding absent manifest error;

(ii) if made by the Issuer, will be made in the Issuer's sole discretion;

(iii) if made by the Issuer's designee, will be made after consultation with the Issuer, and the designee will not make any such determination, decision or election to which the Issuer objects; and

(iv) shall become effective without consent, sanction or absence of objection from the Covered Bondholders or any other party, except as otherwise provided in this Condition 13.02(c)(iv).

Any determination, decision or election pursuant to the benchmark replacement provisions not made by the Issuer's designee will be made by the Issuer on the basis as described above. The designee shall have no liability for not making any such determination, decision or election absent bad faith or fraud.

In no event shall the Calculation Agent (except as noted under the definition of "Recommended Adjustment Spread" below) or Swiss Paying Agent be the "designee" of the Issuer nor be responsible for determining any substitute for SARON, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Calculation Agent (except as noted under the definition of "Recommended Adjustment Spread" below) will be entitled to conclusively rely on any determinations made by the Issuer or its designee and will have no liability for such actions taken at the direction of the Issuer or its designee.

None of the Swiss Paying Agent or the Calculation Agent will have any liability for any determination made by or on behalf of the Issuer or its designee in connection with a SARON Cessation Event or a SARON Replacement.

(D) *Other Conditions*.

(i) The Issuer shall certify in writing to the Bond Trustee, the Swiss Paying Agent and the Calculation Agent in writing (such certificate, a "SARON Base Rate Modification Certificate") that (I) a SARON Cessation Event and its related SARON Index Cessation Effective Date have occurred specifying the SARON Replacement; and (II) that the SARON Replacement Conforming Changes have been made in accordance with this Condition 13.02(c)(iv);

(ii) The Issuer shall have obtained 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 SARON Base Rate Modification Certificate) and no other consents are required to be obtained in relation to the SARON Replacement, provided, for the avoidance of doubt, that the Calculation Agent and the Swiss Paying Agent, as Secured Creditors, shall not be obliged to agree to any SARON Replacement Conforming Changes to any Transaction Documents, which, in the sole opinion of such Calculation Agent or the Swiss Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to any such person in the Agency Agreement;

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

(iv) The Issuer shall pay (or arrange for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Bond Trustee in connection with such SARON Replacement.

(E) *Definitions*. The following definitions shall apply with respect to this Condition 13.02(c)(iv):

"**designee**" means an affiliate or other agent of the Issuer designated by the Issuer.

"**Recommended Replacement Rate**" means the rate that has been recommended as the replacement for the Swiss Average Rate Overnight by any working group or committee in Switzerland organized in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the "**Recommending Body**").

"**Recommended Adjustment Spread**" means, with respect to any Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread,

(a) that the Recommending Body has recommended be applied to such Recommended Replacement Rate in the case of fixed income securities with respect to which such Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon; or

(b) if the Recommending Body has not recommended such a spread, formula or methodology as described in clause (a) above, to be applied to such Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with such Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon.

"**Relevant Time**" means, in respect of any Zurich Banking Day, close of trading on SIX Swiss Exchange on such Zurich Banking Day, which is expected to be on or around 6 p.m. (Zurich time).

"**SARON Administrator**" means SIX Swiss Exchange or any successor administrator of SARON.

"**SARON Administrator Website**" means the website of the SARON Administrator.

"**SARON Index Cessation Event**" means the occurrence of one or more of the following events:

(a) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the Swiss Average Rate Overnight permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Swiss Average Rate Overnight; or

(b) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (x) the Swiss Average Rate Overnight is no longer representative or will as of a certain date no longer be representative, or (y) the Swiss Average Rate Overnight may no longer be used after a certain

date, which statement, in the case of subclause (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives.

"**SARON Index Cessation Effective Date**" means, in respect of a SARON Index Cessation Event, the earliest of:

(a) (in the case of a SARON Index Cessation Event described in clause (a) of the definition thereof) the date on which the SARON Administrator of the Swiss Average Rate Overnight ceases to provide the Swiss Average Rate Overnight;

(b) (in the case of a SARON Index Cessation Event described in clause (b)(x) of the definition thereof) the latest of

(i) the date of such statement or publication;

(ii) the date, if any, specified in such statement or publication as the date on which the Swiss Average Rate Overnight will no longer be representative; and

(iii) if a SARON Index Cessation Event described in clause (b)(y) of the definition of SARON Index Cessation Event has occurred on or prior to either or both dates specified in subclauses (i) and (ii) of this clause (b), the date as of which the Swiss Average Rate Overnight may no longer be used; and

(c) (in the case of a SARON Index Cessation Event described in clause (b)(y) of the definition thereof) the date as of which the Swiss Average Rate Overnight may no longer be used.

"**SARON Replacement**" means (i) the Recommended Replacement Rate, giving effect to the Recommended Adjustment Spread, if any or (ii) if there is no Recommeneded Replacement Rate within one Zurich Business Day of the SARON Index Cessation Effective Date, the policy rate of the Swiss National Bank (the "**SNB Policy Rate**") for such Zurich Banking Day, giving effect to the SNB Adjustment Spread, if any.

"**SARON Replacement Conforming Changes**" means, with respect to any SARON Replacement, any technical, administrative or operational changes (including without limitation changes to the definition of "Interest Period", determination dates, timing and frequency of determining rates and making payments, rounding of amounts, or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such SARON Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the SARON Replacement exists, in such other manner as the Issuer or its designee) determines is reasonably necessary).

"**SIX Swiss Exchange**" means SIX Swiss Exchange AG and any successor thereto.

"**SNB Adjustment Spread**" means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Issuer or its designee, acting in

good faith and a commercially reasonable manner, taking into account the historical median between the Swiss Average Rate Overnight and the SNB Policy Rate during the two year period ending on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred).

"**Zurich Banking Day**" means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

(F) *Conflict*. To the extent that there is any inconsistency between the conditions set out in Condition 13.02(c)(iv) and any other Condition, the statements in this section shall prevail with respect to any Floating Rate covered bonds calculated by reference to SARON.

Without prejudice to the obligations of the Issuer under this Condition 13.02(c)(iv), SARON and the temporary fallback provisions provided for in Condition 5.03 will continue to apply unless and until the Bond Trustee has received the SARON Base Rate Modification Certificate in accordance with this Condition 13.02(c)(iv). For the avoidance of doubt, this Condition 13.02(c)(iv) shall apply to the determination of the Interest Rate on the relevant Interest Determination Date, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the operation of, and to adjustment as provided in, this Condition 13.02(c)(iv).

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

(A) 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 Base Rate Modification Certificate or USD Benchmark Base Rate Modification Certificate, SARON 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

(B) 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, the related Receiptholders and/or Couponholders, 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, the related Receiptholders and the Couponholders 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. Notwithstanding any other provision of these Terms and Conditions, for so long as there are U.S. Registered Covered Bonds outstanding, any such modification, waiver, authorization or determination will be made in accordance with

and subject to Section 316 of the Trust Indenture Act. The right of any holder of U.S. Registered Covered Bonds to receive payment of principal and interest will not be impaired unless made in accordance with Section 316 of the Trust Indenture Act.

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, Receiptholders or Couponholders 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, the related Receiptholders, Couponholders (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 holder of the Covered Bonds, Receiptholder or Couponholder 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, Receiptholders and/or Couponholders, 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, the replacement of the USD Benchmark to the Benchmark Replacement or effecting Benchmark Replacement Conforming Changes or the replacement of SARON by the SARON Replacement or effecting SARON Replacement Conforming Changes): (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, Receipts and Coupons 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 Bearer Definitive Covered Bonds

14.01 Notices to Holders of Bearer Definitive Covered Bonds will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the Financial Times). 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. Any notice so given will be deemed to have

been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Covered Bonds in accordance with this Condition.

To Holders of Registered Definitive Covered Bonds

14.02 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

14.03 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 relevant 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 the Issuing and Paying Agent or the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Global Covered Bonds

14.04 So long as the Covered Bonds are represented in their entirety by any Global Covered Bonds held on behalf of DTC and/or CDS and/or Euroclear and/or Clearstream, Luxembourg, notices to holders of the Covered Bonds may be given by delivery of the relevant notice to DTC and/or CDS and/or Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Covered Bonds and, 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 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 DTC and/or CDS and/or Euroclear and/or Clearstream, Luxembourg.

15. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Covered Bonds or Coupons, create and issue further Covered Bonds having the same terms and conditions as such Covered Bonds in all respects (or in all respects except for the first payment of interest, if any, on them and/or the Specified Denomination thereof) so as to form a single series with the Covered Bonds of any particular Series.

16. Currency Indemnity

The currency in which the Covered Bonds are denominated or, if different, payable, as specified in the Final Terms or Pricing Supplement (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 judgement or order of a court of any jurisdiction or otherwise) by any Holder of a Covered Bond or Coupon 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 or Coupon in respect of such Covered Bond or Coupon 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 or Coupon and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Covered Bonds or any judgement or order. Any such loss shall be deemed to constitute a loss suffered by the relevant Holder of a Covered Bond or Coupon 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 or Pricing Supplement 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.

18.03 If the Branch of Account is not in Canada, the Bank may change the Branch of Account for the deposits evidenced by any Covered Bond, upon not less than seven days' prior notice to its Holder given in accordance with Condition 14 and upon and subject to the following terms and conditions:

(a) if such Covered Bond is denominated in Yen, the Branch of Account shall not be in Japan;

(b) the Issuer shall indemnify and hold harmless the Holders of such Covered Bonds and Coupons relating thereto against any tax, duty, assessment or governmental charge which is imposed or levied upon such Holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Issuing and Paying Agent in connection with such change; and

(c) notwithstanding (b) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (i) no Issuer Event of Default, Guarantor Event of Default, Potential Issuer Event of Default or Potential Guarantor Event of Default shall have occurred and be continuing and (ii) payments of principal and interest on Covered Bonds of such Series and Coupons relating thereto to Holders thereof (other than Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel to the Issuer, be subject to any taxes, as hereinafter defined, to which they would not have been subject had such change not taken place. For the purposes of this section, an "**Excluded Holder**" means a Holder of a Covered Bond of such Series or Coupon relating thereto who is subject to taxes by reason of such person having some connection with the Relevant Jurisdiction other than the mere holding of a Covered Bond of such Series or Coupon as a non-resident of such Relevant Jurisdiction. "**Relevant Jurisdiction**" means and includes Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and "**taxes**" means and includes any tax, duty, assessment or other governmental charge imposed or levied in respect of the payment of the principal of the Covered Bonds of such Series or interest thereon for or on behalf of a Relevant Jurisdiction or any authority therein or thereof having power to tax.

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, Receiptholders or Couponholders, 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, the Receiptholders and the Couponholders 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 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, in the case of Moody's, 10 Business Days) of actual receipt of such request by the Rating Agency, such request elicits no confirmation or response and/or such request elicits no statement by the 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 Rating Agency and proceed on the basis that such confirmation or affirmation of rating or other response by the 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 per cent. 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, Receiptholders or Couponholders 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 Loans or Related Security, 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 Loans and their Related Security 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, Agency Agreement, the Covered Bonds and Receipts, Coupons and Talons related thereto and the other Transaction Documents, except 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.

EXPENSES

Except as otherwise set out in the applicable Final Terms or Pricing Supplement, expenses related to the issue and distribution of each Tranche of Covered Bonds will be paid as agreed in the Dealership Agreement.

USE OF PROCEEDS

Except as otherwise set out in the applicable Final Terms or Pricing Supplement, the net proceeds of the issue of each Tranche of Covered Bonds will be added to the general funds of the Issuer.

FORM OF THE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under this Base Prospectus.

Final Terms dated [ ]

THE TORONTO-DOMINION BANK
(*a Canadian chartered bank*)

Legal Entity Identifier (LEI): PT3QB789TSUIDF371261
Issue of [Aggregate Principal Amount of Tranche] [Title of Covered Bonds]
under the

CAD 100,000,000,000

Global Legislative Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
TD COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Covered Bonds are not intended to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][1]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Covered Bonds are not intended to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA, (the "UK Prospectus

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[1] Legend to be included on front of the Final Terms if the Covered Bonds potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][2]

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THESE FINAL TERMS. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

THE COVERED BONDS DESCRIBED IN THESE FINAL TERMS HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES 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 THAT THE COVERED BONDS MAY BE OFFERED OR SOLD TO QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE UPON RULE 144A UNDER THE SECURITIES ACT].

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET - Solely for the purposes of [each/the] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in [MiFID II] [Directive 2014/65/EU (as amended, "**MiFID II**")**]**; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [each/the] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018, as amended][EUWA] ("**UK MiFIR**"); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**UK distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the "**SFA**") - *to insert notice if product classification is other than "capital markets products other than prescribed capital markets products"*[3]*, pursuant to Section 309B of the SFA or Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*.]

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[2] Legend to be included on front of the Final Terms if the Covered Bonds potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[3] Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

The Guarantor is not now, and immediately following the issuance of the Covered Bonds pursuant to the Trust Deed will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule." In reaching this conclusion, although other statutory or regulatory exemptions under the U.S. Investment Company Act of 1940, as amended, and under the Volcker Rule and its related regulations may be available, the Guarantor has relied on the exemption from registration set forth in Section 3(c)(5)(C) of the U.S. Investment Company Act of 1940, as amended. See "*Certain Volcker Rule Considerations*" in the Prospectus dated 28 June 2024.

PART A-CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated 28 June 2024 [and the supplemental Prospectus[es] dated [date]] which [together] constitute[s] [a base prospectus (the "**Prospectus**") for the purposes of [Regulation (EU) 2017/1129 (as amended) as it forms part of UK domestic law by virtue of the [**European Union (Withdrawal) Act 2018, as amended/EUWA**] (the "**UK Prospectus Regulation**")]/[the UK Prospectus Regulation]]. This document constitutes the Final Terms of the Covered Bonds described herein [for the purposes of Article 8 of the UK Prospectus Regulation] and must be read in conjunction with such Prospectus in order to obtain all relevant information. The Prospectus, together with these Final Terms and all documents incorporated by reference therein, is available for viewing at https://www.td.com/investor-relations/ir-homepage/debt-information/legislative-covered-bonds/LCBdocuments.jsp, and copies may be obtained from the registered office of the Issuer at 21st Floor, TD Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1A2, Canada and at the office of the Issuing and Paying Agent, Citibank, N.A., acting through its London Branch, Citigroup Centre 2, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom, and can also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name "Toronto-Dominion Bank" and the headline "Publication of Prospectus".

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the prospectus dated [original date] which are incorporated by reference in the Prospectus dated 28 June 2024 [and the supplemental Prospectus[es] dated [date]] which [together] constitute[s] [a base prospectus (the "**Prospectus**") for the purposes of [[Regulation (EU) 2017/1129 (as amended) as it forms part of UK domestic law by virtue of the **[European Union (Withdrawal) Act 2018, as amended/EUWA]** (the "**UK Prospectus Regulation**")]/[the UK Prospectus Regulation]]. This document constitutes the Final Terms of the Covered Bonds described herein [for the purposes of Article 8 of the UK Prospectus Regulation] and must be read in conjunction with such Prospectus, including the Conditions incorporated therein, in order to obtain all relevant information. The Prospectus, together with these Final Terms and all documents incorporated by reference therein, is available for viewing at https://www.td.com/investor-relations/ir-homepage/debt-information/legislative-covered-bonds/LCBdocuments.jsp, and copies may be obtained from the registered office of the Issuer at 21st Floor, TD Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1A2, Canada and at the office of the Issuing and Paying Agent, Citibank, N.A., acting through its London Branch, Citigroup Centre 2, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom, and can also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name "Toronto-Dominion Bank" and the headline "Publication of Prospectus".]

1.	(i)	Issuer:	The Toronto-Dominion Bank (the "**Bank**")
	(ii)	Branch:	[Main Toronto Branch located at the Executive Offices at the address indicated at the back of the Prospectus]/[London Branch]
	(iii)	Guarantor:	TD Covered Bond (Legislative) Guarantor Limited Partnership
2.	(i)	[Series Number:]	[ ]
	(ii)	[Tranche Number:]	[ ]
	(iii)	Date on which the Covered Bonds become fungible:	[Not Applicable/The Covered Bonds shall be consolidated, form a single series and interchangeable for trading purposes with [ ] on [ ]/[the Issue Date]/[exchange of Temporary Global Covered Bond for interests in

			the Permanent Global Covered Bonds, as referred to in paragraph [ ] below] , which is expected to occur on or about [ ]].
3.	Specified Currency or Currencies: (Condition 1.10)		**[ ]**
4.	Aggregate Principal Amount [of Covered Bonds admitted to trading]:		[ ]
	(i)	[Series:]	[ ]
	(ii)	[Tranche:]	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Principal Amount [plus accrued interest from *[insert date*] (if applicable)]
6.	(i)	Specified Denominations: (Condition 1.08 or 1.09)	[[ ] [and integral multiples of [ ] in excess thereof up to and including [ ]] . No Covered Bonds in definitive form will be issued with a denomination above [ ].]
	(ii)	Calculation Amount	[ ]
7.	(i)	Trade Date	[ ]
	(ii)	Issue Date:	[ ]
	(iii)	Interest Commencement Date:	[ ]/[Issue Date]/[Not Applicable]
8.	(i)	Final Maturity Date:	[ ]/[Interest Payment Date falling in or nearest to [ ]]
	(ii)	Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	[ ]/[Interest Payment Date falling in or nearest to [ ]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[ ] +/- [[ ] per cent. Floating Rate] [Zero Coupon] (further particulars specified in item 15 below)]
10.	Redemption/Payment Basis:		[Redemption at par] [Hard Bullet Covered Bond] [Instalment]
11.	Change of Interest Basis:		[ ]/[Applicable if and only to the extent that item 15 below applies to the Covered Bonds]
12.	Put/Call Options:		[Investor Put] [Issuer Call] [Not Applicable] [(further particulars specified in items 17 and 18 below)]
13.	Date of [Board] approval for issuance of Covered Bonds obtained:		[[ ] [and [ ], respectively]]/[Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Covered Bond Provisions:		[Applicable/Not Applicable]
	(Condition 5.02)		
	(i)	Rate[(s)] of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/[

			]] in arrears on each Interest Payment Date [commencing [ ]]]
	(ii)	Interest Payment Date(s):	[ ] in each year [adjusted for payment date purposes only in accordance with the Business Day Convention / adjusted for calculation of interest and for payment date purposes in accordance with the Business Day Convention] up to and including the [Final Maturity Date] [Extended Due for Payment Date, if applicable]/ [(provided however that after the Extension Determination Date, the Interest Payment Date shall be monthly)]
	(iii)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Modified Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention][Not Applicable]
	(iv)	Business Centre(s):	[ ]
	(v)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent):	[ ]
	(vi)	Fixed Coupon Amount[(s)]:	[ ] per Calculation Amount/ [Not Applicable]
	(vii)	Broken Amount(s):	[ ] per Calculation Amount, payable on the Interest Payment Date falling [on/or] [ ]/ [Not Applicable]
	(viii)	Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Sterling) Actual/365 (Fixed) Actual/360 30E/360 *or* Eurobond Basis 30/360 *or* 360/360 *or* Bond Basis 30E/360 (ISDA) Actual/Actual (ICMA) *or* Act/Act (ICMA)]
	(ix)	Determination Dates:	[[ ] in each year]/[Not Applicable]
15.	Floating Rate Covered Bond Provisions: (Condition 5.03)		[Applicable [from and including the Final Maturity Date to but excluding the Extended Due for Payment Date]/Not Applicable]
	(i)	Specified Period(s):	[ ]/[Not Applicable]
	(ii)	Specified Interest Payment Dates:	[[ ] subject to adjustment in accordance with the Business Day Convention specified in (iii) below, with the first Specified Interest Date being [_] [(provided however that after the Extension Determination Date, the Specified Interest Payment Date shall be monthly)]]/[Not Applicable]
	(iii)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Modified Business Day Convention/Preceding Business

		Day Convention/FRN Convention/Eurodollar Convention]
(iv)	Business Centre(s):	[ ]
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent):	[ ]
(vii)	Screen Rate Determination:	[Applicable]/[Not Applicable]
	– Reference Rate:	[SONIA][€STR][SOFR][SARON][ ] month [EURIBOR][NIBOR]
	– Compounded Daily SONIA Observation Convention:	[Observation Lookback Convention][Observation Shift Convention][SONIA Index Convention][Not Applicable]
	– Compounded SOFR Convention:	[Observation Shift Convention][SOFR Index Convention][Not Applicable]
	– Interest Determination Date(s):	[Second London Banking Day prior to the start of each Interest Period][first day/first London Business Day of each Interest Period] [the second T2 Business Day prior to the start of each Interest Period] [[ ] London Banking Day prior to each Interest Payment Date] [ ][Fifth Zurich Banking Day prior to each Interest Payment Date][days prior to start of each Interest Period] [the second Oslo Business Day prior to the start of each Interest Period] [[] U.S. Government Securities Business Days prior to each Interest Payment Date] [[ ] T2 Business Days prior to each Interest Payment Date]
	– Relevant Screen Page:	[Reuters Screen SONIA Page]/[Reuters EURIBOR01]/[]
	– SONIA Compounded Index:	[ ]/[Not Applicable] *(If applicable, repeat the definition of SONIA Compounded Index specifying any relevant Screen Page and its time of publication and including definition of Screen Page where necessary)* *(Only relevant to Floating Rate Covered Bonds that reference SONIA and specify "SONIA Index Convention" as the calculation method)*
	– Relevant Number:	[ ]/[Not Applicable]
	– Relevant Time:	[ ]/[Not Applicable]
	– Reference Banks:	[ ]/[Not Applicable]
	– 2021 ISDA Definitions:	[Not Applicable] [Applicable]
	– Principal Financial Centre:	[ ]/[Euro-zone]/[Not Applicable]

		– Observation Lookback Period:	[[ ][London Banking Day(s)] [T2 Business Days]]/[Not Applicable]*[to be completed for SONIA where Lookback Convention applies and for €STR]*
		– Observation Period Shift:	[[ ] London Banking Day(s)]/[[ ]U.S. Government Securities Business Days]/[] Zurich Banking Days]/[Not Applicable] *[to be completed for Observation Shift Convention or SARON]*
		– SOFR Index Observation Period Shift:	[[ ]U.S. Government Securities Business Days]/[Not Applicable] *[to be completed for SOFR Index Convention]*
	(viii)	ISDA Determination:	[Issuer is [Fixed Rate/Fixed Amount/Floating Rate/Floating Amount] Payer]/[Not Applicable]
		– Floating Rate Option:	[ ]
		– Designated Maturity:	[ ]
		– Reset Date:	[ ]
		– 2021 ISDA Definitions:	[Not Applicable][Applicable]
		– Applicable Benchmark:	[ ][Not Applicable]
		– Fixing Day:	[ ][Not Applicable]
		– Fixing Time:	[ ][Not Applicable]
		– Any other terms relating to the 2021 ISDA Definitions:	[ ][Not Applicable]
	(ix)	Margin(s):	[+/-] [ ] per cent. per annum
	(x)	Linear Interpolation (Condition 5.10)	[Not Applicable]/[Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
	(xi)	Minimum Interest Rate: (Condition 5.05)	[ ] per cent. per annum/[Not Applicable]
	(xii)	Maximum Interest Rate: (Condition 5.05)	[ ] per cent. per annum/[Not Applicable]
	(xiii)	Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Sterling) Actual/365 (Fixed) Actual/360 30E/360 *or* Eurobond Basis 30/360 *or* 360/360 *or* Bond Basis 30E/360 (ISDA) Actual/Actual (ICMA) *or* Act/Act (ICMA)]
16.		Zero Coupon Covered Bond Provisions: (Condition 5.11)	[Applicable/Not Applicable]
	(i)	Amortization Yield:	[ ] per cent. per annum

	(ii)	Reference Price:	[ ]
	(iii)	Day Count Fraction:	[30/360 Actual/360 Actual/365 / Actual/365 (Fixed)]

PROVISIONS RELATING TO REDEMPTION

17.	Call Option (Condition 6.03)		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
	(iii)	Redeemable in part: If redeemable in part:	[Applicable/Not Applicable]
		(a) Minimum Redemption Amount:	[[ ] per Calculation Amount]/[Not Applicable]
		(b) Maximum Redemption Amount:	[[ ] per Calculation Amount]/[Not Applicable]
	(iv)	Notice period	[ ]
18.	Put Option (Condition 6.06)		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
	(iii)	Notice period	[ ]
19.	Final Redemption Amount of each Covered Bond		[ ] per Calculation Amount
20.	Early Redemption Amount:		
	Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default and/or the method of calculating the same (Conditions 6.02, 6.13 or 7)		[ ] per Calculation Amount
	Early Redemption Amount includes amount in respect of accrued interest:		[Yes: no additional amount in respect of accrued interest to be paid] [No: together with the Early Redemption Amount, accrued interest shall also be paid]

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21.	Form of the Covered Bonds:	[Bearer Covered Bonds:] [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds only on not less than 60 days' notice/after an Exchange Event] [Temporary Global Covered Bond exchangeable for a Bearer Definitive Covered Bond on [ ] days' notice] [Permanent Global Covered Bond exchangeable for Bearer Definitive Covered

		Bonds only on not less than 60 days' notice/after an Exchange Event] [Registered Covered Bonds:] [Regulation S Global Covered Bond (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/CDS/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)] and exchangeable on [ ] days' notice/at any time/only after an Exchange Event/Rule 144A Global Covered Bond (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/CDS/a common depositary for Euroclear and Clearstream, Luxembourg / a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)] and exchangeable on [ ] days' notice/at any time/only after an Exchange Event]
22.	New Global Covered Bond:	[Yes] [No]
23.	New Safekeeping Structure:	[Yes] [No]
24.	Financial Centre(s) or other special provisions relating to payment dates:	[ ]/[Not Applicable]
25.	Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): (Condition 1.06)	[Yes, as the Covered Bonds have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
26.	Details relating to Instalment Covered Bonds: amount of each instalment date on which each payment is to be made (Condition 6.12)	(i) Instalment Amount(s): [Not applicable]/[] (ii) Instalment Date(s): [Not applicable]/[]

THIRD PARTY INFORMATION

[ ] has been extracted from [ ]. The Issuer [and/], the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading/[Not Applicable].

Signed on behalf of the Issuer:

By: _____

Duly authorized

By: _____

Duly authorized

Signed on behalf of the Managing GP for and on behalf of the Guarantor:

By: _____

Duly authorized

By: _____

Duly authorized

PART B-OTHER INFORMATION

1. **LISTING**

(i)	Listing/Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to [the Official List of the FCA and to trading on the London Stock Exchange's Main Market with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to the Official List of the FCA and to trading on London Stock Exchange's Main Market with effect from [ ].]
[(ii)	Estimate of total expenses related to admission to trading:]	[ ]

2. **RATINGS**

The Covered Bonds to be issued are expected to be rated:

Ratings:

[Moody's: Aaa]

[DBRS: AAA]

[Fitch: AAA]

[*Brief explanation of the meaning of the ratings if this has been published previously by the rating provider*]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**]

[[Save as discussed in ["Subscription and Sale and Transfer and Selling Restrictions"], so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.] [The [Managers/Dealers] and their affiliates have engaged, and may in future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer [[,/ and] the Guarantor] and [its/their] affiliates.]/[Not Applicable]] in the ordinary course of business, for which they received or will receive customary compensation and, as applicable, without regard to the Issuer, the Bond Trustee, the Holders of the Covered Bonds or the Guarantor.

4. **[FIXED RATE COVERED BONDS ONLY—YIELD]**

Indication of yield based on the Issue Price: [ ]

5. **DISTRIBUTION**

(i)	US Selling Restrictions:	[Regulation S compliance Category 2;] [TEFRA C rules apply] [TEFRA D rules apply] [TEFRA rules not applicable] [[Not] Rule 144A eligible]
(ii)	Additional Selling Restrictions:	[Not Applicable]/[The Covered Bonds may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada]/[Covered Bonds may only be offered, sold or distributed by the Managers on such basis and in such provinces of Canada as, in each case, are agreed with the Issuer and in compliance with any applicable securities laws of Canada or any province, to the extent applicable]
(iii)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]

	(iv)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]
	(v)	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable/Not Applicable]

6. **OPERATIONAL INFORMATION**

	(i)	ISIN Code:	[ ]
	(ii)	Common Code:	[ ]
	(iii)	[CFI:]	[[See/[[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] [Not Applicable] [Not Available]
	(iv)	[FISN:]	[[See/[[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] [Not Applicable] [Not Available]
	(v)	[insert here any other relevant codes such as CUSIP and CINS codes]	[ ]
	(vi)	Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking SA, DTC, or CDS their addresses and the relevant identification number(s):	[Not Applicable]/[]
	(vii)	Delivery:	Delivery [against/free of] payment
	(viii)	Name(s) and address(es) of additional or substitute Paying Agent(s) or Transfer Agent(s):	[ ]
	(ix)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper),][*include this text for Registered Covered Bonds*] and does not necessarily mean that the Covered Bonds will be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [*Include this text if "yes" selected, in which case Bearer Covered Bonds must be issued in NGN form*] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be

deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper),][*include this text for Registered Covered Bonds*]. Note that this does not necessarily mean that the Covered Bonds will then be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. **PROCEEDS**

(i)	Use of proceeds:	[As specified in the Prospectus/ []]
(ii)	Estimated net proceeds:	[ ]

8. **UNITED STATES TAX CONSIDERATIONS**

[Not applicable]/[*For Covered Bonds issued in compliance with Rule 144A:*][For U.S. federal income tax purposes, the Issuer intends to treat the Covered Bonds as [original issue discount Covered Bonds/fixed-rate debt/fixed-rate debt issued with original issue discount/contingent payment debt instruments, [for which purpose, the comparable yield relating to the Covered Bonds will be [●] per cent. compounded [semi-annually/quarterly/monthly], and that the projected payment schedule with respect to a Covered Bond consists of the following payments: [●]/for which purpose, the comparable yield and the projected payment schedule are available by contacting [●] at [●]]/variable rate debt instruments/variable rate debt instruments issued with original issue discount/foreign currency Covered Bonds/foreign currency Covered Bonds issued with original issue discount/foreign currency contingent payment debt instruments, [for which purpose, the comparable yield relating to the Covered Bonds will be [●] per cent. compounded [semi-annually/quarterly/monthly], and that the projected payment schedule with respect to a Covered Bond consists of the following payments: [●]/for which purpose, the comparable yield and the projected payment schedule are available by contacting [●] at [●]]/short-term Covered Bonds.]]

[*For a Qualified Reopening of Covered Bonds issued in compliance with Rule 144A:*][Qualified Reopening. The issuance of the Covered Bonds should be treated as a "qualified reopening" of the Covered Bonds issued on [●] within the meaning of the Treasury regulations governing original issue discount on debt instruments (the "**OID Regulations**"). Therefore, for purposes of the OID Regulations, the Covered Bonds issued in this offering should be treated as having the same issue date and the same issue price as the Covered Bonds issued on [●] and should [not] be considered to have been issued with original issue discount for U.S. federal income tax purposes.]

FORM OF PRICING SUPPLEMENT FOR EXEMPT COVERED BONDS

Set out below is a form of Pricing Supplement for use in connection with Exempt Covered Bonds issued under the Programme. This form of Pricing Supplement is subject to completion and amendment to set out the terms upon which each Tranche or Series of Exempt Covered Bonds is to be issued.

IMPORTANT NOTICE

In accessing the attached pricing supplement (the "Pricing Supplement") you agree to be bound by the following terms and conditions.

The information contained in the Pricing Supplement may be addressed to and/or targeted at persons who are residents of particular countries only as specified in the Pricing Supplement and/or in the Prospectus (as defined in the Pricing Supplement) and is not intended for use and should not be relied upon by any person outside those countries and/or to whom the offer contained in the Pricing Supplement is not addressed. Prior to relying on the information contained in the Pricing Supplement, you must ascertain from the Pricing Supplement and/or Prospectus whether or not you are an intended addressee of the information contained therein.

Neither the Pricing Supplement nor the Prospectus constitutes an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities law of any such jurisdiction.

Pricing Supplement dated [ ]

THE TORONTO-DOMINION BANK
(*a Canadian chartered bank*)

Issue of **[Aggregate Principal Amount of Tranche] [Title of Covered Bonds]**
under the

CAD 100,000,000,000

Global Legislative Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
TD COVERED BOND (LEGISLATIVE) GUARANTOR
LIMITED PARTNERSHIP

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS.

The Covered Bonds are not intended to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or

selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][4]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS.

The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][5]

[MIFID II PRODUCT GOVERNANCE / TARGET MARKET - [appropriate target market legend to be included]]

[UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET - [appropriate target market legend to be included]]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the "**SFA**") - [*to insert notice if product classification is other than "capital markets products other than prescribed capital markets products"*[6]*, pursuant to Section 309B of the SFA or Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*]]

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRICING SUPPLEMENT. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH THE UK PROSPECTUS REGULATION FOR THIS ISSUE OF COVERED BONDS. THE COVERED BONDS WHICH ARE THE SUBJECT OF THIS PRICING SUPPLEMENT ARE NOT COMPLIANT WITH THE UK PROSPECTUS REGULATION AND THE FCA HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT.

THE COVERED BONDS DESCRIBED IN THIS PRICING SUPPLEMENT HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY OTHER 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

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4 Legend to be included on front of the Pricing Supplement if the Covered Bonds potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

5 Legend to be included on front of the Pricing Supplement if the Covered Bonds potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

6 Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

OR BENEFIT OF, U.S. PERSONS [EXCEPT THAT THE COVERED BONDS MAY BE OFFERED OR SOLD TO QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE UPON RULE 144A UNDER THE SECURITIES ACT].

The Guarantor is not now, and immediately following the issuance of the Covered Bonds pursuant to the Trust Deed will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule." In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, and under the Volcker Rule and its related regulations may be available, the Guarantor has relied on the exemption from registration set forth in Section 3(c)(5)(C) of the Investment Company Act of 1940, as amended. See "*Certain Volcker Rule Considerations*" in the Prospectus dated 28 June 2024.

PART A - CONTRACTUAL TERMS

Any person making or intending to make an offer of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer, any Arranger or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, in each case, in relation to such offer.

None of the Issuer, the Guarantor, any Arranger or any Dealer has authorised, nor do they authorise, the making of any offer of Covered Bonds in any other circumstances.

This document constitutes the Pricing Supplement of the Covered Bonds described herein. This document must be read in conjunction with the Prospectus dated 28 June 2024 [and the supplements to it dated [ ]] which [together] constitute[s] a base prospectus (the "**Prospectus**"). Full information on the Issuer, the Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Pricing Supplement and the Prospectus. The Prospectus and all documents incorporated by reference therein are available for viewing at https://www.td.com/investor-relations/ir-homepage/debt-information/legislative-covered-bonds/LCBdocuments.jsp, and may be obtained from the offices of the Issuer at 21st Floor, TD Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1A2, Canada and at the office of the Issuing and Paying Agent, Citibank, N.A., acting through its London Branch, Citigroup Centre 2, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the prospectus dated [original date] [and the supplements to it dated [ ]] which are incorporated by reference in the Prospectus.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub- paragraphs. Italics denote guidance for completing the Pricing Supplement.*]

1.	(i)	Issuer:	The Toronto-Dominion Bank (the "**Bank**")
	(ii)	Branch:	[Main Toronto Branch located at the Executive Offices at the address indicated at the back of the Prospectus]/[London Branch]
	(iii)	Guarantor:	TD Covered Bond (Legislative) Guarantor Limited Partnership
2.	(i)	[Series Number:]	[ ]
	(ii)	[Tranche Number:]	[ ]
	(iii)	Date on which the Covered Bonds become fungible:	[Not Applicable]/[The Covered Bonds shall be consolidated, form a single series and interchangeable for trading purposes with [ ] on [[ ]/[the Issue Date]/[exchange of Temporary Global Covered Bond for interests in the Permanent Global Covered Bonds, as referred to in paragraph [ ] below], which is expected to occur on or about [ ]]].

3.	Specified Currency or Currencies: (Condition 1.10)		[ ]
4.	Aggregate Principal Amount [of Covered Bonds admitted to trading]:		[ ]
	(i)	[Series:]	[ ]
	(ii)	[Tranche:]	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Principal Amount [plus accrued interest from [*insert date*]] (*in the case of fungible issues only (if applicable*))
6.	(i)	Specified Denominations: (Condition 1.08 or 1.09)	(*N.B. where Bearer Covered Bonds with multiple denominations are being used, the following sample wording should be followed*:) [ ] [and integral multiples of [ ] in excess thereof up to and including [ ]. No Covered Bonds in definitive form will be issued with a denomination above [ ].]
	(ii)	Calculation Amount	[ ] (*If only one Specified Denomination and no integral multiples in excess thereof, insert the Specified Denomination. If there is more than one Specified Denomination, and no integral multiples in excess thereof, insert the highest common factor of the Specified Denominations. If there are integral multiples in excess of the Specified Denomination(s), insert the highest common factor of the integral multiples and the Specified Denomination(s).) (Note – there must be a common factor in the case of two or more Specified Denominations or integral multiples in excess of the Specified Denomination(s).*)
7.	(i)	Trade Date:	[ ]
	(ii)	Issue Date:	[ ]
	(iii)	Interest Commencement Date:	[(*Specify*)]/[Issue Date]/[Not Applicable]
8.	(i)	Final Maturity Date:	[ ]/[Interest Payment Date falling in or nearest to [ ]] (*specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year*)
	(ii)	Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	[ ]/[Interest Payment Date falling in or nearest to [ ]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[ ] +/- [[ ] per cent. Floating Rate] [Zero Coupon] [Other (*specify*)] (further particulars specified in item 15 below)]
10.	Redemption/Payment Basis:		[Redemption at par] [Hard Bullet Covered Bond] [Instalment] [Other (*specify*)]
11.	Change of Interest Basis:		[ ]/[Applicable if and only to the extent that item 15 below applies to the Covered Bonds]

			(*Specify details of any provision for convertibility of Covered Bonds into another interest basis*)
12.	Put/Call Options:		[Investor Put] [Issuer Call] [Not Applicable] [(further particulars specified in items 17 and 18 below)]
13.	Date of [Board] approval for issuance of Covered Bonds obtained:		[[ ] [and [ ], respectively]]/[Not Applicable] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Covered Bonds.*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Covered Bond Provisions:		[Applicable/Not Applicable]
	(Condition 5.02)		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/[ ]] in arrear on each Interest Payment Date [commencing [ ]]]
	(ii)	Interest Payment Date(s):	[ ] in each year [adjusted for payment date purposes only in accordance with the Business Day Convention / adjusted for calculation of interest and for payment date purposes in accordance with the Business Day Convention] up to and including the [Final Maturity Date] [Extended Due for Payment Date, if applicable]/ [(provided however that after the Extension Determination Date, the Interest Payment Date shall be monthly)]
	(iii)	Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable] [Other (*specify*)]
	(iv)	Financial Centre(s):	[ ] [Not Applicable]
	(v)	Business Centre(s):	[ ]
	(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent):	[ ]
	(vii)	Fixed Coupon Amount[(s)]:	[ ] per Calculation Amount/[Not Applicable]
	(viii)	Broken Amount(s):	[ ] per Calculation Amount, payable on the Interest Payment Date falling [on/or] [ ]/[Not Applicable]
	(ix)	Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Sterling) Actual/365 (Fixed) Actual/360 30E/360 *or* Eurobond Basis

			30/360 *or* 360/360 or Bond Basis 30E/360 (ISDA) Actual/Actual (ICMA) *or* Act/Act (ICMA)]
	(x)	Determination Dates:	[[ ] in each year]/[Not Applicable]
	(xi)	Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds:	[Not Applicable] [(*give details*)]
15.	Floating Rate Covered Bond Provisions: (Condition 5.03)		[Applicable [from and including the Final Maturity Date to but excluding the Extended Due for Payment Date]/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Specified Period(s):	[ ]/[Not Applicable]
	(ii)	Specified Interest Payment Dates:	[[ ] subject to adjustment in accordance with the Business Day Convention specified in (iii) below [(provided however that after the Extension Determination Date, the Specified Interest Payment Date shall be monthly)]]/[Not Applicable]
	(iii)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Modified Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention][Other (*specify*)]
	(iv)	Business Centre(s):	[ ]/[Not Applicable]
	(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/ Other (*specify*)]
	(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent):	[ ]
	(vii)	Screen Rate Determination:	[Applicable]/[Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
		– Reference Rate:	[SONIA] [€STR][SOFR][SARON][ ] month [EURIBOR/Other *(specify)*][NIBOR]
		– Compounded Daily SONIA Observation Convention:	[Observation Lookback Convention][Observation Shift Convention][SONIA Index Convention][Not Applicable]
		– Compounded SOFR Convention:	[Observation Shift Convention][SOFR Index Convention][Not Applicable]
		– Interest Determination Date(s):	[ ] [Second London Banking Day prior to the start of each Interest Period] [first day/first London Business Day of each Interest Period] [the second T2 Business Day prior to the start of each Interest Period *(if EURIBOR)*] [fifth (or other number specified under Observation Lookback Period below) London Banking Day prior to each Payment Date (*if SONIA)*] [ ][Fifth Zurich Banking Day prior to each Interest Payment

		Date][days prior to start of each Interest Period] [the second Oslo Business Day prior to the start of each Interest Period] [[] U.S. Government Securities Business Days prior to each Interest Payment Date][[ ] T2 Business Days prior to the end of each Interest Period]
	– Relevant Screen Page:	[Reuters EURIBOR01/ Other *(specify)*] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is on a page which shows a composite rate or amend fallback provisions appropriately)*
	– SONIA Compounded Index:	[ ]/[Not Applicable] *(If applicable, repeat the definition of SONIA Compounded Index specifying any relevant Screen Page and its time of publication and including definition of Screen Page where necessary)* *(Only relevant to Floating Rate Covered Bonds that reference SONIA and specify "SONIA Index Convention" as the calculation method)*
	– Relevant Number:	[ ]/[Not Applicable]
	– Relevant Time:	[ ]/[Not Applicable]
	– Reference Banks:	[ ]/[Not Applicable]
	– 2021 ISDA Definitions:	[Not Applicable] [Applicable]
	– Principal Financial Centre:	[ ]/[Euro-zone]/[Not Applicable]
	– Observation Lookback Period:	[[ ][London Banking Day(s)][T2 Business Day(s)]]/[Not Applicable] *[to be completed for SONIA where Lookback Convention applies and for €STR]*
	– Observation Period Shift:	[[ ] London Banking Day(s)]/[[ ]U.S. Government Securities Business Days]/[ ] Zurich Banking Days]/[Not Applicable] *[to be completed for Observation Shift Convention or SARON]*
	– SOFR Index Observation Period Shift:	[[ ]U.S. Government Securities Business Days]/[Not Applicable] *[to be completed for SOFR Index Convention]*
(viii)	ISDA Determination:	[Issuer is [Fixed Rate/Fixed Amount/Floating Rate/Floating Amount] Payer]/[Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	– Floating Rate Option:	[ ]
	– Designated Maturity:	[ ]
	– Reset Date:	[ ]
	– 2021 ISDA Definitions:	[Not Applicable][Applicable]
	– Applicable Benchmark:	[ ][Not Applicable]

		– Fixing Day:	[ ][Not Applicable]
		– Fixing Time:	[ ][Not Applicable]
		– Any other terms relating to the 2021 ISDA Definitions:	[ ][Not Applicable]
	(ix)	Margin(s):	[+/-] [ ] per cent. per annum
	(x)	Linear Interpolation (Condition 5.10)	[Not Applicable]/[Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation] (*specify for each short or long interest period*)
	(xi)	Minimum Interest Rate: (Condition 5.05)	[[ ] per cent. per annum]/[Not Applicable]
	(xii)	Maximum Interest Rate: (Condition 5.05)	[[ ] per cent. per annum]/[Not Applicable]
	(xiii)	Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Sterling) Actual/365 (Fixed) Actual/360 30E/360 *or* Eurobond Basis 30/360 *or 360/360 or* Bond Basis 30E/360 (ISDA) Actual/Actual (ICMA) *or* Act/Act (ICMA)] [Other (*specify*)]
	(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Conditions:	[ ] [Not Applicable]
16.	Zero Coupon Covered Bond Provisions: (Condition 5.11)		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of the paragraph*)
	(i)	Amortization Yield:	[ ] per cent. per annum
	(ii)	Reference Price:	[ ]
	(iii)	Any other formula/basis of determining amount payable:	[*Specify*] [Not Applicable]
	(iv)	Day Count Fraction:	[30/360 Actual/360 Actual/365 /Actual /365 (Fixed)] [Other (*specify*)]

PROVISIONS RELATING TO REDEMPTION

17.	Call Option		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of the paragraph*)
	(Condition 6.03)		
	(i)	Optional Redemption Date(s):	[ ]

	(ii)	Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount] [Other (*specify*)]
	(iii)	Redeemable in part:	[Applicable/Not Applicable]
		If redeemable in part:	
		(a) Minimum Redemption Amount:	[[ ] per Calculation Amount]/[Not Applicable]
		(b) Maximum Redemption Amount:	[[ ] per Calculation Amount]/[Not Applicable]
	(iv)	Notice period	[ ]
18.	Put Option (Condition 6.06)		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of the paragraph*)
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount] [Other (*specify*)]
	(iii)	Notice period	[ ]
19.	Final Redemption Amount of each Covered Bond		[[ ] per Calculation Amount] [Other (*specify*)]
20.	Early Redemption Amount:		
	Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default and/or the method of calculating the same (Conditions 6.02, 6.13 or 7)		[[ ]per Calculation Amount] [Other (*specify*)]
	Early Redemption Amount includes amount in respect of accrued interest:		[Yes: no additional amount in respect of accrued interest to be paid] [No: together with the Early Redemption Amount, accrued interest shall also be paid]

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21.	Form of the Covered Bonds:	[Bearer Covered Bonds:] [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds only on not less than 60 days' notice/after an Exchange Event] [Temporary Global Covered Bond exchangeable for a Bearer Definitive Covered Bond on [ ] days' notice] [Permanent Global Covered Bond exchangeable for Bearer Definitive Covered Bonds only on not less than 60 days' notice/after an Exchange Event] [The Covered Bonds and all rights in connection therewith are documented in the form of a Global Covered Bond which shall be deposited with SIX SIS Ltd. or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss

Exchange Ltd. (SIX SIS Ltd. or any such other intermediary, the "**Intermediary**"). Once the Global Covered Bond has been deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Covered Bonds will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each Holder of the Covered Bonds shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Covered Bond to the extent of the Holder's claim against the Issuer, provided that for so long as the Global Covered Bond remains deposited with the Intermediary the co-ownership interest shall be suspended and the Covered Bonds may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by entry of the transferred Covered Bonds in a securities account of the transferee.

Neither the Issuer nor Holders of the Covered Bonds have the right to effect or demand the conversion of the Global Covered Bond into, or the delivery of, uncertificated securities (*Wertrechte*) or Definitive Covered Bonds (*Wertpapiere*) ("**Definitive Covered Bonds**").

The Permanent Global Covered Bond will be exchanged for Definitive Covered Bonds (*Wertpapiere*) in whole but not in part only, after consultation with the Issuer, if the Swiss Principal Paying Agent deems the printing of Definitive Covered Bonds (*Wertpapiere*) to be necessary or if, under Swiss law or any other applicable laws and regulations, the enforcement of obligations under the Covered Bonds can only be ensured by means of effective Definitive Covered Bonds (*Wertpapiere*). In any such case, the Issuer irrevocably agrees and undertakes to the Swiss Principal Paying Agent to arrange for the printing and delivery to it of the Definitive Covered Bonds (*Wertpapiere*) with Coupons attached, at its own cost and expense in accordance with the rules and regulations of the Intermediary and without cost to the Holders. Should Definitive Covered Bonds (*Wertpapiere*) with Coupons (attached) be printed and delivered the Swiss Principal Paying Agent will then exchange the Permanent Global Covered Bond against delivery to the Holders of the Definitive Covered Bonds (*Wertpapiere*) with Coupons attached and thereupon cancel and return to the Issuer the Permanent Global Covered Bond and cancel the Covered Bonds in the Holders' securities accounts.]

		[Registered Covered Bonds:] [Regulation S Global Covered Bond (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/CDS/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)] and exchangeable on [ ] days' notice/at any time/only after an Exchange Event/Rule 144A Global Covered Bond (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/CDS/a common depositary for Euroclear and Clearstream, Luxembourg / a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)] and exchangeable on [ ] days' notice/at any time/only after an Exchange Event]
22.	New Global Covered Bond:	[Yes] [No]
23.	New Safekeeping Structure:	[Yes] [No]
24.	Financial Centre(s) or other special provisions relating to payment dates:	[ ]/[Not Applicable] (*Note that this item relates to the date and place of payment, and not interest period end dates*)
25.	Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): (Condition 1.06)	[Yes, as the Covered Bonds have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
26.	Details relating to Instalment Covered Bonds: amount of each instalment date on which each payment is to be made (Condition 6.12)	(i) Instalment Amount(s): [Not applicable]/[] (ii) Instalment Date(s): [Not applicable]/[]
27.	Other terms and conditions:	[Not Applicable] [(*Specify details*)]

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement. [[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____
Duly authorized

By: _____
Duly authorized

Signed on behalf of the Managing GP for and on behalf of the Guarantor:

By: _____
Duly authorized

By: _____
Duly authorized

PART B - OTHER INFORMATION

1.	**LISTING/ADMISSION TO TRADING**	[Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the [(*insert name of stock exchange outside of the UK*)] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the [(*insert name of stock exchange outside of the UK*)] with effect from [ ].] [Not Applicable]
2.	**RATINGS**	The Covered Bonds to be issued are expected to be rated: Ratings: [Moody's: Aaa] [DBRS: AAA] [Fitch: AAA] [*Brief explanation of the meaning of the ratings if this has been published previously by the rating provider*]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]]**

[[Save as discussed in ["Subscription and Sale and Transfer and Selling Restrictions"], so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.] [The [Managers/Dealers] and their affiliates have engaged, and may in future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer [[,/ and] the Guarantor] and [its/their] affiliates.]] in the ordinary course of business, for which they received or will receive customary compensation and, as applicable, without regard to the Issuer, the Bond Trustee, the Holders of the Covered Bonds or the Guarantor.

4. **DISTRIBUTION**

(i)	US Selling Restrictions:	[Regulation S compliance Category 2;] [TEFRA C rules apply] [TEFRA D rules apply] [TEFRA rules not applicable] [[Not] Rule 144A eligible]
(ii)	Additional Selling Restrictions:	[Not Applicable]/[The Covered Bonds may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada]/[Covered Bonds may only be offered, sold or distributed by the Managers on such basis and in such provinces of Canada as, in each case, are agreed with the Issuer and in compliance with any applicable securities laws of Canada or any province, to the extent applicable] [ ]
(iii)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
(iv)	Prohibition of Sales to UK Retail Investors	[Applicable/Not Applicable]
(v)	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable/Not Applicable]
(vi)	Method of distribution:	[Syndicated] [Non-syndicated]

	(vii)	If syndicated, names of Managers:	[Not Applicable] [*give names*]
	(viii)	Stabilisation Manager(s) (if any):	[Not Applicable] [give name]
	(ix)	If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
5.	**OPERATIONAL INFORMATION**		
	(i)	ISIN Code:	[ ]
	(ii)	Common Code:	[ ]
	(iii)	[insert here any other relevant codes such as CUSIP and CINS codes]	[ ]
	(iv)	Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking SA, DTC or CDS, their addresses and the relevant identification number(s):	[Not Applicable]/[]
	(v)	Delivery:	Delivery [against/free of] payment
	(vi)	Name(s) and address(es) of additional or substitute Paying Agent(s) or Transfer Agent(s):	[ ]
	(vii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes]. [Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper),][*include this text for Registered Covered Bonds*] and does not necessarily mean that the Covered Bonds will be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [*Include this text if "yes" selected, in which case Bearer Covered Bonds must be issued in NGN form*] [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper),][*include this text for Registered Covered Bonds*]. Note that this does not necessarily mean that the Covered Bonds will then be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
6.	**PROCEEDS**		

(i)	Use of proceeds:	[As specified in the Prospectus/ []]
(ii)	Estimated net proceeds:	[ ]

7. **UNITED STATES TAX CONSIDERATIONS**

[Not applicable]/[*For Covered Bonds issued in compliance with Rule 144A*:][For U.S. federal income tax purposes, the Issuer intends to treat the Covered Bonds as [original issue discount Covered Bonds/fixed-rate debt/fixed-rate debt issued with original issue discount/contingent payment debt instruments, [for which purpose, the comparable yield relating to the Covered Bonds will be [●] per cent. compounded [semi-annually/quarterly/monthly], and that the projected payment schedule with respect to a Covered Bond consists of the following payments: [●]/for which purpose, the comparable yield and the projected payment schedule are available by contacting [●] at [●]]/variable rate debt instruments/variable rate debt instruments issued with original issue discount/foreign currency Covered Bonds/foreign currency Covered Bonds issued with original issue discount/foreign currency contingent payment debt instruments, [for which purpose, the comparable yield relating to the Covered Bonds will be [●] per cent. compounded [semi-annually/quarterly/monthly], and that the projected payment schedule with respect to a Covered Bond consists of the following payments: [●]/for which purpose, the comparable yield and the projected payment schedule are available by contacting [●] at [●]]/short-term Covered Bonds.]]

[*For a Qualified Reopening of Covered Bonds issued in compliance with Rule 144A*:][Qualified Reopening. The issuance of the Covered Bonds should be treated as a "qualified reopening" of the Covered Bonds issued on [●] within the meaning of the Treasury regulations governing original issue discount on debt instruments (the "OID Regulations"). Therefore, for purposes of the OID Regulations, the Covered Bonds issued in this offering should be treated as having the same issue date and the same issue price as the Covered Bonds issued on [●] and should [not] be considered to have been issued with original issue discount for U.S. federal income tax purposes.]

THE TORONTO-DOMINION BANK

The information appearing below is supplemented by the more detailed information contained in the documents incorporated by reference in this Prospectus. See Paragraphs (a) – (g) of the section entitled "Documents Incorporated by Reference".

Introduction

The Bank, collectively with its subsidiaries known as TD Bank Group, is a Schedule 1 Canadian chartered bank subject to the provisions of the Bank Act and was formed through the amalgamation on 1 February 1955 of The Bank of Toronto (chartered in 1855) and The Dominion Bank (chartered in 1869). The Bank's registered office is at 66 Wellington Street West, TD Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1A2, Canada. The telephone number of the Bank is (416) 944-6367.

TD Bank Group is the sixth largest bank in North America by assets and serves more than 27.5 million customers in four key businesses operating in a number of locations in financial centres around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust and TD Auto Finance Canada; U.S. Retail, including TD Bank, America's Most Convenient Bank®, TD Auto Finance U.S., TD Wealth (U.S.), and an investment in The Charles Schwab Corporation; Wealth Management and Insurance, including TD Wealth (Canada), TD Direct Investing, and TD Insurance; and Wholesale Banking, including TD Securities and TD Cowen. TD also ranks among the world's leading online financial services firms, with more than 17 million active online and mobile customers. The Bank had C$1.97 trillion in assets on 30 April 2024. The Toronto-Dominion Bank trades under the symbol "TD" on the Toronto and New York Stock Exchanges.

A list of the Bank's significant subsidiaries is provided in Appendix A of the Bank's 2023 Annual Information Form incorporated herein by reference.

Board of Directors

As at the date of this Prospectus, the Directors of the Bank, their function in the Bank and their other principal activities of significance to the Bank (if any) outside the Bank are as set out below. The business address at which each of the Directors may be contacted is as follows: The Toronto-Dominion Bank, c/o Corporate Secretary, P.O. Box 1, Toronto-Dominion Centre, Toronto, Ontario M5K 1A2, Canada.

Name, Responsibility and Location	Principal Outside Activities
Ayman Antoun Oakville, Ontario, Canada	Corporate Director, and former President, IBM Americas
Cherie L. Brant Tyendinaga, Mohawk Territory Ontario, Canada	Partner, Borden Ladner Gervais LLP.
Amy W. Brinkley, Charlotte, North Carolina, U.S.A.	Consultant, AWB Consulting, LLC.
Brian C. Ferguson, Calgary, Alberta, Canada	Corporate Director and former President and Chief Executive Officer, Cenovus Energy, Inc.
Colleen A. Goggins, Princeton, New Jersey, U.S.A.	Corporate Director and former Worldwide Chairman, Consumer Group, Johnson & Johnson.
Alan N. MacGibbon, Mississauga, Ontario, Canada	Corporate Director and former Managing Partner and Chief Executive, Deloitte LLP (Canada).
Karen E. Maidment, Cambridge, Ontario, Canada	Corporate Director and former Chief Financial and Administrative Officer, BMO Financial Group.
Bharat B. Masrani Toronto, Ontario, Canada	Group President and Chief Executive Officer of the Bank.

Name, Responsibility and Location	Principal Outside Activities
Claude Mongeau, Montreal, Quebec, Canada	Corporate Director and former President and Chief Executive Officer, Canadian National Railway Company
S. Jane Rowe Toronto, Ontario, Canada	Former Vice Chair, Investments, Ontario Teachers' Pension Plan Board
Nancy G. Tower Halifax, Nova Scotia, Canada	Corporate Director and former President & Chief Executive Officer, Tampa Electric Company
Ajay K. Virmani Oakville, Ontario, Canada	Founder, President and Chief Executive Officer of Cargojet Inc.
Mary A. Winston Charlotte, North Carolina (USA)	Corporate Director and President and Chief Executive Officer of WinsCo Enterprises

As at the date of this Prospectus, there are no potential conflicts of interest between any duties owed to the Bank by the Directors and their private interests and/or external duties owed by these individuals. If a Director were to have a material interest in a matter being considered by the Board or any of its Committees, such Director would not participate in any discussions relating to, or any vote on, such matter.

The Bank may make loans to its officers and directors and their affiliates, on market terms and conditions, unless, in the case of banking products and services for bank officers, otherwise stipulated under approved policy guidelines that govern all employees. Any loans to directors and executive officers must also be made in accordance with the U.S. Sarbanes-Oxley Act of 2002.

A portion of the compensation received by the Bank's non-employee directors, executives and certain other employees is also received in the form of equity-based deferred compensation.

Business Overview

Canadian Personal and Commercial Banking serves over 15 million customers in the Canadian personal and business banking. Personal Banking provides a comprehensive suite of deposit, saving, payment and lending products and advice through a network of 1,062 branches, 3,438 automated teller machines ("**ATM**"), mobile specialized salesforce, and telephone, mobile and internet banking services. Business Banking offers a broad range of customized products and services to help business owners meet their financing, investment, cash management, international trade, and day-to-day banking needs through its network of commercial branches and specialized customer centers. Auto Finance, through its consumer channel, provides flexible financing options to customers at point of sale for automotive and recreational vehicle purchases. Merchant Solutions provides point-of-sale payment solutions for large and small businesses.

U.S. Retail includes the Bank's personal, business banking and wealth management operations in the U.S., as well as the Bank's investment in Schwab. Operating under the TD Bank, America's Most Convenient Bank® brand, the U.S. Retail Bank serves over 10 million customers in stores from Maine to Florida, and via auto dealerships and credit card partner business locations nationwide. Personal Banking provides a full range of financial products and services to customers from Maine to the Carolinas and Florida through a network of 1,177 stores, 2,705 ATMs, telephone, and mobile and internet banking services. Business Banking offers a diversified range of products and services to help businesses meet their financing, investment, cash management, international trade, and day-to-day banking needs. Wealth management provides wealth products and services to retail and institutional clients. The contribution from the Bank's investment in Schwab is reported as equity in net income of an investment in Schwab.

Wealth Management and Insurance serves approximately 6 million customers across the wealth and insurance businesses in Canada. Wealth Management offers wealth and asset management products and advice to retail clients in Canada through the direct investing, advice-based, and asset management businesses. Wealth Management also offers asset management products to institutional clients globally. Insurance offers property and casualty insurance through direct response channels and to members of affinity groups, as well as life and health insurance products to customers across Canada.

Wholesale Banking serves over 17,000 corporate, government, and institutional clients in key financial markets around the world. Operating under the TD Securities brand, Wholesale Banking offers capital markets and corporate and investment banking services to external clients and provides market access and wholesale banking solutions for the Bank's wealth and retail operations and their customers. Wholesale Banking's expertise is supported by a presence across North America, Europe, and Asia-Pacific.

The Bank's other business activities are grouped in the Corporate segment which is comprised of a number of service and control groups, including technology solutions, shared services, treasury and balance sheet management, marketing, human resources, finance, risk management, compliance, anti-money laundering, legal, real estate, and others. Certain costs relating to these functions are allocated to operating business segments. The basis of allocation and methodologies are reviewed periodically to align with management's evaluation of the Bank's business segments.

Subsidiaries

A list of significant subsidiaries of the Bank is provided on Appendix A of the 2023 Annual Information Form which is incorporated herein by reference.

Major Shareholders

Under the Bank Act, the ownership by one person or entity of more than 10% of the common shares of the Bank is prohibited without approval in accordance with the provisions of the Bank Act. To the knowledge of the directors and officers of the Bank, no person owns or exercises control over more than 10% of the common shares of the Bank. A person may, with the approval of the Minister of Finance, beneficially own up to 20% of a class of voting shares and up to 30% of a class of non-voting shares of the Bank, subject to a "fit and proper" test based on the character and integrity of the applicant. In addition, the holder of such a significant interest could not have "control in fact" of the Bank.

Level of Competition, Shifts in Consumer Attitudes, and Disruptive Technology

The Bank operates in a highly competitive industry and its performance is impacted by the level of competition. Customer retention and acquisition can be influenced by many factors, including the Bank's reputation as well as the pricing, market differentiation, and overall customer experience of its products and services. Enhanced competition from incumbents and new entrants may impact the Bank's pricing of products and services and may cause the Bank to lose revenue and/or market share. Increased competition requires the Bank to make additional short and long-term investments to remain competitive and continue delivering differentiated value to its customers. In addition, the Bank operates in environments where laws and regulations that apply to it may not universally apply to its current and emerging competitors, which could include the domestic institutions in jurisdictions outside of Canada or the U.S., or non-traditional providers (such as Fintech or big technology competitors) of financial products and services. Non-depository or non-financial institutions are often able to offer products and services that were traditionally banking products and compete with banks in offering digital financial solutions (primarily mobile or web-based services), without facing the same regulatory requirements or oversight. These competitors may also operate at much lower costs relative to revenue or balances than traditional banks or offer financial services at a loss to drive user growth or to support their other profitable businesses. These third parties can seek to acquire customer relationships, react quickly to changes in consumer behaviours, and disintermediate customers from their primary financial institution, which can also increase fraud and privacy risks for customers and financial institutions in general. The nature of disruption is such that it can be difficult to anticipate and/or respond to adequately or quickly, representing inherent risks to certain Bank businesses, including payments. As such, this type of competition could also adversely impact the Bank's earnings.

The Bank is advancing its artificial intelligence ("**AI**") practice and capabilities to augment the Bank's business decisions and risk management, improve customer experiences and drive operational efficiencies. This includes studying generative AI, which has garnered significant public attention and is already demonstrating the potential to further enhance customer experience and outcomes for the Bank; however, all forms of AI may not appropriately or sufficiently replicate certain outcomes or accurately predict future events or exposures.

While the Issuer pursues a comprehensive enterprise innovation approach, including colleague ideation, an incubator in TD Lab, acceleration activities in agile pods, a patent portfolio, a human centered design practice and certain relationships with Big Tech and Fin Tech, the Issuer still may not be able to remain competitive and deliver differentiated value to its customers. In turn, this could adversely impact the Issuer's earnings.

Material Contracts

The Bank has not entered into any contracts outside the ordinary course of the Bank's business which could materially affect the Bank's obligations in respect of any Covered Bonds to be issued by the Bank other than, with respect to any Covered Bonds, the contracts described in "*Subscription and Sale and Transfer and Selling Restrictions*" and in "*Terms and Conditions of the Covered Bonds*" and "*Summary of the Principal Documents*".

Ratings

The Bank has the following issuer credit ratings assigned by the following credit rating agencies, as at the date of this Prospectus:

	DBRS	**Moody's**	**S&P**	**Fitch**
Deposits/Counterparty	AA (high)	Aa1	AA-	AA
Outlook	Stable	Stable	Negative	Negative

The table below details the ratings assigned to each of the Bank's debt instruments by the following credit rating organizations, as at the date of this Prospectus:

	DBRS	**Moody's**	**S&P**	**Fitch**
Legacy Senior Debt[(1)]	AA (high)	Aa2	AA-	AA
Senior Debt[(2)]	AA	A1	A	AA-
Legacy Subordinated Debt (non-NVCC[(3)])	AA (low)	A2	A	A
Tier 2 Subordinated Debt (NVCC[(3)])	A	A2 (hyb)	A-	A
Limited Recourse Capital Notes (NVCC[(3)])	A (low)	Baa1 (hyb)	BBB	BBB+
Short Term Debt (Deposits)	R-1 (high)	P-1	A-1+	F1+

(1) Includes: (a) Senior debt issued prior to September 23, 2018; and (b) Senior debt issued on or after September 23, 2018 which is excluded from the bank recapitalization "bail-in" regime.

(2) Subject to conversion under the bank recapitalization "bail-in" regime.

(3) Non-Viability Contingent Capital.

Each of Moody's, DBRS, S&P and Fitch is established outside of the European Union and the UK but its respective credit rating agency affiliate: (i) is either established in the European Union or the UK; (ii) is registered under the applicable CRA Regulation; and (iii) is permitted to endorse the credit ratings of Moody's, DBRS, S&P or Fitch, as applicable, used in specified third countries, including the United States and Canada, for use in the European Union or the UK, as applicable, by relevant market participants.

In accordance with Article 4.1 of the CRA Regulations, please note that the following documents (as defined in the section entitled "*Documents Incorporated by Reference*") incorporated by reference in this Prospectus contain references to credit ratings from the same rating agencies:

(a) the 2023 Annual Information Form (pages 11 to 13);

(b) the 2023 MD&A (pages 91, 95, 101, 104, and 105);

(c) the Second Quarter 2024 Report (pages 36 and 37).

Credit ratings are not a recommendation to buy, sell or hold a financial obligation inasmuch as they do not comment on market price or suitability for a particular investor. Ratings are subject to revision or withdrawal at any time by the rating organization.

PRESENTATION OF FINANCIAL RESULTS

The information in the tables appearing under "Financial Summary" below was prepared in accordance with IFRS.

FINANCIAL SUMMARY

The International Accounting Standards Board issued IFRS 17 which replaced the guidance in IFRS 4, *Insurance Contracts* (IFRS 4) and became effective for annual reporting periods beginning on or after January 1, 2023, which was November 1, 2023 for the Bank. IFRS 17 establishes principles for recognition, measurement, presentation and disclosure of insurance contracts. The Bank initially applied IFRS 17 on November 1, 2023 and restated the comparative period in the Bank's Second Quarter 2024 Report. Certain comparative figures in the tables below for the three-month and six-month periods ended April 30, 2024 and for the year ended October 31, 2023 have been restated.

Except as otherwise noted below, information in the tables below as at and for the years ended 31 October 2023 and 2022 has been extracted from the audited financial statements of the Bank for the years ended 31 October 2023 and 2022 contained in the 2023 Annual Consolidated Financial Statements, which statements, together with the notes thereto and the independent auditor's report, are incorporated by reference in this Prospectus, as further described under "*Documents Incorporated by Reference*".

An audit comprises audit tests and procedures deemed necessary for the purpose of expressing an opinion on financial statements taken as a whole. An audit opinion has not been expressed on individual balances of accounts or summaries of selected transactions in the table below.

Information in the tables below as at and for the six-month periods ended 30 April 2024 and 30 April 2023 and the total assets, total liabilities and total equity amounts as at 31 October 2023 has been extracted from the unaudited interim consolidated financial statements of the Bank for the three and six months ended 30 April 2024 and 2023, contained in the Bank's Second Quarter 2024 Report, which statements are incorporated by reference in this Prospectus.

Condensed Consolidated Balance Sheet[7]

	As at April 30, 2024	As at April 30, 2023	As at October 31, 2023	As at October 31, 2022
	(in millions of Canadian dollars)			
Loans, net of allowance for loan losses	928,124	849,618	895,947	831,043
Total assets	1,966,668	1,926,452	1,955,139	1,917,528
Deposits	1,203,771	1,189,370	1,198,190	1,229,970
Subordinated notes and debentures	11,318	11,366	9,620	11,290
Total liabilities	1,854,686	1,810,338	1,843,068	1,806,145
Total equity	111,982	116,114	112,071	111,383

Condensed Consolidated Statement of Income[7]

[7] Annual consolidated financial statements for the year ended 31 October 2023, and information for the comparative period in 2022, have been prepared in accordance with IFRS. Certain comparative amounts have been recast to conform with the presentation adopted in the current period. Unaudited interim consolidated financial statements for the three and six month periods ended 30 April 2024, and information for the comparative periods in 2023, are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using the accounting policies as described in Note 2 of the Bank's 2023 Annual Consolidated Financial Statements.

	Six months ended 30 April 2024	Six months ended 30 April 2023	Year ended 31 October 2023	Year ended 31 October 2022
	(in millions of Canadian dollars, except per share amounts)			
Net interest income	14,953	15,161	29,944	27,353
Non-interest income	12,580	9,437	20,548	21,679
Total revenue	27,533	24,598	50,492	49,032
Provision for credit losses	2,072	1,289	2,933	1,067
Non-interest expenses	16,431	14,868	30,768	24,641
Non-controlling interests in subsidiaries	-	-	-	-
Net income	5,388	4,887	10,782	17,429
Earnings per Share				
—basic	2.90	2.52	5.61	9.48
—diluted	2.89	2.52	5.60	9.47
Dividends per share	2.04	1.92	3.84	3.56

TD COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP

General

TD Covered Bond (Legislative) Guarantor Limited Partnership (the "**Guarantor**") is a limited partnership formed on 19 September 2013 and existing under the *Limited Partnerships Act* (Ontario). The principal place of business of the Guarantor is 66 Wellington Street West, TD Bank Tower, Toronto, Ontario, Canada, M5K 1A2 and the telephone contact number is +1-416-308-9030 / +1-866-486-4826. The Guarantor is governed by the Guarantor Agreement (see "*Summary of the Principal Documents-Guarantor Agreement*").

Description of Limited Partnership

Pursuant to the terms of the *Limited Partnerships Act* (Ontario), a limited partner in a limited partnership is liable for the liabilities, debts and obligations of the partnership, but only to the extent of the amount contributed by it or agreed to be contributed by it to the partnership, unless, in addition to exercising rights and powers as a limited partner, the limited partner takes part in the control of the business of the partnership. Subject to applicable law, limited partners will otherwise have no liability in respect of the liabilities, debts and obligations of the partnership. Each general partner will have unlimited liability for an obligation of the partnership unless the holder of such obligation agrees otherwise.

Business of the Guarantor

The Guarantor is a special purpose vehicle whose only business is to carry on activities that facilitate the Programme by (a) entering into the Intercompany Loan Agreement and accepting Capital Contributions from its partners; (b) using the proceeds from the Intercompany Loan and Capital Contributions (i) to purchase the Covered Bond Portfolio consisting of Loans and their Related Security from the Seller in accordance with the terms of the Mortgage Sale Agreement and New Loans and their Related Security pursuant to the terms of the Mortgage Sale Agreement; and/or (ii) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (iii) subject to complying with the Asset Coverage Test (as described below) to make Capital Distributions to the Limited Partner; and/or (iv) to make deposits of the proceeds in the Guarantor Accounts including, without limitation, to fund the Reserve Fund and the Pre-Maturity Liquidity Ledger (in each case to an amount not exceeding the prescribed limit); (c) arranging for the servicing of the Loans and their Related Security by the Servicer; (d) entering into the Trust Deed, giving the Covered Bond Guarantee and entering into the Security Agreement; (e) entering into the Transaction

Documents to which it is a party; and (f) performing its obligations thereunder and in respect thereof and doing all things incidental or ancillary thereto.

The Guarantor has not, since its formation, engaged in, and will not, while there are Covered Bonds outstanding, engage in any material activities other than activities relating to the business of the Guarantor described above and/or incidental or ancillary thereto. The Guarantor and its general partners are not required by applicable Canadian law (including the *Limited Partnerships Act* (Ontario)) to publish any financial statements.

The Guarantor has no employees.

Financial Disclosure and Alternative Performance Measures (APMs)

In accordance with the laws of the Province of Ontario and the federal laws of Canada, as a limited partnership, the Guarantor is not required to produce financial statements (audited or unaudited). Instead, (unaudited) Investor Reports are prepared by the Cash Manager on a pro forma basis under Section 9.4(a) of the Cash Management Agreement and provide (as at the relevant Calculation Date) information and data in relation to the Covered Bond Portfolio, including the calculation of the Asset Coverage Test, the Amortization Test, the Valuation Calculation, the OC Valuation, the Intercompany Loan balance and statistical information about the Loans in the Portfolio. Such Investor Reports are, when necessary in accordance with the prospectus rules made under FSMA, incorporated by reference into the Prospectus. For the purposes of the European Securities and Markets Authority guidelines on APMs of 5 October 2015 (ESMA Guidelines), such Investor Reports constitute APMs.

The Investor Reports incorporated herein by reference are not derived from the Guarantor's financial statements, since the Guarantor is not required to produce financial statements. Therefore, it is impracticable to provide comparative figures or to have such Investor Reports reconciled to financial statements of the Guarantor. From 1 July 2014, the indexation methodology used for the purposes of preparing Investor Reports (in order to determine indexed valuations for Properties relating to the Loans in the Portfolio) meets the requirements provided for in the CMHC Guide (in this regard, please also refer to the "Risk Factors" section of this Prospectus and the Appendix "Indexation Methodology" set out at the end of each Investor Report that is incorporated by reference herein). Please see "*Overview of the Programme – Covered Bond Portfolio*" and "*Documents Incorporated by Reference*" herein for more information. The Investor Reports and the information included in the Investor Reports are required to be produced to meet the requirements in the CMHC Guide.

Partners of the Guarantor

As of the date of this Prospectus, the partners (the "**Partners**") of the Guarantor are:

- TD Covered Bond (Legislative) GP Inc., as the managing general partner (the "**Managing GP**"), a wholly owned subsidiary corporation of the Bank incorporated on 11 September 2013 under the laws of Canada as a special purpose entity to be the managing general partner of the Guarantor, with its registered office at 66 Wellington Street West, 15th floor, TD Bank Tower, Toronto, Ontario, Canada, M5K 1A2;

- 8638080 Canada Inc., as the liquidation general partner (the "**Liquidation GP**"), a corporation incorporated on 18 September 2013 under the laws of Canada as a special purpose entity to be the liquidation general partner of the Guarantor, with its registered office at 66 Wellington Street West, TD Bank Tower, Suite 5300, Toronto, Ontario M5K 1E6; and

- The Bank, as the sole limited partner.

The Capital Contribution Balance of each of the Partners will be recorded in the Capital Account Ledger. As of the date of this Prospectus, the Bank holds substantially all of the capital in the Guarantor with the Managing GP and the Liquidation GP each holding a nominal interest in the Guarantor.

Each of the Partners has covenanted in the Guarantor Agreement that, except as provided in the Transaction Documents, it will not sell, transfer, convey, create or permit to arise any security interest on, declare a trust over, create any beneficial interest in or otherwise dispose of its interest in the Guarantor without the prior written consent of the Guarantor and, while there are Covered Bonds outstanding, the Bond Trustee.

Directors of the Partners of the Guarantor

The following table sets out the directors of the Managing GP and the Liquidation GP (and their respective business addresses and occupations). For the directors of the Bank see "*The Toronto-Dominion Bank—Board of Directors*", above.

Directors of the Managing GP

Name	Business Address	Business Occupation
Colin Elion	66 Wellington Street West 15th Floor, TD Bank Tower Toronto, Ontario Canada M5K 1A2	Associate Vice President, Funding, Treasury and Balance Sheet Management, The Toronto-Dominion Bank
Paul Koven	66 Wellington Street West 15th Floor, TD Bank Tower Toronto, Ontario Canada M5K 1A2	Vice President, Finance, The Toronto-Dominion Bank
Cameron Joynt	66 Wellington Street West 15th Floor, TD Bank Tower Toronto, Ontario Canada M5K 1A2	Vice President, Enterprise Capital, Funding, Treasury and Balance Sheet Management, The Toronto-Dominion Bank

Each of the directors of the Managing GP is an officer and/or employee of the Bank.

Directors of the Liquidation GP

Name	Business Address	Business Occupation
Toni De Luca	1500 Robert Bourassa Blvd. 7th Floor, Montreal Quebec, Canada H3A 3S8	Senior Vice President, Corporate Trust Services, Computershare Trust Company of Canada
Charles Eric Gauthier	1500 Robert Bourassa Blvd. 7th Floor, Montreal Quebec, Canada H3A 3S8	Director, Risk, Compliance & Special Projects, Corporate Trust, Computershare Trust Company of Canada

Each of the directors of the Liquidation GP is independent of the Bank.

Governance of the Guarantor

Pursuant to the terms of the Guarantor Agreement, the Managing GP manages the business and affairs of the Guarantor, acts on behalf of the Guarantor, makes decisions regarding the business of the Guarantor and has the authority to bind the Guarantor in respect of any such decision. The Managing GP is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Guarantor, and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. The authority and power vested in the Managing GP to manage the business and affairs of the Guarantor includes all authority necessary or incidental to carry out the objects, purposes and business of the Guarantor, including the ability to engage agents to assist the Managing GP to carry out its management obligations and administrative functions in respect of the Guarantor and its business.

Except in certain limited circumstances (described below under "*Withdrawal or Removal of the General Partners*"), the Liquidation GP will not generally take part in managing the affairs and business of the Guarantor. However, the Liquidation GP's consent will be required for a voluntary wind up or dissolution of the Guarantor.

Each of the Partners has agreed that it will not, for so long as there are Covered Bonds outstanding, terminate or purport to terminate the Guarantor or institute any winding-up, administration, insolvency or other similar proceedings against the Guarantor. Furthermore, the Partners have agreed, among other things, except as specifically otherwise provided in the Transaction Documents, not to demand or receive payment of any amounts payable by the Guarantor (or the

Cash Manager on its behalf) or the Bond Trustee unless all amounts then due and payable by the Guarantor to all other creditors ranking higher in the relevant Priorities of Payments have been paid in full.

Potential Conflict of Interest

All of the directors of the Managing GP are officers or employees of the Issuer. As at the date of this Prospectus, there are no potential conflicts of interest between the duties owed to the Guarantor by any of the directors of the Managing GP or by any of the directors of the Liquidation GP or by any of the directors of the Bank and their private interests and other duties.

Reimbursement of General Partners

The Guarantor is obliged to reimburse the Managing GP and Liquidation GP for all out-of-pocket costs and expenses incurred on behalf of the Guarantor by the Managing GP or Liquidation GP in the performance of their duties under the Guarantor Agreement.

Liability of the Limited Partners of the Guarantor

The Guarantor operates in a manner so as to ensure, to the greatest extent possible, the limited liability of the limited partner(s). Limited partner(s) may lose their limited liability in certain circumstances. If limited liability is lost by reason of the negligence of the Managing GP or Liquidation GP, as the case may be, in performing its duties and obligations under the Guarantor Agreement, the Managing GP and/or the Liquidation GP, as applicable, shall indemnify the limited partner(s) against all claims arising from assertions that their respective liabilities are not limited as intended by the Guarantor Agreement. However, since the Managing GP and the Liquidation GP have no significant assets or financial resources, any indemnity from them may have nominal value.

Withdrawal or Removal of the General Partners

The Managing GP or Liquidation GP may resign as managing general partner or liquidation general partner, as the case may be, on not less than 180 days' prior written notice to the Partners and the Bond Trustee, provided that neither the Managing GP nor Liquidation GP will resign if the effect would be to dissolve the Guarantor. In the event that the Liquidation GP resigns as liquidation general partner, the Managing GP shall use its best commercially reasonable efforts to, without delay, find a replacement liquidation general partner acceptable to the limited partner(s) of the Guarantor and the Bond Trustee, to accept the role of liquidation general partner formerly held by the Liquidation GP and acquire a general partner interest in the Guarantor.

In the event the Managing GP resigns, an Issuer Event of Default occurs, or a winding-up or insolvency of the Managing GP occurs, the Managing GP shall forthwith, or in the case of resignation at the expiry of the notice period described above, cease to be the managing general partner of the Guarantor and the Liquidation GP shall assume the role and responsibilities (but not the interest in the Guarantor) of the Managing GP and continue the business of the Guarantor as Managing GP.

If at any time the Liquidation GP becomes the Managing GP pursuant to the foregoing, it may appoint a replacement Managing GP acceptable to the limited partner(s) of the Guarantor and the Bond Trustee to act as Managing GP and acquire a general partner interest in the Guarantor. Following the appointment of the replacement Managing GP pursuant to the foregoing, the replacement Managing GP shall have the powers, duties and responsibilities of the Managing GP of the Guarantor and the Liquidation GP shall resume its role, as it was, prior to assuming the role and responsibility of the Managing GP.

LOAN ORIGINATION AND LENDING CRITERIA

General

The following is a general commentary on the Bank's Real Estate Secured Lending business from which the Loans in the Covered Bond Portfolio are originated.

The description of the Bank's Credit Policies and Procedures that follows is as of the date of this Prospectus. There is no requirement for the Bank to maintain the Credit Policies and Procedures described below and the Bank reserves the right to change its Credit Policies and Procedures at any time. (See "*Risk Factors – Factors which are material for the purposes of assessing the risks relating to the Covered Bond Portfolio – Risks resulting from changes to the Lending Criteria which may result in increased Borrower defaults*").

Products

Mortgage Loans

The Bank's Canadian residential real estate mortgage loans are originated through four channels: the Bank's branded retail branch network, internal mobile mortgage specialists, digital and the external broker channel.

- **Retail Branch Network**: The branch network consists of Bank employees that originate, refinance and renew mortgage loans for customers. The branch network is involved in the servicing of all mortgage loans for all customers.

- **Mobile Mortgage Specialists**: The mobile mortgage specialists ("**MMS**") are Bank employees operating as a mobile sales force that originates mortgage loans for customers.

- **Broker Channel**: The Bank originates mortgage loans and since January 11, 2022, the TD Home Equity FlexLine (the "**FlexLine Product**") through external Bank-approved mortgage brokers. The Bank has a robust broker sign-up process in place to ensure only properly licensed, professional brokers are onboarded. Applications for purchase and refinance transactions approved through this channel are a mix of new and existing Bank customers. Effective January 19, 2015, the Bank's broker originated mortgage loan adjudication, credit process and funding was outsourced to First National Financial. The adjudication and processing are based on the Bank's policies. The funded mortgages and the FlexLine Product reside on the Bank's systems and the Bank services and manages the mortgages and the FlexLine Product on an ongoing basis.

- **Digital Channel**: The Bank originates mortgage applications for customers through its online digital channels.

The credit application created by the relevant sales channel flows from the origination systems to the adjudication systems for approval from the applicable credit adjudication centre. To the extent that a residential real estate mortgage loan application does not meet the criteria for auto adjudication, the credit adjudication centres will be responsible for underwriting. All residential real estate mortgage loans and FlexLine Product applications that trigger the Bank's material exception policy is sent to the Bank's specialized risk management group for credit adjudication.

The Bank Act generally requires that all residential mortgage loans that have a loan to value ("**LTV**") ratio greater than 80% at origination be insured against customer default by a Canadian mortgage insurer. In addition, from time to time, the Bank may, subject to certain limitations, purchase insurance against customer default directly from a Canadian mortgage insurer on a portfolio of mortgage loans where the LTV is 80% or less. Mortgage loans with an LTV ratio that exceeds 80% at origination or that are otherwise insured by a Prohibited Insurer are prohibited by the Covered Bond Legislative Framework from forming part of the Covered Bond Portfolio. No insured mortgage loans or loans with an LTV that exceeds 80% at origination form part of the Covered Bond Portfolio.

The Covered Bond Portfolio only includes mortgage loans (which, for greater certainty, may include the term mortgage loan portion of the FlexLine Product) originated by the Bank. Mortgage loans that have been acquired from third parties, including by mergers or the acquisition of other institutions, are currently not included in the Covered Bond Portfolio.

Home Equity Lines of Credit/TD Home Equity FlexLine

A HELOC is a revolving personal line of credit which is secured by a residential mortgage. The Bank's residential HELOC products, including the FlexLine Product, are originated through the branded retail branch network, internal mobile mortgage specialists and the Broker Channel.

Effective 27 October 2014, the FlexLine Product was introduced with a maximum total LTV of 80% and a maximum revolving portion of 65% LTV. After the launch of the FlexLine Product, the Bank ceased originating other HELOC products. No underwriting policies were amended as a result of this change. If there is a non-revolving portion, it must be set up as an instalment term portion.

Canadian mortgage insurers do not provide high ratio insurance for HELOCs and therefore the maximum permitted LTV is 80%. In addition, the OSFI B-20 Guideline requires that revolving, non-amortizing HELOCs cannot exceed a maximum LTV of 65%.

The Covered Bond Portfolio does not include HELOCs at this time.

Renewals

All mortgage loans and Term Loans must be current in order to be renewed, unless otherwise agreed to by the Bank. A customer is contacted by various methods, including by phone, direct mail and/or by their branch to choose their preferred term for the renewal and with respect to mortgage loans, a customer may contact the Bank online. If a customer renews a mortgage loan or a Term Loan, the customer may change the payment amount and frequency of payments; however, the amortization period cannot be extended beyond the remaining contractual amortization except in certain circumstances in accordance with the Issuer's policies and procedures. If mortgage renewal instructions are not received before the maturity date, the mortgage loan or Term Loan may automatically renew in to a one year open term.

For non-FlexLine Product HELOCs, if the customer does not renew the Term Loan, the outstanding balance of the applicable Term Loan is moved back to the revolving line of credit tranche. For FlexLine Products, the Term Loan must be renewed or paid out at its maturity.

Valuations, Appraisals and Credit Strategy

The LTV for a residential mortgage loan, FlexLine Product or HELOC (each, a "**TD Product Loan**") is calculated based on the outstanding amount of all loans using the same security as the security for the applicable TD Product Loan and any security that is entitled to the same or a higher priority and the most recent property valuation, which generally will only be at the time of origination of the applicable credit facility.

For all TD Product Loans that have an LTV ratio of 80% (or, if applicable, 65%) or less, the Bank's approval policy takes a risk-based approach for property valuation. The type of property valuation used may depend on any combination of the following loan characteristics at the time of the application: the location of the property, purchase price (if applicable) or estimated value, purpose, principal amount/credit limit, borrower risk profile, specialty product programs, and the LTV ratio. The applicable credit limit will be based on the specific type of TD Product Loan.

For all TD Product Loans that have an LTV ratio of 80% or less, the Bank's mortgage approval policy requires one of the following methods as an acceptable property valuation assessment type:

(i) Low Ratio Assessment – the Bank relies on the third party computer-generated risk assessment as part of its credit strategy to determine the acceptable property valuation under the Bank's underwriting policy and also obtains either a property valuation guarantee certification or indemnity insurance that guarantees the property value at time of origination, as applicable. On a quarterly basis, as part of the Bank's monitoring process of the automated risk-assessment model, a random sample of applications are reviewed as a quality assurance process to monitor the ongoing effectiveness of the low ratio assessment.

(ii) Drive-by appraisal –an exterior inspection of the property.

(iii) Full appraisal –an interior and exterior inspection of the property.

(iv) Blanket valuation – values within a new home builder development project that has been reviewed and approved by the Bank.

(v) Desktop valuation – an appraiser's opinion of the property based on market information of the property without an actual interior or exterior inspection of the property.

Subject to applicable approval under the Bank's mortgage approval policy, other property valuation assessment types may be approved.

Lending Criteria, Credit Adjudication, Credit Scores and the Risk Management Group

All four origination channels (retail branch network, digital, MMS and external brokers) outlined above are required to adhere to the same lending criteria outlined in the Bank's residential mortgage underwriting policy (the "**RMUP**"). The RMUP provides requirements for the extension of credit to an individual that is secured by residential property. The policy applies to all residential mortgage products originated, underwritten and approved through the Bank. The objective of the RMUP is to outline the high-level framework that ensures that lending decisions consider and weigh all factors relevant to the loan decision including: demonstrable willingness and capacity to repay debt on a timely basis; creditworthiness; and collateral. In addition to these requirements, the Bank's real estate secured lending credit policy manual provides general guidance when underwriting residential mortgages including, but not limited to: property type (owner occupied/rental), loan to value, minimum down payment, minimum bureau score, maximum amortization, appraisal, gross debt service and total debt service ("**TDS**"). Borrower affordability calculations are based on the requested amount of the mortgage loan and a qualifying interest rate prescribed by regulators.

The Bank's underwriting policies and procedures require each applicant to submit a credit application that discloses the applicant's credit history, assets, liabilities, income and employment history, and includes consent to the Bank obtaining a credit report in respect of such applicant. Confirmation of the borrower's income and a valuation of the property to be mortgaged may be conducted.

Credit reports are reviewed by the Bank from either Equifax Canada or TransUnion, which are nationally recognized credit reporting bureaus, as a means of assessing the creditworthiness of the applicants. Each of these credit reports contains a standardized credit score ("**Bureau Score**") that is designed to assess a borrower's credit history at a single point in time, using data for the applicant from the particular credit reporting bureau. Bureau Scores range from approximately 300 to approximately 900, with higher scores indicating an individual with a more favourable credit performance (i.e. statistically expected to be less likely to default) compared to an individual with a lower score. Information used to create a Bureau Score may include, among other things, the borrower's payment history, delinquencies on accounts, levels of outstanding indebtedness, length of credit history and types of credit and bankruptcy experience. A Bureau Score only assesses a borrower's past credit history and provides an indicator of the relative degree of potential risk that a borrower represents to a lender on a specified date. In addition, Bureau Scores were developed to indicate levels of default probability over a two-year period. Bureau Scores were not developed specifically for use with mortgage loans, but for consumer loans in general. Accordingly, Bureau Scores are not necessarily accurate indicators of levels of default probability over the entire terms of the mortgage loans (which extend beyond a two year period to up to 10 years). Furthermore, Bureau Scores do not take into account the difference between mortgage loans and consumer loans, including the particular loan to value ratios of the mortgage loans, the quality or value of the real estate collateral, or the borrower's debt to income ratio. There can be no assurance that a borrower's Bureau Score will be an accurate predictor of the likelihood of such borrower's mortgage loan being repaid or that a borrower's Bureau Score has or will remain unchanged after origination.

Based on the applicant's financial information, a calculation is done to determine the applicant's capacity to repay the TD Product Loan being requested. The Bank determines whether, in its view, the applicant's income will be sufficient to meet the obligations under the proposed TD Product Loan and to pay the other expenses relating to the mortgaged property, including taxes, heating, condominium fees (if applicable) and other fixed obligations. In a certain subset of applicants, a proxy for income may be used under certain circumstances, and/or liquid assets may be taken into account as a support for the applicant's capacity to repay, in each case in accordance with the Bank's policy and procedures. In general, the Bank requires that the applicant be capable of carrying the scheduled payments under the mortgage loan or the theoretical scheduled payments under the revolving portion of the FlexLine Product or HELOC, plus all taxes due in respect of the mortgaged property during such period and all other scheduled payments due under the applicant's other debt obligations. The theoretical scheduled payment under the revolving portion of the FlexLine Product or HELOC is assessed using the interest rate and amortization period prescribed in policy.

The Bank has policies to guide adjudication where one or more of the usual evaluation criteria are not available. For example, where the applicant does not meet standard lending policy debt service levels, the policy may require a larger down payment, more equity and/or evidence of liquid assets.

After the applicant assessment and a satisfactory property valuation are completed, a decision is made to accept or decline the application. The Bank bases this decision on a combination of the following factors: the applicant's ability to repay, personal net worth, the applicant's credit history on previous borrowings or Bureau Score if applicable, and on the value of the property being offered as security.

Credit policies may differ slightly by origination channel. To the extent that a residential real estate mortgage loan application does not meet the criteria for auto adjudication, the credit adjudication centres will be responsible for underwriting all residential real estate mortgage loan applications. Prior to January 19, 2015, all broker applications were adjudicated by a dedicated centralized adjudication centre. Since then, broker adjudication has transitioned to a third party service provider. TD Product Loans originated in the retail branch network and the MMS channels utilize both automated decision strategies and manual adjudication by a centralized credit adjudication centre. The broker channel currently only originates mortgages and FlexLine Products and all applications originated in the broker channel are manually adjudicated.

The Bank introduced automated adjudication strategies for mortgage loans and HELOCs in 2002. For TD Product Loan applications to be automatically adjudicated, the application must meet all basic policy requirements incorporated in the automatic decision strategies, including but not limited to LTV and debt service ratios, Bureau Score and other policy matters. If an application does not meet certain minimum standards for these tests it is referred for manual review. The Bank's auto decision rates in the retail branch network and the MMS channels averages approximately 23% monthly with the remainder being manually adjudicated by the Bank's centralized credit adjudication centre. Any application that triggers the Bank's material exception policy is sent to the Bank's specialized risk management group for credit adjudication.

In accordance with the Bank's policy, material exceptions to underwriting guidelines include, but are not limited to, the following: low Bureau Scores, TDS exceptions, non-standard income verification, LTV exceptions to sliding scale and condominium square footage. Where applications are approved despite such material exceptions, the rationale for allowing such exceptions, including any mitigating factors, is documented. Exceptions that relate to income verification are also subject to mitigating factors, including Bureau Score and LTV limitations.

Following approval of a borrower's application, in order to confirm that the Bank's mortgage constitutes first ranking mortgage security, the Bank will (i) obtain title insurance, (ii) obtain a solicitor's opinion on title, or (iii) conduct a title search following the Bank's instructions to, and related undertaking of, qualified legal counsel to ensure that the related mortgage constitutes first ranking mortgage security, in each case in accordance with the Bank's policy and procedures.

In accordance with the Bank's policies and procedures, the Bank offers relief measures for eligible Borrowers (including those with loans in the cover pool) who are experiencing financial hardship with options such as: payment extension, payment deferral, interest only payment, one-time interest capitalization and amortization extension.

Credit Effectiveness Review, Property Insurance, Audit Process, Quality Control Process

The Bank's post TD Product Loan reviews are conducted internally by a dedicated and independent centralized team that reports directly to the Chief Risk Officer, Canadian Banking. This review includes random audits of residential mortgage loan and HELOC applications conducted on a quarterly basis to ensure quality, accuracy and completeness of applications that are adjudicated while ensuring utilization of the correct risk profile and compliance with credit policies and program guidelines. Loan Files may sometimes contain typographical errors; however, the Bank is protected from any related risks through its know your customer and other due diligence steps conducted in accordance with the Bank's Lending Criteria. For any error that could affect title or the validity of the security for a loan, the Bank is protected by title insurance or a solicitor's opinion or other confirmation of title.

While each Loan contains a requirement that the mortgaged property be covered by property insurance maintained by the Borrower, the Bank's Lending Criteria does not require evidence of property insurance during the life of the mortgage for certain Loan Files and, as a result, those Loan Files may not contain such evidence. The Bank bears the risk represented by a borrower's failure to maintain such insurance.

The Bank also has a dedicated team of employees that audits the mortgage business and monitors quality control.

Monitoring and Collection

A TD Product Loan becomes delinquent one day after a payment is due and not paid unless the Bank has agreed to allow such payments to be deferred where such accommodations are deemed to be warranted at the discretion of the Bank. The primary collection period can range from 5 days to 89 days but generally the Bank contacts borrowers by day 35. Accounts transition to the dedicated real estate secured loan collection function as delinquency progresses. Generally, upon reaching 90 days past due, legal proceedings are initiated unless the Bank has been able to make mutually acceptable alternative payment arrangements with the borrower. For HELOCs and FlexLine Product Loans, the account generally remains open to the borrower until 90 days past due at which time further credit is no longer authorized until the required payment is received. The Bank may suspend further credit at any stage prior to the 90-day period if collection risk is evident. The file is exempted from write-off until the property liquidation process is completed. Any residual balance is then charged off.

SUMMARY OF THE PRINCIPAL DOCUMENTS

Trust Deed

The Trust Deed is the principal agreement governing the Covered Bonds. The Trust Deed contains provisions relating to, among other things:

- the constitution of the Covered Bonds and the terms and conditions of the Covered Bonds (as more fully set out under "*Terms and Conditions of the Covered Bonds*" above);
- the covenants of the Issuer and the Guarantor;
- the terms of the Covered Bond Guarantee (as described below);
- the enforcement procedures relating to the Covered Bonds and the Covered Bond Guarantee; and
- the appointment, powers and responsibilities of the Bond Trustee and the circumstances in which the Bond Trustee may resign, retire or be removed (as described below).

Covered Bond Guarantee

Under the terms of the Covered Bond Guarantee (contained in the Trust Deed) the Guarantor has agreed to, following the occurrence of a Covered Bond Guarantee Activation Event, unconditionally and irrevocably pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of the holders of the Covered Bonds), an amount equal to that portion of the Guaranteed Amounts which shall become Due for Payment but would otherwise be unpaid, as of any Original Due for Payment Date, or, if applicable, Extended Due for Payment Date, by the Issuer. Under the Covered Bond Guarantee, the Guaranteed Amounts will become due and payable on any date on which a Guarantor Acceleration Notice is served.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee will serve a Notice to Pay on the Guarantor. Payment by the Guarantor of the Guaranteed Amounts pursuant to the Covered Bond Guarantee will be made on the later of: (i) the day which is two Business Days after service of a Notice to Pay on the Guarantor; or (ii) the day on which the Guaranteed Amounts are otherwise Due for Payment.

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 taxes, duties, assessments or other governmental charges of whatever nature, imposed or levied by or on behalf of Canada or any province or territory thereof, or in the case of Covered Bonds issued by a branch of the Issuer located outside Canada, the country in which such branch is located, or any political subdivision thereof or any authority or agency therein or thereof having power to tax, 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, Receipts and/or Coupons in respect of the amount of such withholding or deduction.

Under the terms of the Covered Bond Guarantee, the Guarantor agrees that its obligations under the Covered Bond Guarantee will be as guarantor and will be absolute and unconditional, irrespective of, and unaffected by, any invalidity, irregularity or unenforceability of, or defect in, any provisions of the Trust Deed or the Covered Bonds or Receipts or Coupons or the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee or any of the holders of the Covered Bonds, Receiptholders or Couponholders 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.

As consideration for providing the Covered Bond Guarantee, the Guarantor will be entitled to receive guarantee fees from the Issuer in accordance with the terms of the Covered Bond Guarantee. Any failure on the part of the Issuer to pay all or any part of the guarantee fees will not affect the obligations of the Guarantor under the Covered Bond Guarantee.

Subject to the grace period specified in Condition 7.02(a) of the Conditions, failure by the Guarantor to pay the Guaranteed Amounts when Due for Payment will result in a Guarantor Event of Default.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may receive Excess Proceeds. The Trust Deed provides that all Excess Proceeds received by the Bond Trustee, will, as soon as practicable after receipt thereof by the Bond Trustee, be paid 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. Such Excess Proceeds will be held in the Guarantor Accounts and will thereafter form part of the Security granted pursuant to the Security Agreement and 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 will discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (subject to restitution of the same if such Excess Proceeds will be required to be repaid by the Guarantor). However, 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 irrevocable and the receipt by the Bond Trustee of any Excess Proceeds will not reduce or discharge any of such obligations.

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

Retirement, Removal and Replacement of Bond Trustee

The Bond Trustee may retire at any time on giving not less than three months' prior written notice to the Issuer, the Guarantor and the Rating Agencies. The Bond Trustee may be removed (i) by the Covered Bondholders in accordance with the terms of an Extraordinary Resolution, or (ii) by the Guarantor in the event that there is a breach by the Bond Trustee of certain representations and warranties or a failure by the Bond Trustee to perform certain covenants made by it under the Trust Deed. No retirement or removal of the Bond Trustee shall be effective until a replacement bond trustee that meets the requirements provided for in the Trust Deed and in the CMHC Guide has been appointed. In the event that a replacement bond trustee has not been appointed within 60 days of notice of retirement from the Bond Trustee or the Extraordinary Resolution of the Covered Bondholders, as applicable, the Bond Trustee shall be entitled to appoint a replacement bond trustee that meets the requirements provided for in the Trust Deed and in the CMHC Guide, which appointment must be approved by an Extraordinary Resolution of the Covered Bondholders prior to taking effect.

So long as there are U.S. Registered Covered Bonds outstanding, the Bond Trustee (or if there is more than one bond trustee at least one bond trustee) will be a trustee qualified to act under the US Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**").

Trust Indenture Act

The Trust Deed includes certain provisions required by the Trust Indenture Act. These provisions include, but are not limited to:

- maintenance of a Covered Bondholder list by the Bond Trustee;
- provision of annual reports and other information by the Bank to the Bond Trustee;
- ability of Covered Bondholders to waive certain past defaults of the Bank;
- duty of the Bond Trustee (following an Issuer Event of Default) to use the same degree of care in exercising its responsibilities as would be exercised by a prudent person conducting their own affairs;
- duty of the Bond Trustee to notify all Covered Bondholders of any Issuer Event of Default of which it has actual knowledge; and
- the right of each Covered Bondholder to receive payments of principal and interest on a Covered Bond on or after the respective due dates expressed in the Covered Bond, or to bring suit for enforcement of any such payment on or after such respective dates.

Further, in compliance with Section 315(d) of the Trust Indenture Act, the Trust Deed provides that nothing in the Trust Deed will, in any case in which the Bond Trustee has failed to show the degree of care and diligence required of it as

Bond Trustee having regard to the provisions of the Trust Deed conferring on the Bond Trustee any powers, authorities or any discretion, exempt the Bond Trustee from or indemnify the Bond Trustee against any liability for breach of trust. The Trust Deed will be discharged with respect to the Covered Bond Guarantee and collateral securing such Covered Bond Guarantee upon the delivery to the Bond Trustee for cancellation of all the Covered Bonds or, with certain limitations, upon deposit with the Bond Trustee of funds sufficient for the payment in full of all Covered Bonds outstanding.

Trust Indenture Act Prevails

The Trust Deed contains a stipulation that, if any provision of the Trust Deed limits, qualifies or conflicts with another provision which is required to be included in the Trust Deed by, and is not subject to a contractual waiver under, the Trust Indenture Act, the required provision of the Trust Indenture Act will be deemed to be incorporated into the Trust Deed and prevail; provided that all provisions relating to the Trust Indenture Act will only apply to U.S. Registered Covered Bonds.

Intercompany Loan Agreement

The Intercompany Loan Agreement between the Bank and the Guarantor entered into initially on the Programme Date and amended and restated as of 30 June 2023**,** and as amended on 28 June 2024, as may be further amended, restated or supplemented from time to time, the ("**Intercompany Loan Agreement**"), is the governing agreement with respect to the Intercompany Loan.

Under the Intercompany Loan Agreement, the Guarantor represents and warrants to the Issuer that it is, and covenants that it will at all times remain, a person that is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada).

Under the terms of the Intercompany Loan Agreement, prior to the issuance of the first Series of Covered Bonds, the Bank loaned to the Guarantor an interest-bearing intercompany loan (the "**Intercompany Loan**"), comprised of a guarantee loan (the "**Guarantee Loan**") and a revolving demand loan (the "**Demand Loan**"), subject to increases and decreases as described below. Advances on the loan have been used to pay for a portion of the purchase price for the Loans and their Related Security in the Covered Bond Portfolio. The Intercompany Loan is denominated in Canadian dollars. The interest rate on the Intercompany Loan is a Canadian dollar floating rate determined by the Bank from time to time, subject to a maximum of the floating rate under the Interest Rate Swap Agreement less the sum of a minimum spread and an amount for certain expenses of the Guarantor.

The Guarantee Loan is in an amount equal to the balance of outstanding Covered Bonds at any relevant time plus that portion of the Covered Bond Portfolio required to collateralize the Covered Bonds to ensure that the Asset Coverage Test is met (see "*Summary of the Principal Documents—Guarantor Agreement—Asset Coverage Test*"). The Demand Loan is a revolving credit facility, the outstanding balance of which will be equal to the difference between the balance of the Intercompany Loan and the balance of the Guarantee Loan at any relevant time. The balance of the Guarantee Loan and Demand Loan will fluctuate with the issuances and redemptions of Covered Bonds and the requirements of the Asset Coverage Test. Upon the occurrence of (x) a Contingent Collateral Trigger Event, (y) an event of default (other than an insolvency event of default) or an additional termination event in respect of which the relevant Swap Provider is the defaulting party or the affected party, as applicable, or (z) a Downgrade Trigger Event, in each case, in respect of the Interest Rate Swap Agreement or the Covered Bond Swap Agreement, the relevant Swap Provider, in its capacity as (and provided it is) the lender under the Intercompany Loan Agreement, may deliver a Contingent Collateral Notice to the Guarantor under which it elects to decrease the amount of the Demand Loan with a corresponding increase in the amount of the Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount(s).

At any time prior to a Demand Loan Repayment Event, the Guarantor may re-borrow any amount repaid by the Guarantor under the Intercompany Loan for a permitted purpose provided, among other things: (i) such drawing does not result in the Intercompany Loan exceeding the Total Credit Commitment; and (ii) no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing. Unless otherwise agreed by the Bank and subject to satisfaction of the Rating Agency Condition, no Additional Loan Advances will be made to the Guarantor under the Intercompany Loan following the occurrence of a Demand Loan Repayment Event.

To the extent the Covered Bond Portfolio increases or is required to be increased to meet the Asset Coverage Test, the Bank may increase the Total Credit Commitment to enable the Guarantor to acquire New Loans and their Related Security from the Seller.

The Demand Loan or any portion thereof will be repayable no later than the first Toronto Business Day following 60 days after a demand therefor is served on the Guarantor, subject to a Demand Loan Repayment Event having occurred (see below in respect of the repayment of the Demand Loan in such circumstance) and the Asset Coverage Test being met on the date of repayment after giving effect to such repayment. At any time the Guarantor makes a repayment on the Demand Loan, in whole or in part, the Cash Manager will calculate the Asset Coverage Test, as of the date of repayment, to confirm the then outstanding balance on the Demand Loan and that the Asset Coverage Test will be met on the date of repayment after giving effect to such repayment.

If (i) the Bank is required to assign the Interest Rate Swap Agreement to a third party (due to a failure by the Issuer to meet the ratings levels specified in the Interest Rate Swap Agreement or otherwise); (ii) a Notice to Pay has been served on the Guarantor; or (iii) the Intercompany Loan Agreement is terminated or the revolving commitment thereunder is not renewed (each of (i), (ii) and (iii) above, a "**Demand Loan Repayment Event**"), the Guarantor will be required to repay any amount of the Demand Loan that exceeds the Demand Loan Contingent Amount on the first Guarantor Payment Date following 60 days after the occurrence of such Demand Loan Repayment Event. Following such Demand Loan Repayment Event, the Guarantor will be required to repay the full amount of the then outstanding Demand Loan on the date on which the Asset Percentage is calculated (whether or not such calculation is a scheduled calculation or a calculation made at the request of the Bank); provided that the Asset Coverage Test will be met on the date of repayment after giving effect to such repayment. For greater certainty, following an Issuer Event of Default, the Asset Coverage Test will be conducted and the Asset Percentage calculated, solely for the purpose of determining the amount of the Demand Loan repayable on the relevant repayment date and that the Asset Coverage Test will be met after giving effect to any such repayment. In calculating the Asset Coverage Test following an Issuer Event of Default, the amount of any Excess Proceeds received by the Guarantor from the Bond Trustee will be deducted from the Adjusted Aggregate Loan Amount. For the purposes of the foregoing, the "**Demand Loan Contingent Amount**" will be equal to the lesser of:

(a) the aggregate amount of the Intercompany Loan then outstanding, minus the aggregate amount of the Guarantee Loan then outstanding (as determined by an Asset Coverage Test run on the relevant repayment date); and

(b) 1 per cent. of the amount of the Guarantee Loan then outstanding (as determined by an Asset Coverage Test calculated on the relevant repayment date),

provided, for greater certainty, that in calculating the amount of the Guarantee Loan and the Demand Loan for purposes of determining the Demand Loan Contingent Amount, no credit shall be given to the Guarantor in the Asset Coverage Test for any Excess Proceeds received by the Guarantor from the Bond Trustee.

The Guarantor may repay the principal on the Demand Loan in accordance with the Priorities of Payments and the terms of the Intercompany Loan Agreement, (a) using (i) funds being held for the account of the Guarantor by its service providers and/or funds in the Guarantor Accounts (other than any amount in the Pre-Maturity Liquidity Ledger); and/or, (ii) proceeds from the sale of Substitute Assets; and/or (iii) proceeds from the sale, pursuant to the Guarantor Agreement, of Loans and their Related Security to the Seller or to another person subject to a right of pre-emption on the part of the Seller; and/or (b) by selling, transferring and assigning to the Seller all of the Guarantor's right, title and interest in and to Loans and their Related Security (a "**Payment in Kind**"). The Guarantor is restricted from paying the Demand Loan in the manner described in clause (a)(iii) if the proceeds of such sale are less than the True Balance of the Loans and their Related Security sold. Upon a Payment in Kind, the outstanding amount of the Demand Loan will be reduced by the fair market value of the Loans and their Related Security sold, transferred and assigned to the Seller for such purpose. In addition, if a Payment in Kind occurs on or after a Covered Bond Guarantee Activation Event and the Seller is the Limited Partner, the Limited Partner shall be deemed to have made a Capital Contribution in an amount equal to the excess, if any, of the True Balance of the Loans and their Related Security applied towards the Payment in Kind over the aggregate fair market value of such Loans and their Related Security, and such Capital Contribution shall be deemed to have been applied by the Guarantor against the Demand Loan, such that the outstanding amount of the Demand Loan will be reduced by the greater of (i) the True Balance of such Loans and their Related Security, and (ii) the fair market value of such Loans and their Related Security. See "*Cashflows*".

The Guarantor is entitled to set off amounts paid by the Guarantor under the Covered Bond Guarantee first against any amounts (other than interest and principal) owing by the Guarantor to the Bank in respect of the Intercompany Loan Agreement, then against interest due under the Intercompany Loan and then against the outstanding principal balance owing on the Intercompany Loan.

The Guarantor has used advances of proceeds from the Intercompany Loan to pay for a portion of the purchase price for the Loans and their Related Security in the Covered Bond Portfolio purchased from the Seller in accordance with the terms of the Mortgage Sale Agreement and may use additional advances (i) to purchase New Loans and their Related Security pursuant to the terms of the Mortgage Sale Agreement; and/or (ii) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (iii) subject to complying with the Asset Coverage Test, to make Capital Distributions to the Limited Partner; and/or (iv) to make deposits of the proceeds in the Guarantor Accounts (including, without limitation, to fund the Reserve Fund and the Pre-Maturity Liquidity Ledger (in each case to an amount not exceeding the prescribed limit)).

Mortgage Sale Agreement

The Seller

Loans and their Related Security were sold by the Seller to the Guarantor prior to the issuance of the first Series of Covered Bonds, and from time to time thereafter, New Loans and their Related Security may be sold by the Seller to the Guarantor on a fully-serviced basis pursuant to the terms of the Mortgage Sale Agreement entered into on the Programme Date, as amended by a first amending agreement dated 7 September 2017 and a second amending agreement dated 30 June 2023, by and among the Seller, the Guarantor and the Bond Trustee and such terms will apply, with necessary modification to a Capital Contribution in Kind by the Seller in its capacity as Limited Partner.

Sale by the Seller of Loans and their Related Security

As of the date of this Prospectus, the Covered Bond Portfolio consists solely of Loans originated by the Seller.

The Covered Bond Portfolio consists and will consist of Loans and their Related Security sold for cash by the Seller to the Guarantor and New Loans and their Related Security and/or New Portfolio Asset Types, sold for cash or contributed by way of Capital Contributions in Kind from time to time.

The Guarantor may from time to time acquire Loans and their Related Security from the Seller as described below:

(a) first, the Guarantor will use the proceeds of a drawing under the Intercompany Loan (which may be applied in whole or in part by the Guarantor) and/or Available Principal Receipts to acquire Loans and their Related Security from the Seller. As consideration for the sale of the Loans and their Related Security to the Guarantor, the Seller will receive a cash payment or deemed cash payment equal to the fair market value of those Loans sold by it as at the relevant Transfer Date; and

(b) second, the Guarantor may receive Capital Contributions in Kind in accordance with the Guarantor Agreement. As consideration for the sale by way of Capital Contributions of the Loans and their Related Security to the Guarantor, the Seller will receive an additional interest in the capital of the Guarantor equal to the fair market value of those Loans sold by it as at the relevant Transfer Date minus any cash consideration received by the Seller described in paragraph (a) above.

If Loans and their Related Security are sold by or on behalf of the Guarantor as described below under "*Guarantor Agreement—Sales of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor*" or a breach of the Pre-Maturity Test occurs, the obligations of the Seller insofar as they relate to such Loans and their Related Security will cease to apply.

The Seller will also be required to repurchase Loans and their Related Security sold to the Guarantor in the circumstances described below under "*Repurchase of Loans—Loan Representations and Warranties*".

Portfolio Assets

The Covered Bond Portfolio as of the date of this Prospectus consists solely of Loans originated by the Seller and secured by Canadian first lien residential Mortgages. Covered Bond Portfolio static data and statistics relating to the Loans comprising the Covered Bond Portfolio from time to time will be disclosed in the Investor Reports.

Eligibility Criteria

The sale of Loans and their Related Security to the Guarantor will be subject to various conditions (the "**Eligibility Criteria**"), (which are all subject to amendment and replacement from time to time provided the Rating Agency Condition is satisfied) being satisfied on the relevant Transfer Date, including:

(a) no Loan has the benefit of, or is secured by a Mortgage that also secures one or more other loans that has the benefit of, insurance from any Prohibited Insurer;

(b) no Loan has a Current Balance of more than C$3,000,000 as at the relevant Cut-off Date;

(c) no Loan relates to a Property which is not a residential Property or which is a residential Property that consists of more than four residential units;

(d) each Loan is payable in Canada only and is denominated in Canadian dollars;

(e) the first payment due in respect of each Loan has been paid by the relevant Borrower;

(f) each Loan was originated or otherwise complies with the Seller's Underwriting Policy as in effect or otherwise applicable at the time the Loan was originated. For greater certainty, a loan is deemed to otherwise comply with the Seller's Underwriting Policy to the extent that an independent third-party prudent lender conducting a credit assessment of the Loan would be able to apply all aspects of the Seller's Underwriting Policy, based on available documentation, and arrive at the same credit decision;

(g) no payment of principal or interest under any Loan is in arrears;

(h) the Related Security for each Loan constitutes a valid and enforceable first charge or mortgage in favour of the lender against the related property, subject only to customary permitted security interests;

(i) as at the Transfer Date, the Guarantor will acquire each Loan and the Related Security from the Seller free and clear of any security interests, subject only to (i) customary permitted security interests, and (ii) interests or encumbrances that are reflected in the Security Sharing Agreement and the subject of a release in favour of the Guarantor, substantially in the form attached to the Security Sharing Agreement;

(j) as at the Transfer Date, immediately prior to the transfer by the Seller to the Guarantor of any Loan and the Related Security, each such Loan and the Related Security and each other loan secured by the same Mortgage, if any, are owned by the Seller;

(k) the Mortgage Conditions for each Loan and those of any other loan secured by the same Mortgage (each a "related loan"), including another Loan, include cross-default provisions such that a default under either the Loan or any other such related loan shall constitute a default under all such Loans and other related loans, or if no such cross-default provisions exist but the Loan or related loan is repayable on demand, the owner of such Loan or related loan has covenanted in writing to demand repayment (in a manner and in circumstances customary for a prudent lender) of such Loan or related loan upon a default under such Loan or related loan, as the case may be;

(l) for each Loan (i) there is an opinion on title of legal counsel qualified to practice law in the province or territory in which the property subject thereto is located to the effect that, at the time of origination of such Loan, the Borrower had good title to, and such Mortgage constituted a valid and enforceable first charge or mortgage against, such property, subject only to adverse claims which do not in the aggregate materially impair the use, value or marketability of the property or the value of the security constituted by the Mortgage; (ii) there is a policy of title insurance to the same effect; or (iii) pursuant to the Seller's instructions to, and related undertaking of, legal counsel qualified to practice law in the province or territory in which the property subject thereto is located, such legal counsel agreed not to advance funds unless at the time of origination of such Loan, such legal counsel had ensured

that the Borrower had good title to, and such Mortgage constituted a valid and enforceable first charge or mortgage against, such property, subject only to adverse claims which do not in the aggregate materially impair the use, value or marketability of the property or the value of the security constituted by the Mortgage, and a title search was completed following the funding of such Loan which confirmed that such Mortgage constituted a first charge or mortgage against such property, all in accordance with the Seller's policy (which procedures under the Seller's policy were developed and approved by internal counsel to the Seller);

(m) as at the Transfer Date, no Loan is subject to any dispute proceeding, set-off, counterclaim or defence;

(n) neither the Mortgage Conditions for any Loan nor the provisions of any other documentation applicable to any such Loan and enforceable by the Borrower expressly afford the Borrower a right of set-off;

(o) to the extent any Loan or Additional Loan Advance under a Loan is extended, advanced or renewed on or after 1 July 2014, the Mortgage Conditions for the Loan or the provisions of any other documentation applicable to the Loan and enforceable against the Borrower, together with those of any other loan secured by the same Mortgage, contain an express waiver of set-off rights on the part of the Borrower;

(p) each Loan satisfies the requirements of Section 21.6 of the Covered Bond Legislative Framework, as in effect on such Transfer Date; and

(q) each Loan satisfies the eligibility criteria as may be prescribed by the CMHC Guide, as in effect on such Transfer Date.

As of the date of this Prospectus, the only criterion prescribed by paragraphs (p) and (q) above that is not otherwise provided for in paragraphs (a) through (o) is that a Loan may not be included in the Covered Bond Portfolio if the amount of such Loan together with the amount then outstanding under any other mortgage loan having an equal or prior claim against the Property exceeds 80% of the value of the Property at the time the Loan was originated.

In addition to the satisfaction of the Eligibility Criteria, on the relevant Transfer Date, the Loan Representations and Warranties (described below in "*Loan Representations and Warranties*") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Guarantor.

If the Seller accepts an application from or makes an offer (which is accepted) to a Borrower for a Product Switch or Additional Loan Advance, then if the Eligibility Criteria referred to in paragraphs (b) and (c) above relating to the Loan subject to that Product Switch or Additional Loan Advance are not satisfied on the next following Calculation Date, the Guarantor will be entitled to rectify such breach of the Eligibility Criteria by requiring the Seller to repurchase such Loan.

Notice to Borrower of the sale, assignment and transfer of the Loans and their Related Security and registration of transfer of title to the Mortgages

Loans sold, transferred and assigned by the Seller to the Guarantor pursuant to the terms of the Mortgage Sale Agreement, will have legal title to the related Mortgages remain registered in the name of the Seller and notice of the sale, transfer and assignment will not be given to the Borrowers or, in respect of the Related Security, any relevant guarantor of any Borrower. Such notice and, where appropriate, the registration or recording in the appropriate land registry or land titles offices of the transfer by the Seller to the Guarantor of legal title to the Mortgages will be deferred and will only take place in the circumstances described below.

The Seller will agree to (a) hold registered title to the Loans and their Related Security as agent, bare nominee and bailee for the Guarantor (or its Managing GP) (and also, in the case of any Multiproduct Loan, for a Multiproduct Purchaser having an interest therein as described below under "-*Multiproduct Loans*") and (b) deliver such agreements and take all actions with respect to the Loans and Related Security as the Guarantor (or its Managing GP) may direct in accordance with the Mortgage Sale Agreement (or an applicable nominee agreement).

Upon the earlier to occur of (a) a Registered Title Event, and (b) the date on which the Bank incurs a downgrade in the ratings of its unsecured, unsubordinated and unguaranteed debt obligations below Baa1 by Moody's, BBB (low) by DBRS, or BBB- by Fitch, the Bank will be required to deliver to the Custodian (i) for safekeeping, updated details (as prescribed by the CMHC Guide) in respect of all Loans and Related Security and Substitute Assets held by the Guarantor, and (ii) to the extent not previously delivered to the Custodian, each of the powers of attorney required by the Mortgage Sale Agreement, together with documentary evidence of chain of title to the Loans and Related Security and Substitute Assets held by the Guarantor and duly executed copies of any other registrable forms of assignment that may be required by the Guarantor in order to perfect the sale, assignment and transfer of the Loans and Related Security from the Seller to the Guarantor, including any additional documents that may be required for such purposes pursuant to the CMHC Guide or otherwise.

Subject to the following paragraph, notice of the sale, assignment and transfer of the Loans and their Related Security and a direction to make all future repayments of the Loans to the Standby Account Bank for the account of the Guarantor will be sent by the Seller, or, as necessary, by the Guarantor (or the Servicer on behalf of the Guarantor) on behalf of the Seller (under applicable powers of attorney granted to the Guarantor and the Bond Trustee) and where required, registration of the transfer of legal title to the Mortgages will be made in the appropriate land registry or land titles offices, as soon as practicable and in any event on or before the 60th day following the earliest to occur of:

(a) a Servicer Event of Default that has not been remedied within 30 days or such shorter period permitted by the Servicing Agreement;

(b) an Issuer Event of Default (other than an Insolvency Event with respect to the Issuer) that has not been remedied within 30 days or such shorter period permitted by Condition 7.01;

(c) an Insolvency Event (without regard to the parenthetical language in clause (a) of such definition) with respect to the Seller;

(d) the acceptance by an applicable Purchaser of any offer by the Guarantor to sell Loans and their Related Security (only in respect of the Loans being sold and their Related Security) to any such Purchaser who is not the Seller, unless otherwise agreed by such Purchaser and the Guarantor, with the consent of the Bond Trustee, which consent will not be unreasonably withheld;

(e) the Seller and/or the Guarantor being required: (i) by law; (ii) by an order of a court of competent jurisdiction; or (iii) by a regulatory authority which has jurisdiction over the Seller or the Guarantor; to effect such notice and registration; and

(f) the date on which the Bank incurs a downgrade in the ratings of its unsecured, unsubordinated and unguaranteed debt obligations below the Registration of Title Threshold Ratings.

Notwithstanding the occurrence of any event or circumstance described in clauses (a) through (f) immediately above (each such event or circumstance, a "**Registered Title Event**"), none of the steps described in the preceding paragraph are required to be taken if (x) satisfactory assurances are provided by OSFI or such other supervisory authority having jurisdiction over the Seller and (y) the Rating Agency Condition has been satisfied permitting registered title to the Mortgages to remain with the Seller until such time as (i) the Loans and their Related Security are to be sold or otherwise disposed of by the Guarantor or the Bond Trustee in the performance of their respective obligations under the Transaction Documents, or (ii) the Guarantor or the Bond Trustee is required to take actions to enforce or otherwise deal with the Loans and their Related Security.

Except where lodged with the relevant registry in relation to any registration or recording which may be pending, the Loan, the Related Security and the Loan Files relating to the Loans in the Covered Bond Portfolio will be held by, or to the order of, the Seller, or the Servicer, as the case may be, or by solicitors, service providers or licensed conveyancers acting for the Seller in connection with the creation of the Loans and their Related Security. The Seller or the Servicer, as the case may be, will undertake that all the Loan Files relating to the Loans in the Covered Bond Portfolio which are at any time in their possession or under their control or held to their order will be held to the order of the Bond Trustee or as the Bond Trustee may direct. The right, interest and title of the Guarantor to the Loans and their Related Security will be secured by irrevocable powers of attorney granted by the Seller, as of the Transfer Date such Loans are transferred, in favour of the Guarantor (or the Managing GP) and the Bond Trustee in respect of registered title to the Loans and their Related Security.

Seller and Guarantor Representations and Warranties

Under the Mortgage Sale Agreement, the Seller makes the following representations and warranties (in addition to the Loan Representations and Warranties described below) in favour of the Guarantor on the Programme Date and on each Transfer Date: (i) it is a bank listed in Schedule I to the Bank Act and duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, (ii) it is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada), (iii) the execution, delivery and performance by it of the Mortgage Sale Agreement and related documents to which it is a party (x) are within its corporate powers, (y) have been duly authorized by all necessary corporate action, and (z) do not contravene or result in a material default under or material conflict with (A) its charter or by-laws, (B) any law, rule or regulation applicable to it, or (C) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting it or its property, (iv) no authorization, approval, licenses, consent or other action by, and no notice to or filing with, any governmental authority or other person is required for the due execution, delivery and performance by it of the Mortgage Sale Agreement and each related document to which it is a party or to make such document legal, valid, binding and admissible into evidence in a court of competent jurisdiction, other than those that have been obtained or made, (v) each of the Mortgage Sale Agreement and the related documents to which it is a party has been duly executed and delivered and constitutes the legal, valid and binding obligation of, and is enforceable in accordance with its terms against, the Seller, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity, and (vi) there are no actions, suits or proceedings pending or, to its knowledge, threatened against or affecting it at law, in equity or before any arbitrator or governmental authority having jurisdiction which, if adversely determined, would have a material adverse effect on its ability to perform its obligations under the Transaction Documents.

Under the Mortgage Sale Agreement, the Guarantor makes the following representations and warranties in favour of the Seller on the Programme Date and on each Transfer Date: (i) it is a limited partnership formed under the laws of the Province of Ontario and is duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, (ii) the execution, delivery and performance by it of the Mortgage Sale Agreement and related documents to which it is a party (x) are within its corporate or other powers, (y) have been duly authorized by all necessary corporate or other action, and (z) do not contravene or result in a default under or conflict with (A) the Guarantor Agreement, (B) any law, rule or regulation applicable to it, or (C) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting it or its property, (iii) there are no actions, suits or proceedings pending or, to its knowledge, threatened against or affecting it at law, in equity or before any arbitrator or governmental authority having jurisdiction which, if adversely determined, would reasonably be expected to materially adversely affect its financial condition or operations or its property or its ability to perform its obligations under the Mortgage Sale Agreement, or which purports to affect the legality, validity or enforceability of the Mortgage Sale Agreement, (iv) no authorization or approval or other action by, and no notice to or filing with, any governmental authority or other person is required for the due execution, delivery and performance by it of the Mortgage Sale Agreement and each related document to which it is a party, other than those that have been obtained or made, and (v) each of the Mortgage Sale Agreement and the related documents to which it is a party has been duly executed and delivered and constitutes the legal, valid and binding obligation of, and is enforceable in accordance with its terms against, the Guarantor, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.

Loan Representations and Warranties

Neither the Guarantor nor the Bond Trustee has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Loans and their Related Security sold or to be sold to the Guarantor. Instead, each is relying entirely on the Loan Representations and Warranties by the Seller contained in the Mortgage Sale Agreement. The parties to the Mortgage Sale Agreement may, with the prior written consent of the Bond Trustee (which shall be given if the Rating Agency Condition has been satisfied) amend the Loan Representations and Warranties in the Mortgage Sale Agreement.

The material Loan Representations and Warranties are as follows and are given on the relevant Transfer Date in respect of the Loans and their Related Security to be sold to the Guarantor only on that date and on the Calculation Date following the making of any Further Advance or Product Switch in respect of the Loan to which the Further Advance or Product Switch relates:

- the Seller is the legal and beneficial owner of the Loans to be sold to the Guarantor, free and clear of any encumbrances, other than certain permitted encumbrances and upon each purchase, the Guarantor shall acquire a valid and enforceable first priority perfected beneficial ownership interest in the applicable Loans free and clear of any encumbrances, other than certain permitted encumbrances;

- each Loan was originated by the Seller in the ordinary course of business (and kept on its books for a minimum of one month) prior to the Cut-off Date;

- each Loan has a remaining amortization period of less than 50 years as at the relevant Cut-off Date;

- prior to the making of each advance under a Loan, the Lending Criteria and all preconditions to the making of any Loan were satisfied in all material respects subject only to such exceptions as would be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market;

- all of the Borrowers are individuals or have guarantees from individuals for the Loans (which guarantees and any security related to such guarantees are assignable and will be sold, transferred and assigned to the Guarantor as Related Security for the Loans in accordance with the terms of the Mortgage Sale Agreement);

- the whole of the Current Balance on each Loan is secured by a Mortgage over residential property in Canada consisting of not more than four units;

- each Mortgage constitutes a valid first mortgage lien over the related Property, or is insured as a first priority lien, in each case subject to certain permitted encumbrances;

- the True Balance on each Loan (other than any agreement for Additional Loan Advances (if any)) constitutes a legal, valid, binding and enforceable debt due to the Seller from the relevant Borrower and the terms of each Loan and its related Mortgage constitute valid and binding obligations of the Borrower enforceable in accordance with their terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity;

- other than (i) registrations in the appropriate land registry or land titles offices in respect of the sale, transfer and assignment of the relevant Loans from the Seller to the Guarantor effected by the Mortgage Sale Agreement (and any applicable registration in respect of registered title to the relevant Loans), (ii) the provision to Borrowers under the related Loans or the obligors under their Related Security of actual notice of the sale, transfer and assignment thereof to the Guarantor, and (iii) certain registrations provided in the Civil Code of Quebec for Properties located in the Province of Quebec and the registration provided in Article 1642 of the Civil Code of Quebec, all material filings, recordings, notifications, registrations or other actions under all applicable laws have been made or taken in each jurisdiction where necessary or appropriate (and where permitted by applicable law) to give legal effect to the sale, transfer and assignment of the Loans and their Related Security and the right to transfer servicing of such Loans as contemplated by the Mortgage Sale Agreement, and to validate, preserve, perfect and protect the Guarantor's ownership interest in and rights to collect any and all of the related Loans being purchased on the relevant Transfer Date, including the right to arrange for the servicing and enforcement of such Loans and their Related Security, in each case, in accordance with the terms of the Transaction Documents;

- there is no requirement in order for a sale, transfer and assignment of the Loans and their Related Security to be effective to obtain the consent of the Borrower to such sale, transfer or assignment and such sale, transfer and assignment shall not give rise to any claim by the Borrower against the Guarantor, the Bond Trustee or any of their successors in title or assigns;

- each Property is located in Canada;

- not more than 12 months (or a longer period as may be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market) prior to the granting of each Loan, the Seller obtained information on the relevant Property from a third party computer generated risk assessment model, acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market, or received a valuation report on the relevant

Property, which would be, and the contents or confirmation, as applicable, of which, were such as would be, acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market or obtained such other form of valuation of the relevant Property which has satisfied the Rating Agency Condition;

- prior to the taking of Related Security (other than a re-mortgage) in respect of each Loan, the Seller instructed lawyers to conduct a search of title to the relevant Property and to undertake such other searches, investigations, enquiries and actions on behalf of the Seller as would be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market or the Seller engaged a service provider to provide lender's title insurance in respect of the Loan from an insurer acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market;

- each Loan contains a requirement that the relevant Property be covered by building insurance maintained by the Borrower or in the case of a leasehold property under a policy arranged by a relevant landlord or property management company;

- the Seller has, since the making of each Loan, kept or procured the keeping of full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to such Loans;

- there are no governmental authorizations, approvals, licences or consents required as appropriate for the Seller to enter into or to perform its obligations under the Mortgage Sale Agreement or to make the Mortgage Sale Agreement legal, valid, binding, enforceable and admissible in evidence in a court of competent jurisdiction, other than authorizations, approvals, licenses, consents, actions, notices or polling that have been obtained, made or taken;

- if the Loan is a Multiproduct Loan and if there has been a disposition of a related Multiproduct Loan to a Multiproduct Purchaser, the related Multiproduct Purchaser has agreed to become bound by the Security Sharing Agreement and has provided a release in favour of the Guarantor, substantially in the form attached to the Security Sharing Agreement; and

- each Loan being sold on a Transfer Date satisfies the Eligibility Criteria as at such Transfer Date.

On each Transfer Date, the Guarantor shall be entitled to collections in respect of the Loans purchased on such Transfer Date during the period from the Cut-off Date to the Transfer Date.

If New Portfolio Asset Types are to be sold to the Guarantor, then the Loan Representations and Warranties in the Mortgage Sale Agreement will be modified as required to accommodate these New Portfolio Asset Types. The prior consent of the holders of the Covered Bonds to the requisite amendments will not be required.

Multiproduct Loans

The Issuer expects that the Covered Bond Portfolio may from time to time include Multiproduct Loans. A Borrower may obtain one or more Multiproduct Loans, including by converting a portion of any outstanding Line of Credit Loan into a Term Loan, with the remaining credit balance being a Line of Credit Loan, all of which are secured by the same Multiproduct Mortgage on the related Property.

Each Multiproduct Loan will be a Loan provided that the Loan Representations and Warranties and the other applicable requirements under the Transaction Documents are satisfied and provided further that Line of Credit Loans may not be sold to the Guarantor until such time as CMHC has provided the Seller, the Guarantor, the Bond Trustee and the Custodian with written approval of same and any related amendments to the Transaction Documents have been entered into by the parties and approved in writing by CMHC.

Prior to a default or breach by a Borrower that is not remedied or waived under any Multiproduct Account, the Transaction Documents will require the Seller and the Servicer to apply payments to a Multiproduct Account in accordance with the related Multiproduct Mortgage. Following a default or breach by a Borrower that is not remedied or waived under any Multiproduct Account, the Security Sharing Agreement provides for the priority of payment of all monies received from such Borrower and all amounts realized from the enforcement of security held for such

Borrower's Multiproduct Account (as described under "*Security Sharing Agreement—Priority of Payments in respect of Enforcement Proceeds*", below).

The Seller may from time to time sell interests in Multiproduct Loans to third party purchasers, together with the benefit of a corresponding interest in the related Multiproduct Mortgage. The Seller will act as the servicer of each related Multiproduct Loan (as described under "*Security Sharing Agreement—Single Servicer for Purchased Loans and Related Loans secured by the same Mortgage*", below).

Concurrently with the sale to the Guarantor of the First Multiproduct Loan relating to a particular Borrower, the Seller will transfer and convey all of its right, title and interest in the Related Security (including its interest in the related Multiproduct Mortgage) to the Guarantor. The Guarantor will hold the Related Security in respect of each Multiproduct Loan sold to the Guarantor as follows: (i) an interest in such Related Security for its own sole and absolute account and benefit, to the extent of all outstanding indebtedness owing under all Multiproduct Loans owned by it in respect of the same Borrower from time to time, which interest will have full priority over all other rights, claims and interests; and (ii) subject to the Guarantor's priority described in item (i) above, an interest in such Related Security, as agent, nominee and bare trustee for the Seller and any Multiproduct Purchaser from time to time, as their interests may appear, to the extent of all outstanding indebtedness owing under any Multiproduct Loans owned by the Seller or Multiproduct Purchaser from time to time.

In respect of a Multiproduct Account, the Transaction Documents provide that the Servicer will (i) have the sole right to take all enforcement actions and make all servicing decisions with respect to the Related Security (including under the related Multiproduct Mortgage) and (ii) allocate any monies received by it and otherwise realized from the enforcement of the security for the related Multiproduct Account with the same Borrower in accordance with the priority arrangement described above, including the allocation of such monies to all indebtedness owing under each related Multiproduct Loan owned by the Guarantor in priority to all related Multiproduct Loans owned by the Seller (as described under "*Security Sharing Agreement—Priority of Payments in respect of Enforcement Proceeds*", below).

Repurchase of Loans—Loan Representations and Warranties

If the Seller receives a Loan Repurchase Notice from the Guarantor (or the Cash Manager on its behalf) identifying a Loan or its Related Security in the Covered Bond Portfolio which, as at the relevant Transfer Date or relevant Calculation Date (in the case of a Product Switch or an Additional Loan Advance): (i) does not comply with the Loan Representations and Warranties set out in the Mortgage Sale Agreement and such breach materially and adversely affects the interest of the Guarantor in such Loan or its Related Security or the value of such Loan or its Related Security (provided that if such Loan and its Related Security does not comply with the Eligibility Criteria as at the relevant Transfer Date, the interest of the Guarantor in such Loan and its Related Security or the value of such Loan and its Related Security shall be deemed to have been materially and adversely affected); (ii) is subject to an adverse claim other than certain permitted security interests or security interests arising through the Guarantor, and such breach or adverse claim materially and adversely affects the interest of the Guarantor in such Loan or the value of such Loan; or (iii) any power of attorney granted by the Seller in respect of any Purchased Loan is determined to be invalid, then the Seller will, subject to the applicable breach, adverse claim or invalid power of attorney being cured during a 20 Toronto Business Day period commencing on the date on which such non-compliance is discovered, be required to repurchase on the first Calculation Date occurring after such 20 Toronto Business Day period: (i) any such Loan and its Related Security; and (ii) any other Loan secured or intended to be secured by that Related Security or any part of it, which would include one or more Multiproduct Loans made to the same Borrower which are owned by the Guarantor. The Guarantor's and the Bond Trustee's sole remedy in respect of any matter referred to in the previous sentence, including, for greater certainty, any Loan not being an Eligible Loan on the related Transfer Date, shall be to require the Seller to repurchase such Loan and its Related Security as set out in this paragraph. The repurchase price payable upon the repurchase of any Loan is an amount (not less than zero) equal to the purchase price paid by the Guarantor for such Loan and its Related Security plus expenses as at the relevant repurchase date, less any amounts received from the Borrower since the Transfer Date in respect of principal on such Loan. The repurchase proceeds received by the Guarantor will be applied (other than Accrued Interest and Arrears of Interest) in accordance with the Pre-Acceleration Principal Priority of Payments (see "*Cashflows*" below).

Non-Performing Loans

The Cash Manager will identify any Non-Performing Loans in the Covered Bond Portfolio and upon identification serve a Non-Performing Loans Notice on the Bank and the Servicer. Non-Performing Loans will not be given credit in the Asset Coverage Test or the Amortization Test.

Other rights and obligations to repurchase

Prior to the occurrence of an Issuer Event of Default, the Seller may from time to time offer to repurchase a Loan (or Loans) and their Related Security from the Guarantor for a purchase price of not less than the fair market value of the relevant Loan. Any such offer to purchase a Multiproduct Loan would include any other Multiproduct Loans made to the same Borrower which are owned by the Guarantor. The Guarantor may accept such offer at its discretion, provided that any such sale, will be subject to the Asset Coverage Test being met on the date of such sale, after giving effect to the sale.

Right of pre-emption

Under the terms of the Mortgage Sale Agreement, the Seller has a right of pre-emption in respect of any sale by the Guarantor, in whole or in part, of Loans and their Related Security.

In connection with any sale of Loans and their Related Security by the Guarantor, except where such Loans and their Related Security are being sold to the Seller pursuant to an offer from the Seller, the Guarantor will serve on the Seller a Loan Offer Notice offering to sell Loans and their Related Security for an offer price equal to the greater of (a) the fair market value of such Loans and (b) (i) if the sale is following a breach of the Pre-Maturity Test or the service of a Notice to Pay, the Adjusted Required Redemption Amount of the relevant Series of Covered Bonds, otherwise (ii) the True Balance of such Loans subject to the offer being accepted by the Seller within 10 Toronto Business Days.

At any time there is no Asset Coverage Test Breach Notice outstanding and no Covered Bond Guarantee Activation Event has occurred, it will be a condition to the Guarantor's right to sell Loans and their Related Security that the Asset Coverage Test and/or Amortization Test, as applicable, will be met on the date of such sale, after giving effect to the sale.

If an Issuer Event of Default has occurred but no liquidator or administrator has been appointed to the Seller, the Seller's right to accept the offer (and therefore its right of pre-emption) will be conditional upon the delivery by the Seller of a solvency certificate to the Guarantor and the Bond Trustee. If the Seller rejects the Guarantor's offer or fails to accept it in accordance with the foregoing, the Guarantor may offer to sell such Loans and their Related Security to other Purchasers (as described under "*Guarantor Agreement—Sales of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor*", below).

If the Seller validly accepts the Guarantor's offer to sell such Loans and their Related Security, the Guarantor will, within three Toronto Business Days of such acceptance, serve a Loan Repurchase Notice on the Seller. The Seller will sign and return a duplicate copy of such Loan Repurchase Notice and will repurchase from the Guarantor free from the Security created by the Security Agreement the relevant Loans and their Related Security (and any other Loan secured or intended to be secured by that Related Security or any part of it) referred to in the relevant Loan Repurchase Notice. Completion of the purchase of such Loans and their Related Security by the Seller will take place, upon satisfaction of any applicable conditions to the purchase and sale, on the first Guarantor Payment Date following receipt of the relevant Loan Repurchase Notice(s) or such other date as the Guarantor may direct in the Loan Repurchase Notice (provided that such date is not later than the earlier to occur of the date which is: (a) 10 Toronto Business Days after returning the Loan Repurchase Notice to the Guarantor; and (b) the Final Maturity Date of the Earliest Maturing Covered Bonds).

For the purposes hereof:

> "**Adjusted Required Redemption Amount**" means the Canadian Dollar Equivalent of the Required Redemption Amount, plus or minus the Canadian Dollar Equivalent of any swap termination amounts payable under the Covered Bond Swap Agreement to or by the Guarantor in respect of the relevant Series of Covered Bonds less (where applicable) amounts held by the Cash Manager for and on behalf of the Guarantor and amounts standing to the credit of the Guarantor Accounts and the Canadian Dollar Equivalent of the principal balance of any Substitute Assets (excluding all amounts to be applied on the next following Guarantor

Payment Date to repay higher ranking amounts in the Guarantee Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds) plus or minus any swap termination amounts payable to or by the Guarantor under the Interest Rate Swap Agreement in respect of the relevant Series of Covered Bonds determined on a *pro rata* basis amongst all Series of Covered Bonds according to the respective Principal Amount Outstanding thereof, minus amounts standing to the credit of the Pre-Maturity Liquidity Ledger that are not otherwise required to provide liquidity for any Series of Hard Bullet Covered Bonds which mature within 12 months of the date of such calculation.

"**Required Redemption Amount**" means, in respect of a Series of Covered Bonds, the amount calculated as follows:

the Principal Amount Outstanding of the relevant Series of Covered Bonds	x	[1+ Negative Carry Factor x (days to maturity of the relevant Series of Covered Bonds/365)]

Further drawings under Loans

The Seller is solely responsible for funding all Additional Loan Advances, if any, in respect of Loans sold by the Seller to the Guarantor. The sale to the Guarantor of each Additional Loan Advance shall occur automatically upon the advance of further money to the relevant Borrower. The amount of the Intercompany Loan will increase by the amount of the funded Additional Loan Advances, provided that, if for any reason, the Intercompany Loan is not increased at any relevant time such amount shall be deemed to constitute a Capital Contribution by the Seller and the Seller's interest, as a limited partner in the Guarantor, shall be increased by such amount.

Authorized Underpayments

In the event that the Servicer permits a Borrower to make an Authorized Underpayment, the Seller of such Loan will be required to pay to the Guarantor on or prior to the next Monthly Payment Date on which a Monthly Payment is due on such Loan an amount equal to the unpaid interest associated with that Authorized Underpayment. The amount of any such payment representing capitalized interest in respect of that Authorized Underpayment shall constitute a Cash Capital Contribution by the Seller to the Guarantor.

New Sellers

In the future, any New Seller that wishes to sell Loans and their Related Security to the Guarantor will accede to, *inter alia*, the Mortgage Sale Agreement. The sale of New Loans and their Related Security by New Sellers to the Guarantor will be subject to certain conditions, including the following:

- each New Seller accedes to the terms of the Guarantor Agreement as a Limited Partner (with such subsequent amendments as may be agreed by the parties thereto) so that it has, in relation to those New Loans and their Related Security to be sold by the relevant New Seller, substantially the same rights and obligations as the Seller had in relation to those Loans and their Related Security previously sold into the Covered Bond Portfolio under the Guarantor Agreement;

- each New Seller accedes to the terms of the Mortgage Sale Agreement (with such subsequent amendments as may be agreed by the parties thereto) or enters into a new mortgage sale agreement with the Guarantor and the Bond Trustee, in each case so that it has, in relation to those New Loans and their Related Security to be sold by the relevant New Seller, substantially the same rights and obligations as the Seller had in relation to those Loans and their Related Security previously sold into the Covered Bond Portfolio under the Mortgage Sale Agreement;

- each New Seller accedes to the Dealership Agreement(s) and enters into such other documents as may be required by the Bond Trustee and/or the Guarantor (acting reasonably) to give effect to the addition of a New Seller to the transactions contemplated under the Programme;

- any New Loans and their Related Security sold by a New Seller to the Guarantor comply with the Eligibility Criteria set out in the Mortgage Sale Agreement;

- either (i) the Servicer services the New Loans and their Related Security sold by a New Seller on the terms set out in the Servicing Agreement (with such subsequent amendments as may be agreed by the parties thereto) or (ii) the New Seller enters into a servicing agreement with the Guarantor and the Bond Trustee which sets out the servicing obligations of the New Seller in relation to the New Loans and their Related Security and which is on terms substantially similar to the terms set out in the Servicing Agreement (in the event the New Loans and their Related Security are not purchased on a fully serviced basis, the servicing agreement shall set out fees payable to the Servicer or the New Seller acting as servicer of such New Loans and their Related Security which may be determined on the date of the accession of the New Seller to the Programme);

- the Bond Trustee is satisfied that any accession of a New Seller to the Programme will not prejudice the Asset Coverage Test; and

- the Bond Trustee is satisfied that the accession of a New Seller to the Programme is not materially prejudicial to holders of the Covered Bonds and has satisfied the Rating Agency Condition.

If the above conditions are met, the consent of holders of the Covered Bonds will not be required or obtained in connection with the accession of a New Seller to the Programme.

Security Sharing Agreement

The Seller, the Guarantor, the Bond Trustee and the Custodian entered into a Security Sharing Agreement in connection with Loans and their Related Security that may be sold by the Seller to the Guarantor where the Mortgage also secures or may from time to time secure loans, indebtedness or liabilities ("**Retained Loans**" and together with the Loans secured by the same Mortgage, "**Related Loans**") that do not form part of the Covered Bond Portfolio.

The Security Sharing Agreement:

- confirms that the Seller retains an interest in the Mortgage securing the Related Loans;

- provides for the priority of payments in respect of Collections received in respect of any Related Loans following a default under or breach of such Related Loans that is not remedied or waived in accordance with the terms of the agreements with the Borrower in respect of such Related Loans ("**Post-Default Collections**") including from the enforcement of the Mortgage securing Related Loans ("**Enforcement Proceeds**");

- requires Post-Default Collections to be promptly transferred, to the person entitled to such amounts;

- provides for each Loan sold to the Guarantor and Related Loans to be serviced by the same servicer or sub-servicer;

- provides the Seller with certain rights to purchase Related Loans from the Guarantor; and

- provides for the delivery by the Seller of a release in respect of its interest in the Mortgage securing the Related Loans to the Custodian and the circumstances under which such release can be used or relied upon.

The Security Sharing Agreement will cease to apply in respect of any Related Loans upon all such Related Loans being held by a single person and provides that upon payment in full of the Loans forming part of the Related Loans, the Mortgage will be transferred to the beneficial owner (or owner) of the Retained Loans.

Priority of Payments in respect of Enforcement Proceeds

The parties to the Security Sharing Agreement have agreed that notwithstanding the terms of the Related Loans, which provide for the application of Enforcement Proceeds amongst such Related Loans, Post-Default Collections, including Enforcement Proceeds, will be applied as follows:

- first, in or towards payment of all taxes, reasonable costs and expenses incurred or to be incurred in relation to the enforcement of the Mortgage;

- second, in or towards payment of all amounts owing by the Borrower in respect of the Loans owned by the Guarantor and secured by such Mortgage until such amounts have been paid in full;

- third, in or towards payment of all amounts owing by the Borrower in respect of the Retained Loans secured by such Mortgage until such amounts have been paid in full; and

- lastly, in paying the surplus (if any) to the persons entitled thereto.

In connection with the above, to the extent a beneficial owner (or owner) of Related Loans receives Post-Default Collections while amounts are payable in priority to the amounts to which such person is entitled under the above priority of payments, such amounts are to be promptly transferred, to the person entitled to such amounts. Such payments will not be subject to the Priorities of Payments or any set-off or counterclaim.

Single Servicer for Purchased Loans and Related Loans secured by the same Mortgage

For so long as the Seller is the Servicer, it will service the Related Loans, or will sub-contract its servicing obligations by subservicers appointed in accordance with the terms of the Servicing Agreement, provided that, in all cases, each Loan owned by the Guarantor and each Related Loan secured by the same Mortgage, will be serviced by the same servicer or sub-servicer. In the event that the Servicer ceases to be the Seller, the Guarantor is required to enter into a servicing agreement with a replacement servicer (a "**Replacement Servicer**") to arrange for the servicing of the Related Loans in a manner that ensures continuity of servicing and the Seller has granted a power of attorney in favour of the Guarantor for this purpose. The Replacement Servicer must satisfy certain requirements with respect to its capacity to carry out the servicing obligations and will be required to make representations consistent with the requirements represented and warranted to by the current Servicer (see "*Servicing Agreement – Representations and Warranties of Servicer*"). A servicing agreement will be required to be entered into for the servicing with the Replacement Servicer and must, among other things:

- be commercially reasonable having regard to the interest of each of the Guarantor and the Seller in the Related Loans and Mortgages being serviced, including with respect to the allocation of costs;

- provide for the servicing of the Retained Loans in accordance with the Seller's policy and otherwise in accordance with the standards of a reasonable and prudent institutional mortgage lender and in compliance with applicable laws;

- restrict the ability of the Replacement Servicer to authorize, approve, accept or make product switches or additional advances in respect of Retained Loans without the consent of the Seller;

- require the Replacement Servicer to hold funds received in respect of the Retained Loans in trust for the Seller in a separate account and transfer such funds to the Seller on a daily basis; and

- require the prior written consent of the Guarantor and the Seller to any amendment or waiver.

A Replacement Servicer will be entitled to take such enforcement procedures in respect of the Mortgages it is servicing as it would be reasonable to expect a reasonable and prudent institutional mortgage lender to take in administering its own loans and their security and each of the holders of the Related Loans will refrain from taking any enforcement procedures except at the direction of the Servicer.

A third party purchaser or the Guarantor can terminate the Servicing Agreement in respect of Related Loans and their Related Security sold to the third party purchaser provided that the purchaser services or appoints a servicer for the Related Loans that include the purchased Loans owned by the Guarantor and enters into a servicing agreement that meets the requirements applicable to a Replacement Servicer.

Purchase and Sale

Under the Security Sharing Agreement, in addition to the pre-emptive rights the Guarantor has under the Mortgage Sale Agreement (see "*Mortgage Sale Agreement*" above), if the Guarantor intends to sell any Related Loan, the Seller may, upon notice to the Guarantor, purchase such Related Loan and its Related Security. In addition, in the event the Seller desires to acquire any Loans and their Related Security forming part of the Related Loans, for any reason,

including to institute enforcement procedures or upon becoming aware that enforcement procedures have been or are to be instituted in respect of any Mortgage securing Related Loans, the Seller may, upon notice to the Guarantor and the Custodian, purchase such Related Loans and their Related Security from the Guarantor provided that the Asset Coverage Test, and/or at such time as the Amortization Test is being conducted, the Amortization Test, as applicable, is met following such sale and such sale would not (or would not reasonably be expected to) adversely affect the interests of Covered Bondholders. In each case, the purchase price for such Related Loans and their Related Security will be a price determined in accordance with the Guarantor Agreement (see "*Guarantor Agreement – Method of Sale of Loans and their Related Security*") and will be payable in a form of consideration permitted under the CMHC Guide, which includes the substitution of assets. The Seller's right to purchase Related Loans will cease upon a sale of such Related Loans and their Related Security by the Guarantor to a third party.

Release of Security

In connection with entering into the Security Sharing Agreement, the Seller delivered a release of security to the Custodian in respect of its interest in the Mortgage securing the Related Loans and agreed to deliver a release of security upon each sale or contribution of Related Loans to the Guarantor. The Custodian will hold any such releases of security, including any delivered by a purchaser of Retained Loans, and will only deliver a release of security in order for it to be used or relied upon in respect of any affected Related Loans if the following conditions are met:

- the servicer of the affected Related Loans has provided notice to the parties to the Security Sharing Agreement under the Servicing Agreement or any corresponding agreement with a Replacement Servicer or the Custodian has otherwise received evidence satisfactory to it (acting reasonably) that any of the following has occurred:

  (a) the Servicer or any beneficial owner (or owner) of any Retained Loan breached or caused a breach of or provided written advice to the servicer to breach (i) the priority of payments for the application of Post-Default Collections; (ii) its obligation to hold the Post-Default Collections in trust and transfer them to the person entitled to such amounts; or (iii) the requirement that each Loan owned by the Guarantor and any Related Loan secured by the same Mortgage be serviced by the same servicer or sub-servicer, where any such breach or advice, as applicable, is not remedied or withdrawn, as the case may be, within 60 days (or after an Issuer Event of Default, 10 Business Days) of receiving notice thereof;

  (b) any Retained Loan has been sold, transferred or assigned to a third party that has not agreed to be bound by the obligations of the Seller under the Security Sharing Agreement with respect to such Retained Loans and delivered a release of security to the Custodian in respect of the Mortgage for such Retained Loans (unless such sale, transfer or assignment results in a single person beneficially owning (or owning) all of the Related Loans); or

  (c) the Seller or a third party purchaser of any Retained Loan commences a challenge to the validity, legality or enforceability of (i) the priority of payments for the application of Post-Default Collections; (ii) the obligation to hold Post-Default Collections in trust and transfer them to the person entitled to such amounts; or (iii) the requirement to maintain a single servicer for Related Loans; and

- the beneficial owner (or owner) of the Related Loans that formed part of the Covered Bond Portfolio delivers a request to the Custodian to deliver to it the release of security in respect of the affected Related Loans; and

- following receipt of the request to deliver the release of security in respect of the affected Related Loans, the Custodian receives an opinion of independent legal counsel (as such term is used in the CMHC Guide), acceptable to the Custodian, confirming notice from the servicer was properly delivered or that the Custodian otherwise received evidence satisfactory to it (acting reasonably) that one of the circumstances in (a) to (c) above occurred (which opinion may make assumptions and rely on statements of fact from the servicer and appropriate officers or directors of a person reasonably expected to have knowledge of such matters) and the notice from the servicer (or other evidence) and request to deliver the release of security was properly given to the Custodian.

Upon the above conditions being satisfied, the Custodian will deliver the release of security in respect of the affected Related Loans to the Guarantor or third party purchaser, as the case may be, of the Related Loans that formed part of the Covered Bond Portfolio.

Servicing Agreement

Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to service on behalf of the Guarantor the Loans and their Related Security sold by the Seller to the Guarantor in the Covered Bond Portfolio.

The Servicer will administer the Loans and their Related Security comprised in the Covered Bond Portfolio in accordance with applicable law, the Servicing Agreement and the other Transaction Documents and with reasonable care and diligence, using that degree of skill and attention that it exercises in managing, servicing, administering, collecting on and performing similar functions relating to comparable loans that it services for itself.

The Servicer will be required to administer the Loans in accordance with the Servicing Agreement:

(a) as if the Loans and their Related Security sold by the Seller to the Guarantor had not been sold to the Guarantor but remained with the Seller; and

(b) in accordance with the Seller's administration, arrears and enforcement policies and procedures forming part of the Servicer's policy from time to time as they apply to those Loans.

The Servicer's actions in servicing the Loans in accordance with its procedures will be binding on the Guarantor, the Seller and the Secured Creditors.

Undertakings of the Servicer

Pursuant to the terms of the Servicing Agreement, the Servicer will undertake in relation to those Loans and their Related Security in the Covered Bond Portfolio that it is servicing, among other things, to:

- keep records and accounts on behalf of the Guarantor in relation to the Loans and their Related Security;
- keep the Loan Files in its possession or under its control in safe custody and maintain records necessary to enforce each Mortgage and to provide the Guarantor and the Bond Trustee with access to the Loan Files and other records relating to the administration of the Loans and their Related Security;
- maintain a register in respect of the Covered Bond Portfolio;
- make available upon request to the Guarantor and the Bond Trustee a report on a monthly basis containing information about the Loans and their Related Security comprised in the Covered Bond Portfolio;
- assist the Cash Manager in the preparation of a monthly asset coverage report in accordance with the Cash Management Agreement;
- take all reasonable steps to recover all sums due to the Guarantor, including instituting proceedings and enforcing any relevant Loan or Mortgage using the discretion of reasonable and prudent institutional line of credit or mortgage lenders in the Seller's market in applying the enforcement procedures forming part of the Seller's policy;
- enforce any Loan which is in default in accordance with the Seller's enforcement procedures or, to the extent that such enforcement procedures are not applicable having regard to the nature of the default in question, with the usual procedures undertaken by reasonable and prudent institutional mortgage lenders in the Seller's market on behalf of the Guarantor;
- comply and, as applicable, cause any person to which it sub-contracts or delegates the performance of all or any of its powers and obligations to comply with, the provisions of the Security Sharing Agreement applicable to a servicer and not take any action in contravention of the Security Sharing Agreement, except pursuant to a written notice or direction in which case it will provide notice to the parties to the Security Sharing Agreement; and

- to provide notice to each party to the Security Sharing Agreement in the event that it receives advice or is provided or comes into possession or written evidence, as applicable, of any of the circumstances which could give rise to an obligation on the part of the Custodian to deliver a release of security in respect of any affected Related Loans following receipt of such notice, a request by a beneficial owner (or owner) of such affected Related Loans and delivery of an independent legal counsel opinion (see "*Security Sharing Agreement*", above).

Prior to a downgrade in the applicable ratings of the Servicer by one or more Rating Agencies below the Servicer Deposit Threshold Ratings, the Servicer shall hold any funds it receives on behalf of the Guarantor for the benefit of the Guarantor and shall transfer such funds on or before the next Guarantor Payment Date (i) to the Cash Manager prior to a downgrade in the applicable ratings of the Cash Manager by one or more Rating Agencies below the Cash Management Deposit Ratings, and (ii) following any such downgrade of the Cash Manager's ratings, directly into the GDA Account.

In the event of a downgrade in the applicable ratings of the Servicer by one or more Rating Agencies below the Servicer Deposit Threshold Ratings, the Servicer shall hold any funds it receives on behalf of the Guarantor for the benefit of the Guarantor and shall transfer such funds within two Business Days of the collection or receipt thereof (i) to the Cash Manager prior to a downgrade in the applicable ratings of the Cash Manager by one or more Rating Agencies below the Cash Management Deposit Ratings, and (ii) following any such downgrade of the Cash Manager's ratings, directly into the GDA Account.

Following the occurrence of a Covered Bond Guarantee Activation Event, the Servicer will transfer funds it receives on behalf of the Guarantor into the GDA Account within two Business Days of the collection or receipt thereof.

On the Servicer being assigned the applicable ratings by one or more Rating Agencies below the Servicer Replacement Threshold Ratings (as defined below), the Servicer undertakes to, upon the request of the Guarantor or the Bond Trustee, use commercially reasonable efforts to enter into a new or a master servicing agreement with the Bond Trustee and a third party substantially in the form of the Servicing Agreement (or otherwise subject to satisfaction of the Rating Agency Condition), with such modifications as the Guarantor and the Bond Trustee may reasonably require (including with respect to the payment of servicing fees), within 60 days under which such third party will undertake the servicing obligations in relation to the Covered Bond Portfolio. In connection with the foregoing, upon entering into the new or master servicing agreement with such third party, the Servicer or replacement Servicer, as agreed between the parties to the Servicing Agreement, will (on behalf of the Guarantor) deliver notice of the sale, assignment and transfer of the Loans and their Related Security and direct Borrowers to make all future repayments on the Loans to the Standby Account Bank for the account of the Guarantor.

Payments, Administration and Enforcement

The Servicer is authorized to act as the collection agent of the Guarantor under a system for the manual or automated debiting of bank accounts, pursuant to which system a Borrower's periodic Loan payments are debited directly from a specified account. In accordance with the Servicing Agreement, such debiting system must be operated in accordance with policies and procedures that would be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market. A significant majority of the Loans serviced by the Servicer are subject to such debiting system.

The Servicer will have the power to exercise the rights, powers and discretions and to perform the duties of the Guarantor in relation to the Loans and their Related Security that it is servicing pursuant to the terms of the Servicing Agreement, and to do anything which it reasonably considers necessary or convenient or incidental to the administration of those Loans and their Related Security. Among such powers of the Servicer is the right to accept any application for a Product Switch or Additional Loan Advance, provided that at all times the Servicer must act in accordance with policies and procedures that would be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market. Any Additional Loan Advance is the obligation of the Seller and will be funded in accordance with the terms of the Intercompany Loan Agreement and the other Transaction Documents. The Guarantor will not be obligated to make any Additional Loan Advance.

The Servicer will collect and enforce the Loans and their Related Security in accordance with its policies and procedures as described in "*Loan Origination and Lending Criteria – Monitoring and Collection*".

Setting of variable rate and other discretionary rates and margins

Pursuant to the terms of the Mortgage Sale Agreement and in accordance with the Mortgage Conditions applicable to certain Loans, the Seller has prescribed policies relating to interest rate setting, arrears management and handling of complaints which the Guarantor (and any subsequent purchaser thereof) will be required to adhere to following the transfer of Loans and their Related Security. Such arrears management and handling of complaints policies are consistent with those to be applied by the Servicer under the terms of the Servicing Agreement. The interest rate setting policy specified in the Mortgage Sale Agreement is only applicable to Loans with interest rates which may be varied from time to time in the discretion of the lender under the relevant Loan.

In addition to the undertakings described above, the Servicer has also undertaken in the Servicing Agreement to determine and set the variable rate and any other discretionary rates and margins in relation to any applicable Loans in the Covered Bond Portfolio for which the Guarantor is entitled to set the variable rate and any other discretionary rates and margins pursuant to the terms of such Loans. The Servicer shall set such rates and margins in accordance with the policy to be adhered to by the Guarantor above, at such times as the Guarantor would be entitled to set such rates and margins, except in the limited circumstances described below, when the Guarantor will be entitled to set such rates and margins. The Servicer will not at any time prior to the earlier of (i) the occurrence of a Covered Bond Guarantee Activation Event, and/or (ii) a Servicer Event of Default having occurred, without the prior written consent of the Guarantor, set or maintain any such discretionary rates or margins at rates or margins which are higher than (although they may be lower than or equal to) the applicable then prevailing discretionary rates or margins of the Seller for loans owned by the Seller which have a similarly determined variable rate or margin to the relevant Loan in the Covered Bond Portfolio sold by the Seller to the Guarantor.

In particular, the Servicer will determine on each Calculation Date, having regard to:

(a) the income which the Guarantor would expect to receive during the next succeeding Guarantor Payment Period (the relevant Guarantor Payment Period);

(b) any discretionary rates and margins in respect of the Loans which the Servicer proposes to set under the Servicing Agreement for the relevant Guarantor Payment Period; and

(c) the other resources available to the Guarantor including the Interest Rate Swap Agreement, the Covered Bond Swap Agreement and the Reserve Fund,

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

If the Servicer determines that there will be a shortfall in the foregoing amounts, it will give written notice to the Guarantor and the Bond Trustee, within one Toronto Business Day, of the amount of the shortfall. If the Guarantor or the Bond Trustee notifies the Servicer and the Bank that, having regard to the obligations of the Guarantor and the amount of the shortfall, further Loans and their Related Security should be sold to the Guarantor, the Bank will use all reasonable efforts to ensure that the obligations of the Guarantor for such period will be met. This may include, making advances under the Intercompany Loan, selling Loans and their Related Security to the Guarantor or making a Capital Contribution on or before the next Calculation Date in such amounts and with such rates or margins, as applicable, sufficient to avoid such shortfall on future Calculation Dates.

In addition, the Servicer will determine on each Calculation Date following an Issuer Event of Default, having regard to the aggregate of:

(a) any discretionary rate or margin, in respect of the Loans which the Servicer proposes to set under the Servicing Agreement for the relevant Guarantor Payment Period; and

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

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

If the Servicer determines that the Post Issuer Event of Default Yield Shortfall Test will not be met, it will give written notice to the Guarantor and the Bond Trustee, prior to the Guarantor Payment Date immediately following such Calculation Date, of the amount of the shortfall and the rates or margins, for any discretionary rates or margins which the Guarantor is entitled to set with respect to Loans in the Covered Bond Portfolio pursuant to the terms of such Loans, which need to be set in order for no shortfall to arise, and the Post Issuer Event of Default Yield Shortfall Test to be met, having regard to the date(s) on which the change to such discretionary rates or margins would take effect and at all times acting in accordance with the standards of reasonable and prudent institutional mortgage lenders in the Seller's market. If the Guarantor or the Bond Trustee notifies the Servicer that, having regard to the obligations of the Guarantor, such discretionary rates or margins should be increased, the Servicer or replacement Servicer, as the case may be, will take all steps which are necessary to increase such discretionary rates or margins including publishing any notice which is required in accordance with the Mortgage Terms.

The Guarantor and the Bond Trustee may terminate the authority of the Servicer to determine and set any such discretionary rates or margins on the occurrence of a Servicer Event of Default as defined under "*—Removal or resignation of the Servicer*", in which case the Guarantor and the Bond Trustee will agree to appoint the replacement Servicer to set such discretionary rates or margins itself in the manner described above.

Representations and Warranties of Servicer

Under the Servicing Agreement, the Servicer represents and warrants to the Guarantor and the Bond Trustee that (i) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under the Servicing Agreement and the other Transaction Documents to which it is a party and it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions thereunder, (ii) it is rated at or above the Servicer Replacement Threshold Ratings by each of the Rating Agencies, (iii) it is and will continue to be in good standing with OSFI, (iv) 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 the Servicing Agreement and the other Transaction Documents to which it is party, and (v) 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 the Servicing Agreement and the other Transaction Documents to which it is a party.

Removal or resignation of the Servicer

The Guarantor and the Bond Trustee may (unless otherwise specified below), upon written notice to the Servicer, terminate the Servicer's rights and obligations immediately if any of the following events (each a "**Servicer Termination Event**" and, each of the first four events set out below, a "**Servicer Event of Default**") occurs:

- the Servicer's applicable ratings from one or more Rating Agencies are below the Servicer Replacement Threshold Ratings;

- the Servicer defaults in the payment of any amount due to the Guarantor under the Servicing Agreement and fails to remedy that default for a period of three Toronto Business Days after the earlier of the Servicer becoming aware of the default and receipt by the Servicer of written notice from the Bond Trustee or the Guarantor requiring the same be remedied;

- the Servicer (or any delegate thereof) defaults in remitting any funds as required pursuant to the Servicing Agreement at any time that there has been a downgrade in the ratings of the Servicer by one or more Rating Agencies below the Servicer Deposit Threshold Ratings and such default continues unremedied for a period of one (1) Toronto Business Day after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Bond Trustee or the Guarantor requiring the same to be remedied;

- the Servicer fails to comply with any of its other covenants and obligations under the Servicing Agreement which failure in the reasonable opinion of the Bond Trustee is materially prejudicial to the interests of the

holders of the Covered Bonds from time to time and does not remedy such failure within the earlier of 20 Toronto Business Days after becoming aware of the failure and receipt by the Servicer of written notice from the Bond Trustee or the Guarantor requiring the same to be remedied;

- an Insolvency Event occurs in relation to the Servicer or any credit support provider in respect of the Servicer or the merger of the Servicer without an assumption of the obligations under the Servicing Agreement;

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

- there is a breach by the Servicer of certain representations and warranties or a failure by the Servicer to perform certain covenants made by it under the Servicing Agreement; or

- an Issuer Event of Default occurs and is continuing, or has previously occurred and is continuing, at any time that the Guarantor is Independently Controlled and Governed.

In the case of the occurrence of the first Servicer Termination Event described above, at any time that the Guarantor is not Independently Controlled and Governed, the Guarantor shall by notice in writing to the Servicer terminate its appointment as Servicer with effect from a date (not earlier than the date of the notice) specified in the notice.

Termination of the Servicer will become effective upon the appointment of a successor Servicer in place of such Servicer. The Servicer, the Guarantor and the Bond Trustee agree to use commercially reasonable efforts to arrange for the appointment of a successor Servicer.

Subject to the fulfillment of a number of conditions, the Servicer may voluntarily resign by giving not less than 12 months' notice to the Bond Trustee and the Guarantor provided that a successor servicer qualified to act as such with a management team with experience of administering mortgages in Canada has been appointed and enters into a servicing agreement with the Guarantor substantially on the same terms as the Servicing Agreement, except as to fees. The resignation of the Servicer is conditional on satisfaction of the Rating Agency Condition unless the holders of the Covered Bonds agree otherwise by Extraordinary Resolution.

If the appointment of the Servicer is terminated, the Servicer must deliver the Loan Files relating to the Loans in the Covered Bond Portfolio administered by it to, or at the direction of, the Guarantor. The Servicing Agreement will terminate at such time as the Guarantor has no further interest in any of the Loans or their Related Security sold to the Guarantor and serviced under the Servicing Agreement that comprised the Covered Bond Portfolio.

The Servicer may sub-contract or delegate the performance of its duties under the Servicing Agreement provided that it meets conditions as set out in the Servicing Agreement.

The Bond Trustee will not be obliged to act as Servicer in any circumstances.

Asset Monitor Agreement

Under the terms of the Asset Monitor Agreement entered into initially on the Programme Date and amended and restated as of 30 June 2023, between the Asset Monitor, the Guarantor, the Issuer, the Cash Manager and the Bond Trustee (as may be further amended, restated or supplemented from time to time, the "**Asset Monitor Agreement**"), the Asset Monitor has agreed, subject to due receipt of the information to be provided by the Cash Manager to the Asset Monitor, to carry out arithmetic testing of, and report on the arithmetic accuracy of the calculations performed by the Cash Manager once each year and more frequently in certain circumstances as required by the terms of the Asset Monitor Agreement with a view to confirming that the Asset Coverage Test and/or the Amortization Test, as applicable, is met on that Calculation Date.

If the arithmetic testing conducted by the Asset Monitor reveals any errors in the calculations performed by the Cash Manager, the Asset Monitor will be required to conduct such arithmetic tests and report on such arithmetic accuracy for (a) the last Calculation Period of each calendar quarter of the preceding year, (b) each Calculation Period of the

current year until such arithmetic testing demonstrates no arithmetical inaccuracy for three consecutive Calculation Periods, and (c) thereafter, the last Calculation Period of each remaining calendar quarter of the current year.

In addition to the arithmetic testing described above, the Asset Monitor will also perform certain specified procedures in relation to the Covered Bond Portfolio designed to verify compliance by the Issuer, the Guarantor and the Programme with certain aspects of the Covered Bond Legislative Framework and the CMHC Guide.

The Asset Monitor is entitled to assume that all information provided to it by the Cash Manager for the purpose of performing its duties under the Asset Monitor Agreement is true and correct and not misleading and is not required to take any steps to independently verify the accuracy of any such information. Each report of the Asset Monitor delivered in accordance with the terms of the Asset Monitor Agreement will be delivered to the Cash Manager, the Guarantor, the Issuer, the Bond Trustee and CMHC.

The Guarantor will pay to the Asset Monitor a fee per report (exclusive of GST), equal to the amount set out in the Asset Monitor Agreement from time to time, for the procedures to be performed by the Asset Monitor.

The Guarantor may, at any time, only with the prior written consent of the Bond Trustee (unless the Asset Monitor defaults in the performance or observance of certain of its covenants or breaches certain of its representations and warranties made, respectively, under the Asset Monitor Agreement, in which case such consent will not be required), terminate the appointment of the Asset Monitor by giving at least 60 days' prior written notice to the Asset Monitor, and the Asset Monitor may, at any time, resign by giving at least 60 days' prior written notice (and immediately if continuing to perform its obligations under the Asset Monitor Agreement becomes unlawful or conflicts with independence or professional rules applicable to the Asset Monitor) to the Guarantor and the Bond Trustee.

Upon giving notice of resignation, the Asset Monitor will use reasonable efforts to assist the Guarantor in appointing a replacement Asset Monitor approved by the Bond Trustee (such approval to be granted by the Bond Trustee if the replacement is an accounting firm of national standing which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Agreement). If a replacement is not appointed by the date which is 30 days prior to the date when tests are to be carried out in accordance with the terms of the Asset Monitor Agreement, then the Guarantor will use all reasonable efforts to appoint an accounting firm of national standing to carry out the relevant tests on a one-off basis, provided that notice of such appointment is given to the Bond Trustee.

The Bond Trustee will not be obliged to act as Asset Monitor in any circumstances.

Guarantor Agreement

The general and limited partners of the Guarantor have agreed to operate the business of the Guarantor in accordance with the terms of a limited partnership agreement entered into initially on the Programme Date and amended and restated as of 30 June 2023 between the Managing GP, as managing general partner, the Liquidation GP, as liquidation general partner, and the Bank, as Limited Partner, together with such other persons as may become partners of the Guarantor and the Bond Trustee (as may be further amended, restated or supplemented from time to time, the "**Guarantor Agreement**").

General Partner and Limited Partners of the Guarantor

The Managing GP is the managing general partner and the Liquidation GP is the liquidation general partner and the Bank is the sole limited partner of the Guarantor. The Partners will have the duties and obligations, rights, powers and privileges specified in the *Limited Partnerships Act* (Ontario) and pursuant to the terms of the Guarantor Agreement.

No new limited partner may be otherwise appointed, and no new general partner may be added or general partner replaced without the consent of the Limited Partner and, while there are Covered Bonds outstanding, the Bond Trustee, and satisfaction of the Rating Agency Condition.

Under the Guarantor Agreement, the Limited Partner represents and warrants to the other Partners that (i) it is a validly created chartered bank under the laws of Canada and is validly subsisting under such laws, (ii) it has taken all necessary action to authorize the execution, delivery and performance of the Guarantor Agreement, (iii) it has the capacity and corporate authority to enter into and perform its obligations under the Guarantor Agreement and such obligations do not conflict with nor do they result in a breach of any of its constating documents or by-laws or any agreement by which

it is bound, (iv) no authorization, consent or approval of, or filing with or notice to, any person is required in connection with the execution, delivery or performance of the Guarantor Agreement by the Limited Partner, other than whose which have been obtained, and (v) it is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada) and will retain such status during the term of the partnership governed by the Guarantor Agreement.

No person shall be admitted to, or be permitted to remain in, the partnership as a Partner if such person is a non-resident of Canada for purposes of the *Income Tax Act* (Canada) or is not a "Canadian partnership" within the meaning of the *Income Tax Act* (Canada).

Capital Contribution

Each of the Managing GP and the Liquidation GP has contributed a nominal cash amount to the Guarantor and hold 99 per cent. and 1 per cent. respectively of the 0.05 per cent. general partner interest. The Limited Partner holds the substantial economic interest in the Guarantor (approximately 99.95 per cent.) having also contributed cash to the Guarantor. The Limited Partner may from time to time make additional Capital Contributions. Such Capital Contributions may be Cash Capital Contributions or Capital Contributions in Kind. In the case of the latter, the Limited Partner will have an additional interest in the capital of the Guarantor equal to the fair market value of those Loans sold by it as at the Transfer Date recorded in the Capital Account Ledger.

New Limited Partners

In the future, any person that wishes to become a new Limited Partner will, subject to the following paragraph, require the consent of the Limited Partner and, while there are Covered Bonds outstanding, the Bond Trustee and be required to accede to the Mortgage Sale Agreement and any other Transaction Documents to which the Limited Partner is a party and deliver such other agreements and provide such other assurances as may be required by the Guarantor and/or the Bond Trustee (acting reasonably). Subject to compliance with the foregoing, the consent of the Covered Bondholders will not be required to the accession of a new Limited Partner to the Guarantor.

The Limited Partner may assign all or some portion of its interest in the Guarantor to any Subsidiary by giving written notice of such assignment to the Guarantor and the Bond Trustee, and the assignee of such interest acceding to the Guarantor Agreement. Any such assignment shall not relieve the Limited Partner of its obligations under the Guarantor Agreement or require the consent of the General Partners, Bond Trustee, the holders of the Covered Bonds or, if applicable, any other Limited Partner.

Capital Distributions

Provided the Asset Coverage Test and/or the Amortization Test, as applicable, will be met after giving effect to any Capital Distribution, the Managing GP, may from time to time, in its discretion, make Capital Distributions to the Partners. Pursuant to the terms of the Guarantor Agreement distributions to the Liquidation GP will be limited to an amount which may be less than the Liquidation GP's *pro rata* interest in the Guarantor.

OC Valuation

The CMHC Guide requires that the Guarantor confirm that the cover pool's level of overcollateralization exceeds 103% (the "**Guide OC Minimum**"). Accordingly, for so long as Covered Bonds remain outstanding, the Guarantor (or the Cash Manager on behalf of the Guarantor) will calculate the Level of Overcollateralization (as defined below) at the same time that the Asset Coverage Test is performed, and the Guarantor will compare such Level of Overcollateralization with the Guide OC Minimum (such calculation and comparison, the "**OC Valuation**").

For purposes of the OC Valuation, the "**Level of Overcollateralization**" means the amount, expressed as a percentage, calculated as at each Calculation Date as follows:

$$A \div B$$

where,

A = the lesser of: (i) the total amount of the Cover Pool Collateral; and (ii) the amount of Cover Pool Collateral required to collateralize the Covered Bonds outstanding and ensure that the Asset Coverage Test is met,

B = the Canadian Dollar Equivalent of the Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.

The term "**Cover Pool Collateral**" shall, for the purposes of the foregoing calculation, include, as calculated on the relevant Calculation Date,

(a) the Loans owned by the Guarantor that meet the Eligibility Criteria and are less than three months in arrears and such Loans will be valued using their Outstanding Principal Balance;

(b) Substitute Assets owned by the Guarantor and such assets shall be valued using their outstanding principal amount;

provided that, the "Cover Pool Collateral" shall not include Contingent Collateral Amounts, Swap Collateral Excluded Amounts or Voluntary Overcollateralization.

The Issuer must provide immediate notice to CMHC if the Level of Overcollateralization falls below the Guide OC Minimum. The OC Valuation will be calculated by the Cash Manager as at each Calculation Date and monitored from time to time by the Asset Monitor. Such calculation will be completed within the time period specified in the Cash Management Agreement. The Level of Overcollateralization, with a comparison to the Guide OC Minimum, must be disclosed for the month the calculation is performed in each Investor Report and each public offering document prepared, filed or otherwise made available to investors during the currency of the calculation.

Asset Coverage Test

The Guarantor must ensure that on each Calculation Date, the Adjusted Aggregate Loan Amount is in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated at the relevant Calculation Date.

If on any Calculation Date, the Adjusted Aggregate Loan Amount is less than the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds as calculated at the relevant Calculation Date, then the Guarantor (or the Cash Manager on its behalf) will notify the Partners, the Bond Trustee and CMHC thereof. The Bank shall use all reasonable efforts to ensure that the Guarantor satisfies the Asset Coverage Test. This may include making advances under the Intercompany Loan, selling New Loans and their Related Security to the Guarantor or making a Capital Contribution in cash or in kind on or before the next Calculation Date in amounts sufficient to avoid such shortfall on future Calculation Dates. If the Adjusted Aggregate Loan Amount is less than the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds on the next following Calculation Date, the Asset Coverage Test will be breached and the Guarantor (or the Cash Manager on its behalf) will serve an Asset Coverage Test Breach Notice on the Partners, the Bond Trustee, CMHC and, if delivered by the Cash Manager, the Guarantor. The Asset Coverage Test Breach Notice will be revoked if the Asset Coverage Test is satisfied on the next Calculation Date following service of an Asset Coverage Test Breach Notice provided no Covered Bond Guarantee Activation Event has occurred.

At any time there is an Asset Coverage Test Breach Notice outstanding:

(a) the Guarantor may be required to sell Randomly Selected Loans (as described further under "Sales of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor" below);

(b) prior to the occurrence of a Covered Bond Guarantee Activation Event, the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments will be modified as more particularly described in "Allocation and distribution of Available Revenue Receipts and Available Principal Receipts when an Asset Coverage Test Breach Notice is outstanding but no Covered Bond Guarantee Activation Event has occurred" below; and

(c) the Issuer will not be permitted to make any further issuances of Covered Bonds.

If an Asset Coverage Test Breach Notice has been served and not revoked on or before the Guarantor Payment Date immediately following the Calculation Date after service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default will occur and the Bond Trustee will be entitled (and, in certain circumstances may be required) to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice, the Bond Trustee will be required to serve a Notice to Pay on the Guarantor.

For the purposes hereof:

"**Adjusted Aggregate Loan Amount**" means the amount calculated as at each Calculation Date as follows:

A+B+C+D+E-F-G

where,

A = the lower of (i) and (ii), where:

(i) = the sum of the "**LTV Adjusted Loan Balance**" of each Loan, which is not a Non-Performing Loan, in the Covered Bond Portfolio, which shall be the lower of (1) the actual Outstanding Principal Balance of the relevant Loan in the Covered Bond Portfolio on such Calculation Date, and (2) 80% multiplied by the Latest Valuation relating to that Loan;

minus

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the LTV Adjusted Loan Balance of the relevant Loan or Loans on such Calculation Date of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced, by an amount equal to the resulting financial loss incurred by the Guarantor in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Seller to indemnify the Guarantor for such financial loss);

AND

(ii) = the aggregate "Asset Percentage Adjusted Loan Balance" of the Loans in the Covered Bond Portfolio, which are not Non-Performing Loans, which in relation to each Loan shall be the lower of (1) the actual Outstanding Principal Balance of the relevant Loan on such Calculation Date, and (2) the Latest Valuation relating to that Loan;

minus

the aggregate sum of the following deemed reductions to the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the Asset Percentage Adjusted Loan Balance of the relevant Loan or Loans (as calculated on such Calculation Date) of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in the immediately preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the Guarantor in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Seller to indemnify the Guarantor for such financial loss),

the result of the calculation in this paragraph (ii) being multiplied by the Asset Percentage (as defined below);

B = the aggregate amount of any Principal Receipts (excluding proceeds of the sale of Loans and their Related Security) on the Loans in the Covered Bond Portfolio up to such Calculation Date (as recorded in the Principal Ledger) which have not been applied as at such Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with the Guarantor Agreement and/or the other Transaction Documents;

C = the aggregate amount of (i) any Cash Capital Contributions made by the Partners (as recorded in the Capital Account Ledger for each Partner of the Guarantor), (ii) proceeds advanced under the Intercompany Loan Agreement or (iii) proceeds from any sale of Loans and their Related Security which, in each case, have not been applied as at such Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with the Guarantor Agreement and/or the other Transaction Documents;

D = the aggregate outstanding principal balance of any Substitute Assets;

E = the balance, if any, of the Reserve Fund;

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

G = the weighted average remaining maturity expressed in years of all Covered Bonds then outstanding multiplied by the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor where the "**Negative Carry Factor**" is, if the weighted average margin of the interest rate payable on the Principal Amount Outstanding of the Covered Bonds relative to the interest rate receivable on the Covered Bond Portfolio is (i) less than or equal to 0.1 per cent. per annum, 0.5 per cent. or (ii) greater than 0.1 per cent. per annum, 0.5 per cent. plus such margin minus 0.1 per cent.; provided that if the weighted average remaining maturity

of the Covered Bonds then outstanding is less than one year, the weighted average maturity shall be deemed, for the purposes of this calculation, to be one year, unless and for so long as the Interest Rate Swap Agreement (x) has an effective date that has occurred prior to the related Calculation Date, and (y) provides for the hedging of interest received in respect of (i) the Loans and their Related Security in the Covered Bond Portfolio; (ii) any Substitute Assets; and (iii) cash balances held in the GDA Account; whereupon the Negative Carry Factor shall be zero.

"**Asset Percentage**" means 97 per cent. or such lesser percentage figure as determined from time to time in accordance with the terms of the Guarantor Agreement, provided that the Asset Percentage shall not be less than 80 per cent. unless otherwise agreed by the Issuer (and following an Issuer Event of Default, the Guarantor for the purposes of making certain determinations in respect of the Intercompany Loan). Any increase in the maximum Asset Percentage will be deemed to be a material amendment to the Trust Deed and will require satisfaction of the Rating Agency Condition. See "*— Modification of Transaction Documents*".

On or prior to the Guarantor Payment Date immediately following the Calculation Date falling in January, April, July and October of each year and on such other date as the Bank may request following the date on which the Bank is required to assign the Interest Rate Swap Agreement to a third party, the Guarantor (or the Cash Manager on its behalf) will determine the Asset Percentage in accordance with the terms of the Guarantor Agreement and the various methodologies of the Rating Agencies which may from time to time be prescribed for the Covered Bond Portfolio based on the value of the Loans and their Related Security as at the Calculation Date immediately preceding such Calculation Date as a whole or on the basis of a sample of Randomly Selected Loans in the Covered Bond Portfolio, such calculations to be made on the same basis throughout unless the Rating Agency Condition has been satisfied in respect thereof.

Amortization Test

Following the occurrence and during the continuance of an Issuer Event of Default (but prior to service of a Guarantor Acceleration Notice) and, for so long as Covered Bonds remain outstanding, the Guarantor must ensure that, on each Calculation Date the Guarantor is in compliance with the Amortization Test.

Following the occurrence and during the continuance of an Issuer Event of Default, if on any Calculation Date the Amortization Test Aggregate Loan Amount is less than the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date, then the Amortization Test will be deemed to be breached and a Guarantor Event of Default will occur. The Guarantor, the Cash Manager or the Asset Monitor, as the case may be, will immediately and in any event prior to the Guarantor Payment Date immediately following such Calculation Date, notify the Partners, the Issuer, the Bond Trustee (while Covered Bonds are outstanding), and CMHC of any breach of the Amortization Test and the Bond Trustee will be entitled to serve a Guarantor Acceleration Notice in accordance with the Conditions.

The "**Amortization Test Aggregate Loan Amount**" will be calculated as at each Calculation Date as follows:

A+B+C-D-E where,

A = the aggregate "**Amortization Test True Balance**" of each Loan that is not a Non-Performing Loan, which shall be the lower of (1) the actual True Balance of the relevant Loan as calculated on such Calculation Date and (2) 80% multiplied by the Latest Valuation;

B = the sum of the amount of any cash standing to the credit of the Guarantor Accounts (excluding any Revenue Receipts received in the immediately preceding Calculation Period);

C = the aggregate outstanding principal balance of any Substitute Assets;

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

E = zero so long as the Interest Rate Swap Agreement (x) has an effective date that has occurred prior to the related Calculation Date; and (y) provides for the hedging of interest received in respect of (i) the Loans and their Related Security in the Covered Bond Portfolio, (ii) any Substitute Assets; and (iii) cash balances held in the GDA Account; otherwise the weighted average remaining maturity expressed in years of all Covered Bonds then outstanding multiplied by the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor (provided that if the weighted average remaining maturity is less than one, the weighted average shall be deemed, for the purposes of this calculation, to be one).

Valuation Calculation

For so long as the Covered Bonds remain outstanding, the Guarantor must ensure that the Valuation Calculation is performed on each Calculation Date. The results of the Valuation Calculation for a Calculation Date will be disclosed in the related Investor Report.

The Valuation Calculation is equal to the Asset Value (as defined below) minus the Trading Value of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.

"**Asset Value**" means the amount calculated as at each Calculation Date as follows:

A+B+C+D+E+F

where,

A = the aggregate "**LTV Adjusted Loan Present Value**" of each Loan in the Covered Bond Portfolio that is not a Non-Performing Loan, which shall be the lower of (1) the Present Value of the relevant Loan in the Covered Bond Portfolio on such Calculation Date, and (2) 80% multiplied by the Latest Valuation relating to that Loan;

minus

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted Loan Present Value of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate LTV Adjusted Loan Present Value of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the LTV Adjusted Loan Present Value of the relevant Loan or Loans on such Calculation Date of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate LTV Adjusted Loan Present Value of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced, by an amount equal to the resulting financial loss incurred by the Guarantor in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Seller to indemnify the Guarantor for such financial loss);

B = the aggregate amount of any Principal Receipts (excluding proceeds of the sale of Loans and their Related Security) on the Loans and their Related Security up to such Calculation Date (as recorded in the Principal Ledger) which have not been applied as at such Calculation Date to acquire further

Loans and their Related Security or otherwise applied in accordance with the Guarantor Agreement and/or the other Transaction Documents;

C = the aggregate amount of (i) any Cash Capital Contributions made by the Partners (as recorded in the Capital Account Ledger for each Partner of the Guarantor), (ii) proceeds advanced under the Intercompany Loan Agreement or (iii) proceeds from any sale of Loans and their Related Security which, in each case, have not been applied as at such Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with the Guarantor Agreement and/or the other Transaction Documents;

D = the Trading Value of any Substitute Assets;

E = the balance, if any, of the Reserve Fund; and

F = the Trading Value of the Swap Collateral.

Sales of Randomly Selected Loans following a breach of the Pre-Maturity Test

The Pre-Maturity Test will be breached if the applicable ratings of the Issuer fall below the Pre-Maturity Minimum Ratings and a Hard Bullet Covered Bond is due for repayment within a specified period of time thereafter. See "*Credit Structure—Pre-Maturity Liquidity*". If the Pre-Maturity Test is breached, the Guarantor shall, subject to any right of pre-emption of the Seller pursuant to the terms of the Mortgage Sale Agreement and the Security Sharing Agreement, as applicable, offer to sell Randomly Selected Loans pursuant to the terms of the Guarantor Agreement (see "*—Method of Sale of Loans and their Related Security*" below), unless the Pre-Maturity Liquidity Ledger is otherwise funded from other sources as follows:

(i) a Capital Contribution in Kind made by one or more of the Partners (as recorded in the Capital Account Ledger for such Partners of the Guarantor) of certain Substitute Assets in accordance with the Guarantor Agreement with an aggregate principal amount up to the Pre-Maturity Liquidity Required Amount (which shall be a credit to the Pre-Maturity Liquidity Ledger); or

(ii) Cash Capital Contributions made by one or more of the Partners (as recorded in the Capital Account Ledger for each applicable Partner of the Guarantor) or proceeds advanced under the Intercompany Loan Agreement which have not been applied to acquire further Loans and their Related Security or otherwise applied in accordance with the Guarantor Agreement and/or the other Transaction Documents with an aggregate principal amount up to the Pre-Maturity Liquidity Required Amount (which shall be a credit to the Pre-Maturity Liquidity Ledger).

If the Issuer fails to repay any Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof, then following the occurrence of an Issuer Event of Default and service of a Notice to Pay on the Guarantor, the proceeds from any sale of Loans and their Related Security standing to the credit of the Pre-Maturity Liquidity Ledger will be applied to repay the relevant Series of Hard Bullet Covered Bonds. Otherwise, the proceeds will be applied as set out in "Credit Structure—Pre-Maturity Liquidity" below.

Sales of Randomly Selected Loans after a Demand Loan Repayment Event has occurred or the Issuer has otherwise demanded that the Demand Loan be repaid

If, prior to the service of an Asset Coverage Test Breach Notice or a Notice to Pay, a Demand Loan Repayment Event has occurred or the Issuer has demanded that the Demand Loan be repaid, the Guarantor may be required to sell Randomly Selected Loans and their Related Security in the Covered Bond Portfolio in accordance with the Guarantor Agreement (see "*—Method of Sale of Loans and their Related Security*" below), subject to the rights of pre-emption enjoyed by the Seller to purchase the Loans and their Related Security pursuant to the terms of the Mortgage Sale Agreement and the Security Sharing Agreement. Any such sale will be subject to the condition that the Asset Coverage Test is satisfied after the receipt of the proceeds of such sale and repayment, after giving effect to such repayment.

Sales of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor

At any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor, but prior to service of a Guarantor Acceleration Notice on the Guarantor, the Guarantor may be obliged to sell Loans and their Related Security in the Covered Bond Portfolio in accordance with the Guarantor Agreement (see "*—Method of Sale of Loans and their Related Security*" below), subject to the rights of pre-emption enjoyed by the Seller to buy the Loans and their Related Security pursuant to the terms of the Mortgage Sale Agreement and subject to additional advances on the Intercompany Loan and any Cash Capital Contribution being made by the Limited Partner. The proceeds from any such sale or refinancing will be credited to the GDA Account and applied as set out in the Priorities of Payments (see "*Cashflows*" below).

Method of Sale of Loans and their Related Security

If the Guarantor is required to sell Loans and their Related Security to Purchasers following a breach of the Pre-Maturity Test, the occurrence of a Demand Loan Repayment Event, the Demand Loan being demanded by the Issuer, the service of an Asset Coverage Test Breach Notice (if not revoked) or a Notice to Pay on the Guarantor, the Guarantor will be required to ensure that before offering Loans for sale:

(a) the Loans and their Related Security being sold are Randomly Selected Loans; and

(b) the Loans have an aggregate True Balance in an amount (the "**Required True Balance Amount**") which is as close as possible to the amount calculated as follows:

(i) following a Demand Loan Repayment Event or the Demand Loan being demanded by the Bank but prior to service of an Asset Coverage Test Breach Notice, such amount that would ensure that, if the Randomly Selected Loans were sold at their True Balance, the Demand Loan as calculated on the date of the demand could be repaid, subject to satisfaction of the Asset Coverage Test; or

(ii) following the service of an Asset Coverage Test Breach Notice (but prior to service of a Notice to Pay on the Guarantor), such amount that would ensure that, if the Loans were sold at their True Balance, the Asset Coverage Test would be satisfied on the next Calculation Date taking into account the payment obligations of the Guarantor on the Guarantor Payment Date following that Calculation Date (assuming for this purpose that the Asset Coverage Test Breach Notice is not revoked on the next Calculation Date); or

(iii) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Guarantor:

$$N \; x \; \frac{\text{True Balance of all the Loans in the Covered Bond Portfolio}}{\text{the Canadian Dollar Equivalent of the Required Redemption Amount in respect of each Series of Covered Bonds then outstanding}}$$

where "N" is an amount equal to:

(x) in respect of Randomly Selected Loans being sold following a breach of the Pre-Maturity Test, the Pre-Maturity Liquidity Required Amount less amounts standing to the credit of the Pre-Maturity Liquidity Ledger; or

(y) in respect of Randomly Selected Loans being sold following service of a Notice to Pay, the Canadian Dollar Equivalent of the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the Guarantor Accounts and the principal amount of any Substitute Assets (excluding all amounts to be applied on the next following Guarantor Payment Date to repay higher ranking amounts in the Guarantee Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds).

The Guarantor will offer the Loans and their Related Security for sale to Purchasers for the best price reasonably available but in any event:

(a) following (i) a Demand Loan Repayment Event, the Demand Loan being demanded by the Bank or (ii) the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay on the Guarantor), in each case, for an amount not less than the True Balance of the Loans; and

(b) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Guarantor, for an amount not less than the Adjusted Required Redemption Amount.

Following the service of a Notice to Pay on the Guarantor, if the Loans and their Related Security have not been sold (in whole or in part) in an amount equal to the Adjusted Required Redemption Amount by the date which is six months prior to, as applicable, if the Covered Bonds are not subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Final Maturity Date or, if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto), or the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds in respect of a sale in connection with the Pre-Maturity Test, then the Guarantor will offer the Loans for sale for the best price reasonably available notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

The Guarantor will through a tender process appoint a portfolio manager of recognized standing on a basis intended to incentivize the portfolio manager to achieve the best price for the sale of the Loans (if such terms are commercially available in the market) to advise it in relation to the sale of the Loans to Purchasers (except where the Seller is buying the Loans in accordance with their right of pre-emption in the Mortgage Sale Agreement). The terms of the agreement giving effect to the appointment in accordance with such tender will be approved by the Bond Trustee.

In respect of any sale or refinancing (as applicable) of Loans and their Related Security at any time an Asset Coverage Test Breach Notice is outstanding, a breach of the Pre-Maturity Test, or a Notice to Pay has been served on the Guarantor, the Guarantor will instruct the portfolio manager to use all reasonable efforts to procure that Loans are sold or refinanced (as applicable) as quickly as reasonably practicable (in accordance with the recommendations of the portfolio manager) taking into account the market conditions at that time and the scheduled repayment dates of the Covered Bonds and the terms of the Guarantor Agreement.

The terms of any sale and purchase agreement with respect to the sale of Loans (which will give effect to the recommendations of the portfolio manager) will be subject to the prior written approval of the Bond Trustee. The Bond Trustee will not be required to release the Loans from the Security unless the conditions relating to the release of the Security (as described under "*Security Agreement—Release of Security*", below) are satisfied.

Following the service of a Notice to Pay on the Guarantor, if Purchasers accept the offer or offers from the Guarantor so that some or all of the Loans will be sold prior to the next following Final Maturity Date or, if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the next following Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, then the Guarantor will, subject to the foregoing paragraph, enter into a sale and purchase agreement with the relevant Purchasers which will require among other things a cash payment from the relevant Purchasers. Any such sale will not include any Loan Representations and Warranties from the Guarantor in respect of the Loans and the Related Security unless expressly agreed by the Bond Trustee or otherwise agreed with the Seller.

Covenants of the General Partner and Limited Partner of the Guarantor

Each of the Partners covenants that, subject to the terms of the Transaction Documents, it will not sell, transfer, convey, create or permit to arise any security interest on, declare a trust over, create any beneficial interest in or otherwise dispose of its interest in the Guarantor without the prior written consent of the Managing GP and, while the Covered Bonds are outstanding, the Bond Trustee.

The Guarantor covenants that it will not, save with the prior written consent of the Limited Partner (and, for so long as any Covered Bonds are outstanding, the consent of the Bond Trustee) or as envisaged by the Transaction Documents:

(a) have an interest in a bank account;

(b) have any employees, premises or subsidiaries;

(c) acquire any material assets;

(d) sell, exchange, deal with or grant any option, present or future right to acquire any of the assets or undertakings of the Guarantor or any interest therein or thereto;

(e) enter into any contracts, agreements or other undertakings;

(f) incur any indebtedness or give any guarantee or indemnity in respect of any such indebtedness;

(g) create or permit to subsist any security interest over the whole or any part of the assets or undertakings, present or future of the Guarantor;

(h) change the name or business of the Guarantor or do any act in contravention of, or make any amendment to, the Guarantor Agreement;

(i) do any act which makes it impossible to carry on the ordinary business of the Guarantor, including winding up the Guarantor;

(j) compromise, compound or release any debt due to it;

(k) commence, defend, consent to a judgment, settle or compromise any litigation or other claims relating to it or any of its assets;

(l) permit a person to become a general or limited partner (except in accordance with the terms of the Guarantor Agreement); or

(m) consolidate or merge with another person.

The funds and assets of the Guarantor shall not (except in accordance with the terms of the Guarantor Agreement, the other Transaction Documents and the CMHC Guide) be commingled with the funds or assets of the Managing GP or the Liquidation GP or of any other person. For greater certainty, subject to such permitted commingling in accordance with the terms of the Guarantor Agreement, the other Transaction Documents and the CMHC Guide, all cash and Substitute Assets of the Guarantor shall be held in one or more Guarantor Accounts and all Substitute Assets shall be segregated from the assets of the Account Bank.

Limit on investing in Substitute Assets; Prescribed Cash Limitation

At any time that no Asset Coverage Test Breach Notice is outstanding and prior to a Notice to Pay having been served on the Guarantor, the Guarantor will be permitted to hold Substitute Assets provided that the aggregate value of the Substitute Assets does not at any time exceed an amount equal to the limit prescribed by the CMHC Guide (currently, 10 per cent of the aggregate value of (x) the Loans and Related Security, (y) any Substitute Assets, and (z) all cash held by the Guarantor (subject to the Prescribed Cash Limitation)) and provided that investments in Substitute Assets are made in accordance with the terms of the Cash Management Agreement and subject to the applicable Priority of Payments.

At any time an Asset Coverage Test Breach Notice is outstanding or a Covered Bond Guarantee Activation Event has occurred, the Substitute Assets held by or on behalf of the Guarantor must be sold as quickly as reasonably practicable with proceeds credited to the GDA Account.

The Guarantor may not at any time hold cash in excess of (such limitation, the "**Prescribed Cash Limitation**") (i) the amount necessary to meet its payment obligations for the immediately succeeding six months pursuant to the terms of the Transaction Documents, or (ii) such greater amount as CMHC may at its discretion permit in accordance with the Covered Bond Legislative Framework and the CMHC Guide; in each case excluding amounts received between Guarantor Payment Dates; provided that to the extent that cash receipts of the Guarantor cause it to hold cash in excess of the amount permitted in (i) or (ii), as applicable, the Guarantor will not be in breach of this covenant if it uses such excess amount to (w) purchase New Loans and their Related Security for the Covered Bond Portfolio pursuant to the

terms of the Mortgage Sale Agreement; and/or (x) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (y) subject to complying with the Asset Coverage Test, to make Capital Distributions to the Limited Partner; and/or (z) repay all or a portion of the Demand Loan, in each case, within 31 days of receipt.

For greater certainty, amounts standing to the credit of the Pre-Maturity Liquidity Ledger and the Reserve Fund (other than, in each case, those amounts that constitute Substitute Assets) constitute cash and are subject to the Prescribed Cash Limitation. In the event that the Guarantor is required to fund the Pre-Maturity Liquidity Ledger and/or the Reserve Fund in accordance with the Transaction Documents and such funding would cause the Guarantor to hold cash in excess of the Prescribed Cash Limitation, any cash held by the Guarantor in excess of such cash standing to the credit of the Pre-Maturity Liquidity Ledger and the Reserve Fund shall be used by the Guarantor in accordance with clauses (w), (x), (y) and (z) in the immediately preceding paragraph above within 31 days of receipt to ensure that the Guarantor is not in breach of the Prescribed Cash Limitation. In the event that the Guarantor is in breach of the Prescribed Cash Limitation and it does not hold any cash other than the amounts it is required to hold in order to fund the Pre-Maturity Liquidity Ledger and the Reserve Fund in accordance with the Transaction Documents, the Guarantor will request that CMHC, in accordance with the discretion granted to it under the Covered Bond Legislative Framework and the CMHC Guide, permit the Guarantor to hold such amount of cash in excess of the Prescribed Cash Limitation as may be required to allow it to comply with the Transaction Documents in the circumstances.

Other Provisions

The allocation and distribution of Revenue Receipts, Principal Receipts and all other amounts received by the Guarantor is described under "*Cashflows*" below.

For so long as any Covered Bonds are outstanding, each of the Partners has agreed that it will not terminate or purport to terminate the Guarantor or institute any winding-up, administration, insolvency or other similar proceedings against the Guarantor. Furthermore, each of the Partners has agreed, among other things, except as otherwise specifically provided in the Transaction Documents not to demand or receive payment of any amounts payable to such Partners by the Guarantor (or the Cash Manager on its behalf) or the Bond Trustee unless all amounts then due and payable by the Guarantor to all other creditors ranking higher in the relevant Priorities of Payments have been paid in full.

Each of the Partners will be responsible for the payment of its own tax liabilities and will be required to indemnify the other from any liabilities which they incur as a result of the relevant partner's non-payment.

Following the appointment of a liquidator to any partner, any decisions of the Guarantor that are reserved to the Partners or a unanimous decision of the Partners in the Guarantor Agreement will be made by the Partner(s) not in liquidation only.

Cash Management Agreement

The Cash Manager has agreed to provide certain cash management services to the Guarantor pursuant to the terms of the Cash Management Agreement entered into initially on the Programme Date and amended and restated as of 30 June 2023 between the Guarantor, the Bank in its capacities as Cash Manager, Seller and Servicer, and the Bond Trustee.

The Cash Manager's services include but are not limited to:

(a) maintaining the Ledgers on behalf of the Guarantor;

(b) collecting the Revenue Receipts and the Principal Receipts from the Servicer and distributing and/or depositing the Revenue Receipts and the Principal Receipts in accordance with the Priorities of Payments described under "Cashflows", below;

(c) determining whether the Asset Coverage Test is satisfied on each Calculation Date in accordance with the Guarantor Agreement, as more fully described under "Credit Structure—Asset Coverage Test";

(d) determining whether the Amortization Test is satisfied on each Calculation Date following the occurrence and during the continuance of an Issuer Event of Default in accordance with the Guarantor Agreement, as more fully described under "Credit Structure—Amortization Test", below;

(e) performing the Valuation Calculation, as more fully described under "Description of the Canadian Registered Covered Bond Programs Framework", below;

(f) performing the OC Valuation, as more fully described under "Summary of the Principal Documents – Guarantor Agreement – OC Valuation", above;

(g) preparation of Investor Reports in respect of the Covered Bonds for the Bond Trustee and the Rating Agencies; and

(h) on each Toronto Business Day, determining whether the Pre-Maturity Test for each Series of Hard Bullet Covered Bonds, if any, is satisfied as more fully described under "Credit Structure—Pre-Maturity Liquidity" below.

Under the Cash Management Agreement, the Cash Manager represents and warrants to the Guarantor and the Bond Trustee that (i) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under the Cash Management Agreement and the other Transaction Documents to which it is a party and it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions thereunder, (ii) it is rated at or above the Cash Manager Required Ratings by each of the Rating Agencies, (iii) it is and will continue to be in good standing with OSFI, (iv) 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 the Cash Management Agreement and the other Transaction Documents to which it is party, and (v) 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 the Cash Management Agreement and the other Transaction Documents to which it is a party.

In the event of a downgrade in the ratings of the Cash Manager by one or more Rating Agencies below the Cash Management Deposit Ratings, the Cash Manager will be required to (i) direct the Servicer to deposit all Revenue Receipts and Principal Receipts received by the Servicer directly into the GDA Account, and (ii) transfer any amounts held by it to the Transaction Account (or Standby Transaction Account) or GDA Account (or Standby GDA Account) within 2 Business Days (inclusive of all cure periods).

In the event of a downgrade in the ratings of the Cash Manager by one or more Rating Agencies below the Cash Manager Required Ratings, the Cash Manager will, in certain circumstances, be required to assign the Cash Management Agreement to a third party service provider acceptable to the Bond Trustee and for which the Rating Agency Condition has been satisfied. The Guarantor will also have the discretion to terminate the Cash Manager if an Issuer Event of Default occurs and is continuing, or has previously occurred and is continuing, at any time that the Guarantor is Independently Controlled and Governed. In addition to the foregoing, the Guarantor and the Bond Trustee will, in certain circumstances, each have the right to terminate the appointment of the Cash Manager in which event the Guarantor will appoint a substitute (the identity of which will be subject to the Bond Trustee's written approval). Any substitute cash manager will have substantially the same rights and obligations as the Cash Manager (although the fee payable to the substitute cash manager may be higher).

Interest Rate Swap Agreement

To provide a hedge against (i) possible variances in the rates of interest payable on the Loans and related amounts in the Covered Bond Portfolio (which may, for instance, include variable rates of interest or fixed rates of interest) and (ii) the amount (if any) payable under the Intercompany Loan and, following the Covered Bond Swap Effective Date, the Covered Bond Swap Agreement, the Guarantor has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider. The Guarantor and the Interest Rate Swap Provider agreed to swap the amount of interest received by the Guarantor from Borrowers and related amounts in the Covered Bond Portfolio in exchange for (i) an amount sufficient to pay the interest payable on the Intercompany Loan plus a minimum spread and an amount for certain expenses of the Guarantor, and (ii) following a Covered Bond Swap Effective Date, the amounts payable by the Guarantor under the Covered Bond Swap Agreements plus a minimum spread and an amount for certain expenses of the Guarantor.

The amounts payable by the Interest Rate Swap Provider under the Interest Rate Swap Agreement, and the amounts payable by the Guarantor following a Covered Bond Swap Effective Date under Covered Bond Swap Agreements are based on CORRA effective 1 July 2024.

The Interest Rate Swap Agreement will terminate (unless terminated earlier by an Interest Rate Swap Early Termination Event) on the earlier of:

(a) the Final Maturity Date for the final Tranche or Series of Covered Bonds then outstanding (provided that the Issuer has not given prior written notice to the Interest Rate Swap Provider and the Guarantor that it intends to issue additional Covered Bonds following such date) or, if the Guarantor notifies the Interest Rate Swap Provider, prior to the Final Maturity Date for such final Tranche or Series of Covered Bonds then outstanding, of the inability of the Guarantor to pay in full Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such final Tranche or Series of Covered Bonds then outstanding, the final date on which an amount representing the Final Redemption Amount for such final Tranche or Series of Covered Bonds then outstanding is paid (but in any event not later than the Extended Due for Payment Date for such Tranche or Series of Covered Bonds);

(b) the date designated therefor by the Bond Trustee and notified to the Interest Rate Swap Provider and the Guarantor for purposes of realizing the Security in accordance with the Security Agreement and distributing the proceeds therefrom in accordance with the Post-Enforcement Priority of Payments following the enforcement of the Security pursuant to Condition 7.03;

(c) the date on which the notional amount under the Interest Rate Swap Agreement reduces to zero (as a result of the reduction for the amount of any Early Redemption Amount paid pursuant to Condition 7.02 in respect of the final Tranche or Series of Covered Bonds then outstanding or any Final Redemption Amount paid pursuant to Condition 6.01 in respect of the final Tranche or Series of Covered Bonds then outstanding following the Final Maturity Date for such Tranche or Series of Covered Bonds, provided in each case that the Issuer has not given prior written notice to the Interest Rate Swap Provider that it intends to issue additional Covered Bonds following such date); and

(d) the date of redemption pursuant to Conditions 6.02 or 6.13 in respect of any final Tranche or Series of Covered Bonds then outstanding (provided that the Issuer has not given prior written notice to the Interest Rate Swap Provider that it intends to issue additional Covered Bonds following such date).

The Interest Rate Swap Agreement may also be terminated in certain other circumstances (each referred to as an "**Interest Rate Swap Early Termination Event**"), including:

- subject to the following paragraph, at the option of any party to the Interest Rate Swap Agreement, if there is a failure by the other party to pay any amounts due under the Interest Rate Swap Agreement, however, no such failure to pay by the Guarantor will entitle the Interest Rate Swap Provider to terminate the Interest Rate Swap Agreement, if such failure is due to the assets available at such time to the Guarantor being insufficient to make the required payment in full;

- subject to the following paragraph, at the option of the Guarantor, if the Interest Rate Swap Provider is the Issuer and an Issuer Event of Default has occurred which has resulted in the Covered Bonds becoming due and payable under their respective terms;

- subject to the following paragraph, at the option of the Guarantor, in the event that an Initial Downgrade Trigger Event has occurred in respect of the Interest Rate Swap Provider and the Interest Rate Swap Provider does not provide credit support to the Guarantor within 14 calendar days of the occurrence of such Initial Downgrade Trigger Event pursuant to the terms of the applicable credit support annex, or, within (i) 30 calendar days (in the case of an Initial Downgrade Trigger Event in respect of DBRS), (ii) 30 Toronto Business Days (in the case of an Initial Downgrade Trigger Event in respect of Moody's) and (iii) 60 calendar days (in the case of an Initial Downgrade Trigger Event in respect of Fitch), in each case, of the occurrence of such Initial Downgrade Trigger Event arrange for its obligations under the Interest Rate Swap Agreement to be guaranteed by, or transferred to, an entity with rating(s) required by the relevant Rating Agencies;

- subject to the following paragraph, at the option of the Guarantor, in the event that a Subsequent Downgrade Trigger Event has occurred in respect of the Interest Rate Swap Provider and the Interest Rate Swap Provider does not provide additional credit support to the Guarantor within 14 calendar days of the occurrence of such Subsequent Downgrade Trigger Event pursuant to the terms of the applicable credit support annex, or, within (i) 30 calendar days (in the case of a Subsequent Downgrade Trigger Event in respect of DBRS), (ii) 30 Toronto Business Days (in the case of a Subsequent Downgrade Trigger Event in respect of Moody's) and (iii) 60 calendar days (in the case of a Subsequent Downgrade Trigger Event in respect of Fitch), in each case, of the occurrence of such Subsequent Downgrade Trigger Event arrange for its obligations under the Interest Rate Swap Agreement to be guaranteed by, or transferred to, an entity with rating(s) required by the relevant Rating Agencies; and

- upon the occurrence of the insolvency of the Interest Rate Swap Provider, or any credit support provider and certain insolvency-related events in respect of the Guarantor, or the merger of the Interest Rate Swap Provider without an assumption of the obligations under the Interest Rate Swap Agreement.

If, at any time, the Guarantor (a) is Independently Controlled and Governed, the Guarantor has the discretion, but is not required to, (i) waive any requirement of the Interest Rate Swap Provider to provide credit support, obtain an eligible guarantee or replace itself upon the occurrence of a Downgrade Trigger Event, and (ii) refrain from forthwith terminating the Interest Rate Swap Agreement or finding a replacement Interest Rate Swap Provider, in each case, upon the occurrence of an event of default or additional termination event caused solely by the Interest Rate Swap Provider, and (b) is not Independently Controlled and Governed, the Guarantor shall not have the rights set out under clause (a)(i) and (a)(ii) of this paragraph unless, within 10 Toronto Business Days of the occurrence of a Downgrade Trigger or an event of default (other than an insolvency event of default) or additional termination event caused solely by the Interest Rate Swap Provider, as applicable, and for so long as such event continues to exist, the following conditions are satisfied: (x) the Interest Rate Swap Provider is the lender under the Intercompany Loan Agreement, (y) a Contingent Collateral Notice is delivered in respect of such event by the Interest Rate Swap Provider (in its capacity as lender under the Intercompany Loan Agreement) to the Guarantor and (z) the Guarantor has Contingent Collateral.

Upon the termination of the Interest Rate Swap Agreement pursuant to an Interest Rate Swap Early Termination Event, the Guarantor or the Interest Rate Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the Interest Rate Swap Agreement.

As noted herein, the notional amount of an Interest Rate Swap Agreement will be adjusted to correspond to any sale of Loans, including a sale following each of a Demand Loan Repayment Event, the Demand Loan being demanded by the Issuer, breach of the Pre-Maturity Test, service of an Asset Coverage Test Breach Notice and service of a Notice to Pay, and swap termination payments may be due and payable in accordance with the terms of the Interest Rate Swap Agreement as a consequence thereof.

If withholding taxes are imposed on payments made by the Interest Rate Swap Provider under the Interest Rate Swap Agreement, the Interest Rate Swap Provider will always be obliged to gross up these payments. If withholding taxes are imposed on payments made by the Guarantor to the Interest Rate Swap Provider under the Interest Rate Swap Agreement, the Guarantor shall not be obliged to gross up those payments.

All of the interest and obligations of the Interest Rate Swap Provider under the Interest Rate Swap Agreement may be transferred by it to a replacement swap counterparty upon the Interest Rate Swap Provider providing five Toronto Business Days' prior written notice to Guarantor and, subject to the following sentence, the Bond Trustee, provided that (i) such replacement swap counterparty has the rating(s) required by the relevant Rating Agencies (or the obligations of such replacement swap counterparty under the Interest Rate Swap Agreement are guaranteed by an entity having the rating(s) required by the relevant Rating Agencies), (ii) as of the date of such transfer, such replacement swap counterparty will not be required to withhold or deduct any taxes under the Interest Rate Swap Agreement as a result of such transfer, (iii) no termination event or event of default will occur under the Interest Rate Swap Agreement as a result of such transfer, (iv) no additional amount will be payable by the Guarantor under the Interest Rate Swap Agreement as a result of such transfer, (v) the Rating Agency Condition shall have been satisfied or deemed to have been satisfied and (vi) such replacement swap counterparty enters into documentation substantially identical to the Interest Rate Swap Agreement. The Bond Trustee's consent to such transfer is required if such transfer occurs as a result of the occurrence of a Downgrade Trigger Event.

The Interest Rate Swap Agreement is in the form of an ISDA Master Agreement, including a schedule and confirmation thereto and credit support annex. Under the Interest Rate Swap Agreement, the Guarantor makes the following representations with respect to itself and/or the Interest Rate Swap Agreement, as applicable: (i) that is it duly organized and validly existing, (ii) that it has the power and authority to enter into the Interest Rate Swap Agreement, (iii) that it is not in violation or conflict with any applicable law, its constitutional documents, any court order or judgment or any contractual restriction, (iv) it has obtained all necessary consents, (v) its obligations under the Interest Rate Swap Agreement are valid and binding, (vi) no event of default, potential event of default or termination event has occurred and is continuing under the Interest Rate Swap Agreement, (vii) there is no pending or, to its knowledge, any threatened litigation which is likely to affect its ability to perform under the Interest Rate Swap Agreement, (viii) all information furnished in writing is true, accurate and complete in every material respect, (ix) all payments will be made without any withholding and deduction, (x) that it is a "Canadian partnership" under the Income Tax Act (Canada) and a limited partnership organized under the laws of the Province of Ontario, (xi) that it is entering into the agreement as principal and not as agent, and (xii) that it is not relying on the other party for any investment advice, that is capable of assessing the merits of and understanding the risks of entering into the relevant transaction and that the Interest Rate Swap Provider is not acting as fiduciary to it.

Under the Interest Rate Swap Agreement, the Guarantor's obligations are limited in recourse to the Charged Property.

Covered Bond Swap Agreement

To provide a hedge against currency and/or other risks, in respect of amounts received by the Guarantor under the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, the Guarantor has entered into the Covered Bond Swap Agreement with the Covered Bond Swap Provider in respect of each Series of Covered Bonds issued to date, and will enter into a new ISDA Master Agreement, schedule and confirmation(s) and credit support annex, for each Tranche and/or Series of Covered Bonds issued at the time such Covered Bonds are issued. The Covered Bond Swap Provider and the Guarantor will agree to swap Canadian dollar floating rate amounts received by the Guarantor under the Interest Rate Swap Agreement (described above) into the exchange rate specified in the Covered Bond Swap Agreement relating to the relevant Tranche or Series of Covered Bonds. This will allow the Guarantor to hedge certain currency and/or other risks in respect of amounts received by the Guarantor under the Interest Rate Swap Agreement and amounts payable or that may become payable in respect of its obligations under the Covered Bond Guarantee. However, in certain circumstances, the amounts received by the Guarantor under the Covered Bond Swap Agreement may not match its obligations under the Covered Bond Guarantee. For example, in the event that a reference rate on a specified date is not available, the fallback provisions for determining the reference rate in such circumstances under a Series of Covered Bonds, and thus, the amounts payable by the Guarantor under the Covered Bond Guarantee, may be different than the fallback provisions for determining the reference rate under the relevant Covered Bond Swap Agreement which is used to determine the amounts received by the Guarantor under the Covered Bond Swap Agreement. In addition, the calculation of a reference rate under a Series of Covered Bonds may be calculated in accordance with an observation convention which may not be used in the determination of that reference rate under the Covered Bond Swap Agreement. No cash flows will be exchanged under the Covered Bond Swap Agreement unless and until the Covered Bond Swap Effective Date has occurred.

If prior to (i) the Final Maturity Date in respect of the relevant Series or Tranche of Covered Bonds, or (ii) any Interest Payment Date or the Extended Due for Payment Date following a deferral of the Due for Payment Date to the Extended Due for Payment Date by the Guarantor pursuant to Condition 6.01 (if an Extended Due for Payment Date is specified as applicable in the Final Terms or Pricing Supplement for a Series of Covered Bonds and the payment of the Final Redemption Amount or any part of it by the Guarantor under the Covered Bond Guarantee is deferred pursuant to Condition 6.01), the Guarantor notifies the Covered Bond Swap Provider (pursuant to the terms of the Covered Bond Swap Agreement) of the amount in the Specified Currency to be paid by such Covered Bond Swap Provider on such Final Maturity Date or Interest Payment Date thereafter (such amount being equal to the Final Redemption Amount or the relevant portion thereof payable by the Guarantor on such Final Maturity Date or Interest Payment Date under the Covered Bond Guarantee in respect of the relevant Series or Tranche of Covered Bonds), then the Covered Bond Swap Provider will pay the Guarantor such amount and the Guarantor will pay the Covered Bond Swap Provider the Canadian Dollar Equivalent of such amount. Further, if on any day an Early Redemption Amount is payable pursuant to Condition 7.02, the Covered Bond Swap Provider will pay the Guarantor such Amount (or the relevant portion thereof) and the Guarantor will pay the Covered Bond Swap Provider the Canadian Dollar Equivalent thereof, following which the notional amount of the Covered Bond Swap Agreement will reduce accordingly.

The Covered Bond Swap Agreement will (unless terminated earlier by a Covered Bond Swap Early Termination Event) terminate in respect of any relevant Tranche or Series of Covered Bonds, on the earlier of:

(a) the Final Maturity Date for, or if earlier, the date of redemption in whole of, such Series of Covered Bonds or, if the Guarantor notifies the Covered Bond Swap Provider, prior to the Final Maturity Date for such Tranche or Series of Covered Bonds, of the inability of the Guarantor to pay in full Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such Tranche or Series of Covered Bonds, the final Interest Payment Date on which an amount representing the Final Redemption Amount for such Tranche or Series of Covered Bonds is paid (but in any event not later than the Extended Due for Payment Date for such Tranche or Series of Covered Bonds); and

(b) the date designated therefor by the Bond Trustee and notified to the Covered Bond Swap Provider and the Guarantor for purposes of realizing the Security in accordance with the Security Agreement and distributing the proceeds therefrom in accordance with the Post-Enforcement Priority of Payments following the enforcement of the Security pursuant to Condition 7.03.

The Covered Bond Swap Agreement may also be terminated in certain other circumstances (each referred to as a "**Covered Bond Swap Early Termination Event**"), including:

- subject to the following paragraph, at the option of any party to the Covered Bond Swap Agreement, if there is a failure by the other party to pay any amounts due under the Covered Bond Swap Agreement, however, no such failure to pay by the Guarantor will entitle the Covered Bond Swap Provider to terminate the Covered Bond Swap Agreement, if such failure is due to the assets available at such time to the Guarantor being insufficient to make the required payment in full;

- subject to the following paragraph, at the option of the Guarantor, if the Covered Bond Swap Provider is the Issuer and an Issuer Event of Default has occurred which has resulted in the Covered Bonds becoming due and payable under their respective terms;

- subject to the following paragraph, at the option of the Guarantor, in the event that an Initial Downgrade Trigger Event has occurred and the Covered Bond Swap Provider does not provide credit support to the Guarantor within 14 calendar days of the occurrence of such Initial Downgrade Trigger Event pursuant to the terms of the applicable credit support annex, or, within (i) 30 calendar days (in the case of an Initial Downgrade Trigger Event in respect of DBRS), (ii) 30 Toronto Business Days (in the case of an Initial Downgrade Trigger Event in respect of Moody's) and (iii) 60 calendar days (in the case of an Initial Downgrade Trigger Event in respect of Fitch), in each case, of the occurrence of such Initial Downgrade Trigger Event arrange for its obligations under the Covered Bond Swap Agreement to be guaranteed by, or transferred to, an entity with rating(s) required by the relevant Rating Agencies;

- subject to the following paragraph, at the option of the Guarantor, in the event that a Subsequent Downgrade Trigger Event has occurred in respect of the Covered Bond Swap Provider and the Covered Bond Swap Provider does not provide additional credit support to the Guarantor within 14 calendar days following the occurrence of such Subsequent Downgrade Trigger Event pursuant to the terms of the applicable credit support annex, or, within (i) 30 calendar days (in the case of a Subsequent Downgrade Trigger Event in respect of DBRS), (ii) 30 Toronto Business Days (in the case of a Subsequent Downgrade Trigger Event in respect of Moody's) and (iii) 60 calendar days (in the case of a Subsequent Downgrade Trigger Event in respect of Fitch), in each case, of the occurrence of such Subsequent Downgrade Trigger Event arrange for its obligations under the Covered Bond Swap Agreement to be guaranteed by, or transferred to, an entity with rating(s) required by the relevant Rating Agencies; and

- upon the occurrence of the insolvency of the Covered Bond Swap Provider or any credit support provider, and certain insolvency-related events in respect of the Guarantor or the merger of the Covered Bond Swap Provider without an assumption of the obligations under the Covered Bond Swap Agreement.

If, at any time, the Guarantor (a) is Independently Controlled and Governed, the Guarantor has the discretion, but is not required to, (i) waive any requirement of the Covered Bond Swap Provider to provide credit support, obtain an eligible guarantee or replace itself upon the occurrence of a Downgrade Trigger Event, and (ii) refrain from forthwith terminating the Covered Bond Swap Agreement or finding a replacement Covered Bond Swap Provider, in each case,

upon the occurrence of an event of default or additional termination event caused solely by the Covered Bond Swap Provider, and (b) is not Independently Controlled and Governed, the Guarantor shall not have the rights set out under clause (a)(i) and (a)(ii) of this paragraph unless, within 10 Toronto Business Days of the occurrence of a Downgrade Trigger Event or an event of default (other than an insolvency event of default) or additional termination event caused solely by the Covered Bond Swap Provider, as applicable, and for so long as such event continues to exist, the following conditions are satisfied: (x) the Covered Bond Swap Provider is the lender under the Intercompany Loan Agreement, (y) a Contingent Collateral Notice is delivered in respect of such event by the Covered Bond Swap Provider (in its capacity as lender under the Intercompany Loan Agreement) to the Guarantor and (z) the Guarantor has Contingent Collateral.

Upon the termination of the Covered Bond Swap Agreement pursuant to a Covered Bond Swap Early Termination Event, the Guarantor or the Covered Bond Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the Covered Bond Swap Agreement.

Any termination payment made by the Covered Bond Swap Provider to the Guarantor in respect of the Covered Bond Swap Agreement will first be used to the extent necessary (prior to the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice) to pay a replacement Covered Bond Swap Provider to enter into a replacement Covered Bond Swap with the Guarantor, unless a replacement Covered Bond Swap Agreement has already been entered into on behalf of the Guarantor.

Any premium received by the Guarantor from a replacement Covered Bond Swap Provider entering into a Covered Bond Swap Agreement will first be used to make any termination payment due and payable by the Guarantor with respect to the Covered Bond Swap Agreement, unless such termination payment has already been made or behalf of the Guarantor.

Swap Collateral Excluded Amounts, if applicable, will be paid to the Covered Bond Swap Provider directly and not via the Priorities of Payments.

All of the interest and obligations of the Covered Bond Swap Provider under the Covered Bond Swap Agreement may be transferred by it to a replacement swap counterparty upon the Covered Bond Swap Provider providing five Toronto Business Days' prior written notice to Guarantor and, subject to the following sentence, the Bond Trustee, provided that (i) such replacement swap counterparty has the rating(s) required by the relevant Rating Agencies (or the obligations of such replacement swap counterparty under the Covered Bond Swap Agreement are guaranteed by an entity having the rating(s) required by the relevant Rating Agencies), (ii) as of the date of such transfer, such replacement swap counterparty will not be required to withhold or deduct any taxes under the Covered Bond Swap Agreement as a result of such transfer, (iii) no termination event or event of default will occur under the Covered Bond Swap Agreement as a result of such transfer, (iv) no additional amount will be payable by the Guarantor under the Covered Bond Swap Agreement as a result of such transfer, (v) the Rating Agency Condition shall have been satisfied or deemed to have been satisfied and (vi) such replacement swap counterparty enters into documentation substantially identical to the Covered Bond Swap Agreement. The Bond Trustee's consent to such transfer is required if such transfer occurs as a result of the occurrence of a Downgrade Trigger Event.

If withholding taxes are imposed on payments made by the Covered Bond Swap Provider to the Guarantor under the Covered Bond Swap Agreement, the Covered Bond Swap Provider will always be obliged to gross up those payments. If withholding taxes are imposed on payments made by the Guarantor to the Covered Bond Swap Provider under the Covered Bond Swap Agreement, the Guarantor will not be obliged to gross up those payments.

The Covered Bond Swap Agreement is in the form of an ISDA Master Agreement, including a schedule and confirmation and credit support annex, if applicable, in relation to each particular Tranche or Series of Covered Bonds, as the case may be. Under the Covered Bond Swap Agreement, the Guarantor makes the following representations with respect to itself and/or the Covered Bond Swap Agreement, as applicable: (i) that is it duly organized and validly existing, (ii) that it has the power and authority to enter into the Covered Bond Swap Agreement, (iii) that it is not in violation or conflict with any applicable law, its constitutional documents, any court order or judgment or any contractual restriction, (iv) it has obtained all necessary consents, (v) its obligations under the Covered Bond Swap Agreement are valid and binding, (vi) no event of default, potential event of default or termination event has occurred and is continuing under the Covered Bond Swap Agreement, (vii) there is no pending or, to its knowledge, any threatened litigation which is likely to affect its ability to perform under the Covered Bond Swap Agreement, (viii) all information furnished in writing is true, accurate and complete in every material respect, (ix) all payments will be made

without any withholding and deduction, (x) that it is a "Canadian partnership" under the *Income Tax Act* (Canada) and a limited partnership organized under the laws of the Province of Ontario, (xi) that it is entering into the agreement as principal and not as agent, and (xii) that it is not relying on the other party for any investment advice, that is capable of assessing the merits of and understanding the risks of entering into the relevant transaction and that the Covered Bond Swap Provider is not acting as fiduciary to it.

Under the Covered Bond Swap Agreement, the Guarantor's obligations are limited in recourse to the Charged Property.

Bank Account Agreement

Pursuant to the terms of the Bank Account Agreement entered into on the Programme Date between the Guarantor, the Account Bank, the GDA Provider, the Cash Manager and the Bond Trustee, the Guarantor will maintain with the Account Bank the accounts described below, which will be operated in accordance with the Cash Management Agreement, the Guarantor Agreement and the Security Agreement:

(a) the GDA Account into which amounts may be deposited by the Guarantor (including, following the occurrence of an Issuer Event of Default which is not cured within the applicable grace period, all amounts received from Borrowers in respect of Loans in the Covered Bond Portfolio). On each Guarantor Payment Date as applicable, amounts required to meet the Guarantor's various creditors and amounts to be distributed to the Partners under the Guarantor Agreement will be transferred to the Transaction Account (to the extent maintained); and

(b) the Transaction Account (to the extent maintained) into which, amounts may be deposited by the Guarantor prior to their transfer to the GDA Account. Moneys standing to the credit of the Transaction Account will be transferred on each Guarantor Payment Date and applied by the Cash Manager in accordance with the Priorities of Payments described below under "Cashflows".

Under the Bank Account Agreement, the Account Bank represents and warrants to the Cash Manager, the Guarantor and the Bond Trustee on the Programme Date and on each date on which an amount is credited to the Guarantor Accounts and on each Guarantor Payment Date that: (i) it is a bank listed in Schedule I to the Bank Act and duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, (ii) the execution, delivery and performance by it of the Bank Account Agreement (x) are within its corporate powers, (y) have been duly authorized by all necessary corporate action, and (z) do not contravene or result in a default under or conflict with (A) its charter or by-laws, (B) any law, rule or regulation applicable to it, or (C) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting it or its property, (iii) it is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada), (iv) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under the Bank Account Agreement and the other Transaction Documents to which it is a party and it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions thereunder, (v) it is rated at or above the Account Bank Threshold Ratings by each of the Rating Agencies, (vi) it is and will continue to be in good standing with OSFI, (vii) 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 the Bank Account Agreement and the other Transaction Documents to which it is party, and (viii) 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 the Bank Account Agreement and the other Transaction Documents to which it is a party.

If the applicable ratings of the Account Bank cease to be rated by one or more Rating Agencies at or above the Account Bank Threshold Ratings, then the GDA Account and the Transaction Account (to the extent maintained) will be required to be closed and all amounts standing to the credit thereof transferred to accounts held with the Standby Account Bank.

In addition to the requirement that the Guarantor Accounts be moved to the Standby Account Bank if the Account Bank breaches the Account Bank Threshold Ratings as described above, the Guarantor may (in the case of (i) through (iii) below) or shall (in the case of (iv) through (vii) below) terminate the Bank Account Agreement and move the Guarantor Accounts to the Standby Account Bank if: (i) a deduction or withholding for or on account of any taxes is imposed or is likely to be imposed in respect of the interest payable on any Guarantor Account, (ii) there is a breach by the Account Bank of certain representations and warranties or a failure by the Account Bank to perform certain covenants made by it under the Bank Account Agreement, (iii) the Account Bank fails to comply with any of its other covenants and obligations under the Bank Account Agreement, which failure in the reasonable opinion of the Bond Trustee is

materially prejudicial to the interests of the Covered Bondholders and such failure is not remedied within 30 days of the earlier of the Account Bank becoming aware of the failure and receipt by the Account Bank of notice from the Bond Trustee requiring the same to be remedied, (iv) the Account Bank ceases or threatens to cease carrying on the business of the Account Bank, (v) an order is made for the winding up of the Account Bank, (vi) an Insolvency Event occurs with respect to the Account Bank, or (vii) in the event the Account Bank is the Issuer or an affiliate thereof, an Issuer Event of Default has occurred and is continuing.

Standby Bank Account Agreement

Pursuant to the terms of a standby bank account agreement entered into initially on the Programme Date and amended and restated as of 30 June 2023 (the "**Standby Bank Account Agreement**") between the Guarantor, the Standby Account Bank, the Standby GDA Provider, the Cash Manager and the Bond Trustee (as amended and/or restated and/or supplemented from time to time), the Standby Account Bank will open and maintain a standby GDA account (the "**Standby GDA Account**") and standby transaction account (the "**Standby Transaction Account**") in the name of the Guarantor following delivery by the Guarantor (or the Cash Manager on its behalf) of a standby account bank notice (the "**Standby Account Bank Notice**") to the Standby Account Bank.

Pursuant to the terms of the Cash Management Agreement, the Cash Manager will deliver a Standby Account Bank Notice to the Standby Account Bank if the funds held in the GDA Account and the Transaction Account (to the extent maintained) are required to be transferred to the Standby Account Bank pursuant to the terms of the Bank Account Agreement or the Bank Account Agreement is terminated for any reason.

The Standby Bank Account Agreement provides that the Standby GDA Account and the Standby Transaction Account, when opened, will be subject to the security interest in favour of the Bond Trustee (for itself and on behalf of the other Secured Creditors) granted under the Security Agreement and that payments of amounts owing to the Standby Account Bank in respect of fees or otherwise shall be subject to the relevant Priorities of Payments set out in the Guarantor Agreement and the Security Agreement.

Under the Standby Bank Account Agreement, the Standby Account Bank represents and warrants to the Guarantor and the Bond Trustee on the Programme Date and on each date on which an amount is credited to any Guarantor Account that is held with the Standby Account Bank and on each Guarantor Payment Date that: (i) it is a bank listed in Schedule I to the Bank Act and duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, (ii) the execution, delivery and performance by it of the Standby Bank Account Agreement (x) are within its corporate powers, (y) have been duly authorized by all necessary corporate action, and (z) do not contravene or result in a default under or conflict with (A) its charter or by-laws, (B) any law, rule or regulation applicable to it, or (C) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting it or its property, (iii) it is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada), (iv) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under the Standby Bank Account Agreement and the other Transaction Documents to which it is a party and it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions thereunder, (v) it is rated at or above the Standby Account Bank Ratings by each of the Rating Agencies, (vi) it is and will continue to be in good standing with OSFI, (vii) 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 the Standby Bank Account Agreement and the other Transaction Documents to which it is party, and (viii) 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 the Standby Bank Account Agreement and the other Transaction Documents to which it is a party.

The Standby Bank Account Agreement further provides that if the applicable ratings of the Standby Account Bank by one or more Rating Agencies fall below the Standby Account Bank Ratings, then the Standby GDA Account and the Standby Transaction Account (to the extent maintained) will be required to be closed and all amounts standing to the credit thereof transferred to accounts held with a bank that meets or exceeds the Standby Account Bank Ratings.

As of the date of this Prospectus, the Standby Account Bank has been assigned the following ratings from the Rating Agencies:

Rating Agency	Short-term debt	Long term deposits/Legacy senior debt[1]	Senior debt[2]
DBRS	R-1(high)	AA	AA(low)
Moody's	P-1	Aa2	A2
Fitch	F1+	AA	AA-

1. Long term deposits / Legacy senior debt Includes: (a) Senior debt issued prior to September 23, 2018; and (b) Senior debt issued on or after September 23, 2018 which is excluded from the Bank Recapitalization (Bail-in) Regime. Defined as "Senior Unsecured" by Moody's and "Legacy Senior" by DBRS.
2. Subject to conversion under the Bank Recapitalization (Bail-in) Regime.

In addition to the requirement that the Guarantor Accounts be moved from the Standby Account Bank to a bank that meets or exceeds the Standby Account Bank Ratings if the Standby Account Bank breaches the Standby Account Bank Ratings as described above, the Guarantor may (in the case of (i) through (iii) below) or shall (in the case of (iv) through (vi) below) terminate the Standby Bank Account Agreement and move the Guarantor Accounts from the Standby Account Bank to a bank that meets or exceeds the Standby Account Bank Ratings if: (i) a deduction or withholding for or on account of any taxes is imposed or is likely to be imposed in respect of the interest payable on any Guarantor Account, (ii) there is a breach by the Standby Account Bank of certain representations and warranties or a failure by the Standby Account Bank to perform certain covenants made by it under the Standby Bank Account Agreement, (iii) the Standby Account Bank materially breaches any of its other covenants and obligations under the Standby Bank Account Agreement or the Standby Guaranteed Deposit Account Contract, (iv) the Standby Account Bank ceases or threatens to cease carrying on the business of the Standby Account Bank, (v) an order is made for the winding up of the Standby Account Bank, or (vi) an Insolvency Event occurs with respect to the Standby Account Bank.

References in this Prospectus to the GDA Account or the Transaction Account include, unless otherwise stated, references to the Standby GDA Account or the Standby Transaction Account when the Standby GDA Account and the Standby Transaction Account become operative.

Guaranteed Deposit Account Contract

The Guarantor entered into a Guaranteed Deposit Account Contract (or "**GDA**") with the GDA Provider, the Cash Manager and the Bond Trustee on the Programme Date, pursuant to which the GDA Provider has agreed to pay interest on the moneys standing to the credit of the Guarantor in the GDA Account at specified rates determined in accordance with the GDA during the term of the GDA. The Guarantor or the Bond Trustee may terminate the GDA following the closing of the GDA Account or termination of the Bank Account Agreement. Under the Guaranteed Deposit Account Contract, the GDA Provider makes the same representations and warranties to the Cash Manager, the Guarantor and the Bond Trustee on the Programme Date and on each date on which an amount is credited to the GDA Account and on each Guarantor Payment Date as are made by the Account Bank and which are described under "*Bank Account Agreement*" above.

Standby Guaranteed Deposit Account Contract

Pursuant to the terms of a standby guaranteed deposit account contract entered into initially on the Programme Date and amended and restated as of 30 June 2023 (the "**Standby Guaranteed Deposit Account Contract**") between the Standby Account Bank, the Standby GDA Provider, the Guarantor, the Cash Manager and the Bond Trustee (as amended and/or restated and/or supplemented from time to time), the Standby GDA Provider has agreed to pay interest on the moneys standing to the credit of the Standby GDA Account at specified rates determined in accordance with the terms of the Standby Guaranteed Deposit Account Contract during the term of the Standby Bank Account Agreement. The Standby Guaranteed Deposit Account Contract will be automatically terminated following the closing of the Standby GDA Account or termination of the Standby Bank Account Agreement in accordance with the Standby Bank Account Agreement. Under the Standby Guaranteed Deposit Account Contract, the Standby GDA Provider makes the same representations and warranties to the Guarantor and the Bond Trustee on the Programme Date and on each date on which an amount is credited to the Standby GDA Account and on each Guarantor Payment Date as are made by the Standby Account Bank and which are described under "*Standby Bank Account Agreement*" above.

Security Agreement

Pursuant to the terms of the Security Agreement entered into on the Programme Date between the Guarantor, the Bond Trustee, and other Secured Creditors, the secured obligations of the Guarantor and all other obligations of the Guarantor under or pursuant to the Transaction Documents to which it is a party owed to the Bond Trustee and the other Secured Creditors are secured by a first ranking security interest (the "**Security**") over all present and after-acquired undertaking, property and assets of the Guarantor (the "**Charged Property**"), including without limitation the Covered Bond Portfolio, and any other Loans and their Related Security or Substitute Assets that the Guarantor may acquire from time to time and funds being held for the account of the Guarantor by its service providers and the amounts standing to the credit of the Guarantor in the Guarantor Accounts, subject to the right of the Guarantor (provided the Asset Coverage Test and/or the Amortization Test, as applicable, is met) to sell such Charged Property.

Under the Security Agreement, the Secured Creditors expressly acknowledge that 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.

Under the Security Agreement, the Guarantor represents and warrants to the Secured Creditors that: (i) the Security Agreement creates a valid first priority security interest in the present and future personal property and undertaking of the Guarantor and all proceeds thereof (the "**Collateral**"), (ii) it is the legal and beneficial owner of all Collateral, (iii) the Collateral is free and clear of all liens other than those created in favour of the Bond Trustee and customary permitted liens, (iv) the security interest of the Bond Trustee in the Collateral has been perfected, (v) the Bond Trustee has obtained control pursuant to applicable personal property security legislation of the Collateral that consists of investment property, the Bond Trustee is a "protected purchaser" within the meaning of such legislation, and no other person has control or the right to obtain control of such investment property, (vi) no authorization, consent or approval from, or notices to, any governmental authority or other person is required for the due execution and delivery by it of the Security Agreement or the performance or enforcement of its obligations thereunder, other than those that have been obtained or made, (vii) it is validly formed and existing as a limited partnership under the laws of the Province of Ontario, (viii) since its date of formation there has been no material adverse change in its financial position or prospects, (ix) it is not the subject of any governmental or other official investigation, nor to its knowledge is such an investigation pending, which may have a material adverse effect, (x) no litigation, arbitration or administrative proceedings have been commenced, nor to its knowledge are pending or threatened, against any of its assets or revenues which may have a material adverse effect, (xi) the Managing GP has (x) at all times carried on and conducted the affairs and business of the Guarantor in the name of the Guarantor as a separate entity and in accordance with the Guarantor Agreement and all laws and regulations applicable to it, (y) at all times kept or procured the keeping of proper books and records for the Guarantor separate from any other person or entity, and (z) duly executed the Transaction Documents for and on behalf of the Guarantor, (xii) its entry into the Transaction Documents and the performance of its obligations thereunder do not and will not constitute a breach of (x) its constitutional documents, (y) any law applicable to it, or (z) any agreement, indenture, contract, mortgage, deed or other instrument to which it is a party or which is binding on it or any of its assets, (xiii) its obligations under the Transaction Documents to which it is a party are legal, valid, binding and enforceable obligations, (xiv) the Transaction Documents to which it is a party have been entered into in good faith for its own benefit and on arm's length commercial terms, (xv) it is not in breach of or default under any agreement, indenture, contract, mortgage, deed or other instrument to which it is a party or which is binding on it or any of its assets which would be reasonably likely to result in a material adverse effect, and (xvi) each of the Transaction Documents to which it is a party has been properly authorized by all necessary action of its Partners and constitutes the legal, valid and binding obligation of, and is enforceable in accordance with its terms against, the Guarantor, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.

Release of Security

In the event of any sale of Loans and their Related Security by the Guarantor pursuant to and in accordance with the Transaction Documents, the Bond Trustee will, while any Covered Bonds are outstanding (subject to the written request of the Guarantor), release those Loans from the Security created by and pursuant to the Security Agreement on the date of such sale but only if:

(a) the Bond Trustee provides its prior written consent to the terms of such sale as described under "Guarantor Agreement Method of Sale of Loans and their Related Security" above; and

(b) in the case of the sale of Loans, the Guarantor provides to the Bond Trustee a certificate confirming that the Loans being sold are Randomly Selected Loans.

In the event of the repurchase of a Loan and its Related Security by the Seller pursuant to and in accordance with the Transaction Documents, the Bond Trustee will release that Loan from the Security created by and pursuant to the Security Agreement on the date of the repurchase.

Enforcement

If a Guarantor Acceleration Notice is served on the Guarantor, the Bond Trustee will be entitled to appoint a receiver, and/or enforce the Security constituted by the Security Agreement (including selling the Covered Bond Portfolio), and/or take such steps as it deems necessary, subject in each case to being indemnified and/or secured to its satisfaction. All proceeds received by the Bond Trustee from the enforcement of the Security will be applied in accordance with the Post-Enforcement Priority of Payments described under Cashflows.

The Security Agreement is governed by Ontario law (other than certain other provisions relating to real property located outside of the Province of Ontario which will be governed by the law of the jurisdiction in which such property is located).

Corporate Services Agreement

Pursuant to the terms of a corporate services agreement (such corporate services agreement as amended and/or restated and/or supplemented from time to time, the "**Corporate Services Agreement**") entered into on the Programme Date among, *inter alios*, the Corporate Services Provider, the Liquidation GP, the Bank and the Guarantor, the Corporate Services Provider will provide corporate services to the Liquidation GP.

Custodial Agreement

Pursuant to the terms of a custodial agreement entered into on the Programme Date, as amended on 7 September 2017 and on 30 June 2023 (as may be further amended and/or restated and/or supplemented from time to time, the "**Custodial Agreement**") among the Custodian, the Issuer, the Seller, the Servicer, the Cash Manager, the Guarantor and the Bond Trustee, the Custodian will, among other things, hold applicable powers of attorney granted by the Bank to the Guarantor, and details of the Loans and their Related Security and Substitute Assets, in each case on behalf of the Guarantor, all in accordance with the CMHC Guide. In order to act as Custodian under the Custodial Agreement, the Custodian must meet the Custodian Qualifications, as described under "*Description of the Canadian Registered Covered Bond Programmes Regime – Custodian*".

The Custodian agrees to securely and confidentially hold and remain responsible for the data and documents delivered to it pursuant to the Custodial Agreement until the earliest of (a) the release of such data and documents to a replacement custodian in accordance with the terms of the Custodial Agreement, (b) the termination of the Programme, and (c) in relation to a particular Loan or Substitute Asset, its disposition or maturity, as the case may be. In the case of (b) or (c), the Custodian shall either (i) release such data and documents to the Seller (or to such other owner of the Loans and Substitute Assets to which such data and documents relate) or as it may direct, or (ii) destroy such data and documents at the instructions of, and in accordance with such procedures as may be satisfactory to, the Seller (or such other owner of the Loans and Substitute Assets to which such data and documents relate).

In the event that there is a breach by the Custodian of certain representations and warranties or a failure by the Custodian to perform certain covenants made by it under the Custodial Agreement, the Guarantor will have the right to terminate the Custodial Agreement and appoint a replacement Custodian. The Issuer and the Guarantor may also terminate the Custodial Agreement and appoint a replacement Custodian if the Custodian commits a breach which is either not capable of remedy, or capable of remedy but which is not remedied within 30 days of receipt by the Custodian of notice specifying such breach and requiring the same to be remedied.

Agency Agreement

Under the terms of the Agency Agreement dated as of the Programme Date between the Agents, the Issuer, the Guarantor and the Bond Trustee, the Agents have been appointed by the Issuer and the Guarantor (and in certain circumstances set out therein, the Bond Trustee) to carry out various issuing and paying agency, exchange agency,

transfer agency, calculation agency and registrar duties in respect of the Covered Bonds. Such duties include, but are not limited to, dealing with any applicable stock exchanges and Clearing Systems on behalf of the Issuer and the Guarantor in connection with an issuance of Covered Bonds and making payments of interest and principal in respect of the Covered Bonds upon receipt of such amounts from the Issuer or the Guarantor, as applicable.

Upon the occurrence of an Issuer Event of Default, Potential Issuer Event of Default, a Guarantor Event of Default or Potential Guarantor Event of Default, as applicable, the Bond Trustee may, by notice in writing to the Issuer, the Guarantor and the Agents, require the Agents to thereafter act as agents of the Bond Trustee.

Any Agent or Calculation Agent may resign its appointment under the Agency Agreement and/or in relation to any Series of Covered Bonds upon 30 days' notice to the Issuer, the Guarantor and the Bond Trustee, provided that such resignation will not be effective (i) if the notice period would otherwise expire within 30 days before or after the Final Maturity Date or any interest or other payment date for any Series (or if the resignation is only with respect to a particular Series, such Series), until the 30th day following such Final Maturity Date or any interest or other payment date, and (ii) in certain circumstances, unless a successor has been appointed.

The Issuer or the Guarantor may revoke its appointment of any Agent or Calculation Agent under the Agency Agreement and/or in relation to any Series of Covered Bonds upon 30 days' notice to such Agent or Calculation Agent, provided that in certain circumstances, such revocation will not be effective unless a successor has been appointed. Notwithstanding the foregoing, the Guarantor may revoke the appointment of any Agent or Calculation Agent in the event that there is a breach by such Agent or Calculation Agent of certain representations and warranties or a failure by such Agent or Calculation Agent to perform certain covenants made by it under the Agency Agreement.

The appointment of any Agent or Calculation Agent under the Agency Agreement and in relation to each relevant Series of Covered Bonds shall terminate forthwith if any of the following events or circumstances shall occur or arise, namely: such Agent or Calculation Agent becomes incapable of acting; such Agent or Calculation Agent is adjudged bankrupt or insolvent; such Agent or Calculation Agent files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver, administrator or other similar official of all or any substantial part of its property or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof; a resolution is passed or an order is made for the winding-up or dissolution of such Agent or Calculation Agent; a receiver, administrator or other similar official of such Agent or Calculation Agent or of all or any substantial part of its property is appointed; an order of any court is entered approving any petition filed by or against such Agent or Calculation Agent under the provisions of any applicable bankruptcy or insolvency law; or any public officer takes charge or control of such Agent or Calculation Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

Modification of Transaction Documents

The provisions of the Transaction Documents generally require that all amendments thereto be in writing and executed by the parties thereto and, in the case of the Swap Agreements, the Bond Trustee, unless the amendment relates to the transfer of the Swap Provider's interests in the Swap Agreements other than as a result of the occurrence of a Downgrade Trigger Event, in which case five Business Days' prior notice is required to be provided to the Bond Trustee. In addition, any material amendment to a Transaction Document will be subject to satisfaction of the Rating Agency Condition. Pursuant to the terms of the Security Agreement and the Trust Deed, the Bond Trustee is permitted to consent to and/or execute amendments without consulting the other Secured Creditors if the amendment is of a minor or technical nature or the Bond Trustee is otherwise satisfied that the amendment is not reasonably expected to be materially prejudicial to the interests of the Covered Bondholders.

In addition to the general amendment provisions, the Managing GP has the authority to make amendments to the Guarantor Agreement without the consent of any other party in order to cure any ambiguity or correct or supplement any provision thereof, provided that such amendments do not adversely affect the interests of the other Partners, or, while Covered Bonds are outstanding, the Bond Trustee (on behalf of the Secured Creditors). If the interests of any such party would be adversely affected by a proposed amendment to the Guarantor Agreement, such amendment may only be made by the Managing GP with the consent of such adversely affected Partner and/or the Bond Trustee, as applicable.

For greater certainty, all amendments to the Transaction Documents must comply with the CMHC Guide.

Modification of Ratings Triggers and Consequences

Any amendment to (a) a ratings trigger that (i) lowers the ratings specified therein; or (ii) changes the applicable rating type, in each case as provided for in any Transaction Document, or (b) the consequences of breaching any such ratings trigger, or changing the applicable rating type, provided for in any Transaction Document that makes such consequences less onerous, shall, with respect to each affected Rating Agency only, be deemed to be a material amendment and shall be subject to satisfaction of the Rating Agency Condition from each affected Rating Agency.

CREDIT STRUCTURE

Under the terms of the Covered Bond Guarantee, the Guarantor has agreed to, following the occurrence of a Covered Bond Guarantee Activation Event, unconditionally and irrevocably pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of the holders of the Covered Bonds), an amount equal to that portion of the Guaranteed Amounts which shall become Due for Payment but would otherwise be unpaid, as of any Original Due for Payment Date, or, if applicable, Extended Due for Payment Date, by the Issuer. Under the Covered Bond Guarantee, the Guaranteed Amounts will become due and payable on any earlier date on which a Guarantor Acceleration Notice is served. The Issuer will not be relying on payments from the Guarantor in respect of advances under the Intercompany Loan Agreement or receipt of Available Revenue Receipts or Available Principal Receipts from the Covered Bond Portfolio in order to pay interest or repay principal under the Covered Bonds.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to holders of the Covered Bonds, as follows:

- the Covered Bond Guarantee provides credit support to the Issuer;
- the Pre-Maturity Test is intended to test the liquidity of the Guarantor's assets in respect of principal due on the Final Maturity Date of Hard Bullet Covered Bonds;
- the Asset Coverage Test is intended to test the asset coverage of the Guarantor's assets in respect of the Covered Bonds at all times;
- the Amortization Test is intended to test the asset coverage of the Guarantor's assets in respect of the Covered Bonds following the occurrence of a Covered Bond Guarantee Activation Event;
- a Reserve Fund (if the applicable ratings of the Issuer by one or more Rating Agencies fall below the Reserve Fund Required Amount Ratings) will be established by the Guarantor (or the Cash Manager on its behalf) in the GDA Account to trap Available Revenue Receipts and Available Principal Receipts; and
- under the terms of the GDA, the GDA Provider has agreed to pay a variable rate of interest on all amounts held by the Guarantor in the GDA Account at a floor of 0.19547 per cent. above Daily Compounded CORRA (as defined therein) as determined by the GDA Provider for the applicable Guarantor Observation Period (as defined therein), or such greater amount as the Guarantor and the GDA Provider may agree from time to time.

Certain of these factors are considered more fully in the remainder of this Section.

Guarantee

The Covered Bond Guarantee provided by the Guarantor under the Trust Deed guarantees payment of Guaranteed Amounts when the same become Due for Payment in respect of all Covered Bonds issued under the Programme. The Covered Bond Guarantee will not guarantee any amount becoming payable for any other reason, including any accelerated payment pursuant to Condition 7 (Events of Default and Enforcement) following the occurrence of an Issuer Event of Default. In this circumstance (and until a Guarantor Event of Default occurs and a Guarantor Acceleration Notice is served), the Guarantor's obligations will only be to pay the Guaranteed Amounts as such amounts fall Due for Payment.

See further "*Summary of the Principal Documents-Trust Deed*" with respect to the terms of the Covered Bond Guarantee. See "*Cashflows—Guarantee Priority of Payments*" with respect to the payment of amounts payable by the Guarantor to holders of the Covered Bonds and other Secured Creditors following the occurrence of an Issuer Event of Default.

Pre-Maturity Liquidity

Certain Series of Covered Bonds may be scheduled to be redeemed in full on their respective Final Maturity Dates without any provision for scheduled redemption other than on the Final Maturity Date (the "**Hard Bullet Covered Bonds**"). The applicable Final Terms or Pricing Supplement will identify whether any Series of Covered Bonds is a Series of Hard Bullet Covered Bonds. The Pre-Maturity Test is intended to test the liquidity of the Guarantor's assets

in respect of the Hard Bullet Covered Bonds when the applicable ratings of the Issuer fall below the Pre-Maturity Minimum Ratings. On each Toronto Business Day (each, a "**Pre-Maturity Test Date**") prior to the occurrence of an Issuer Event of Default or the occurrence of a Guarantor Event of Default, the Guarantor or the Cash Manager on its behalf will determine if the Pre-Maturity Test has been breached, and if so, it will immediately notify the Seller and the Bond Trustee.

Following a breach of the Pre-Maturity Test in respect of a Series of Hard Bullet Covered Bonds, the Guarantor shall, subject to any right of pre-emption of the Seller pursuant to the terms of the Mortgage Sale Agreement and the Security Sharing Agreement, as applicable, offer to sell Randomly Selected Loans to Purchasers, subject to:

(i) a Capital Contribution in Kind made by one or more of the Partners (as recorded in the Capital Account Ledger for such Partners of the Guarantor) of certain Substitute Assets in accordance with the Guarantor Agreement with an aggregate principal amount up to the Pre-Maturity Liquidity Required Amount (which shall be a credit to the Pre-Maturity Liquidity Ledger); or

(ii) Cash Capital Contributions made by one or more of the Partners (as recorded in the Capital Account Ledger for each applicable Partner of the Guarantor) or proceeds advanced under the Intercompany Loan Agreement which have not been applied to acquire further Loans and their Related Security or otherwise applied in accordance with the Guarantor Agreement and/or the other Transaction Documents with an aggregate principal amount up to the Pre-Maturity Liquidity Required Amount (which shall be a credit to the Pre-Maturity Liquidity Ledger);

provided that if the Pre-Maturity Test in respect of any 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, an Issuer Event of Default will occur if the Guarantor has not taken the required action as described above before the earlier to occur of (i) 10 Toronto 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 (see further: Condition 7.01). To cure a Pre-Maturity Test breach within such period, the Pre-Maturity Liquidity Ledger shall be funded so that by the end of such period, there will be an amount equal to the Pre-Maturity Liquidity Required Amount standing to the credit of the Pre-Maturity Liquidity Ledger. The method for selling Randomly Selected Loans is described in "*Summary of Principal Documents—Guarantor Agreement—Method of Sale of Loans and their Related Security*" above. The proceeds of sale of Selected Loans will be recorded to the Pre-Maturity Liquidity Ledger on the GDA Account.

In certain circumstances, Revenue Receipts will also be available to repay a Hard Bullet Covered Bond, as described in "*Cashflows—Pre-Acceleration Revenue Priority of Payments*" below.

Failure by the Issuer to pay the full amount due in respect of a Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof, subject to applicable cure periods, will constitute an Issuer Event of Default. Following service of a Notice to Pay on the Guarantor, the Guarantor will apply funds standing to the Pre-Maturity Liquidity Ledger to repay the relevant Series of Hard Bullet Covered Bonds.

If the Issuer and/or the Guarantor fully repay the relevant Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof, cash standing to the credit of the Pre-Maturity Liquidity Ledger on the GDA Account will be applied by the Guarantor in accordance with the Pre-Acceleration Principal Priority of Payments, unless:

(a) the Issuer is failing the Pre-Maturity Test in respect of any other Series of Hard Bullet Covered Bonds, in which case the cash will remain on the Pre-Maturity Liquidity Ledger in order to provide liquidity for that other Series of Hard Bullet Covered Bonds; or

(b) the Issuer is not failing the Pre-Maturity Test, but the Cash Manager elects to retain the cash on the Pre-Maturity Liquidity Ledger in order to provide liquidity for any future Series of Hard Bullet Covered Bonds.

Amounts standing to the credit of the Pre-Maturity Liquidity Ledger following the repayment of the Hard Bullet Covered Bonds as described above may, except where the Cash Manager has elected or is required to retain such amounts on the Pre-Maturity Liquidity Ledger, also be used to repay the Advances under the Intercompany Loan

Agreement, subject to the Guarantor making provision for higher ranking items in the Pre-Acceleration Principal Priority of Payments.

Asset Coverage Test

The Asset Coverage Test is intended to ensure that (subject to certain limitations with respect to the Asset Percentage, which may be removed by agreement with the Issuer) the Guarantor can meet its obligations under the Covered Bond Guarantee. Under the Guarantor Agreement, so long as the Covered Bonds remain outstanding, the Guarantor must ensure that on each Calculation Date the Adjusted Aggregate Loan Amount will be in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date. If, on any Calculation Date, the Asset Coverage Test is not satisfied and such failure is not remedied on or before the next following Calculation Date, the Asset Coverage Test will be breached and the Guarantor (or the Cash Manager on its behalf) will serve an Asset Coverage Test Breach Notice on the Partners, the Bond Trustee, CMHC and, if delivered by the Cash Manager, the Guarantor. The Asset Coverage Test is a formula which adjusts the Outstanding Principal Balance of each Loan in the Covered Bond Portfolio and has further adjustments to take account of a failure by the Seller to repurchase Loans, in accordance with the terms of the Mortgage Sale Agreement, that do not materially comply with the Loan Representations and Warranties on the relevant Transfer Date.

See further "*Summary of the Principal Documents—Guarantor Agreement—Asset Coverage Test*", above.

An Asset Coverage Test Breach Notice will be revoked if, on any Calculation Date falling on or prior to the next Calculation Date following the service of the Asset Coverage Test Breach Notice, the Asset Coverage Test is satisfied and no Covered Bond Guarantee Activation Event has occurred.

If an Asset Coverage Test Breach Notice has been served and is not revoked on or before the Guarantor Payment Date immediately following the Calculation Date after service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default will have occurred and the Bond Trustee will be entitled (and, in certain circumstances, may be required) to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice, the Bond Trustee must serve a Notice to Pay on the Guarantor.

Amortization Test

The Amortization Test is intended to ensure that if, following an Issuer Event of Default (but prior to service on the Guarantor of a Guarantor Acceleration Notice), the assets of the Guarantor available to meet its obligations under the Covered Bond Guarantee fall to a level where holders of the Covered Bonds may not be repaid, a Guarantor Event of Default will occur and all amounts owing under the Covered Bonds may be accelerated. Under the Guarantor Agreement, following the occurrence and during the continuance of an Issuer Event of Default, for so long as there are Covered Bonds outstanding, the Guarantor must ensure that, on each Calculation Date the Amortization Test Aggregate Loan Amount will be in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date. The Amortization Test is a formula which adjusts the True Balance of each Loan in the Covered Bond Portfolio and has further adjustments to take account of Loans in arrears. See further "*Summary of the Principal Documents-Guarantor Agreement—Amortization Test*", above.

Reserve Fund

The Guarantor will be required, if the applicable ratings of the Issuer fall below the Reserve Fund Required Amount Ratings, to establish the Reserve Fund on the GDA Account which will be credited with Available Revenue Receipts and Available Principal Receipts up to an amount equal to the Reserve Fund Required Amount. The Guarantor will not be required to maintain the Reserve Fund following the occurrence of an Issuer Event of Default.

The Reserve Fund will be funded from (i) Available Revenue Receipts after the Guarantor has paid all of its obligations in respect of items ranking higher than the Reserve Ledger in the Pre-Acceleration Revenue Priority of Payments and (ii) Available Principal Receipts after the Guarantor has paid all of its obligations in respect of items ranking higher than the Reserve Ledger in the Pre-Acceleration Principal Priority of Payments on each Guarantor Payment Date.

A Reserve Ledger will be maintained by the Cash Manager to record the balance from time to time of the Reserve Fund. Following the occurrence of an Issuer Event of Default, service of an Issuer Acceleration Notice and service of

a Notice to Pay on the Guarantor, amounts standing to the credit of the Reserve Fund will be added to certain other income of the Guarantor in calculating Available Revenue Receipts.

Voluntary Overcollateralization

From time to time, the Guarantor may hold Loans and Related Security, Substitute Assets and cash with a value in excess of the value required to satisfy the coverage tests prescribed by the Transaction Documents and the CMHC Guide, including the Asset Coverage Test and the Amortization Test, as applicable. Such excess collateral, excluding, for certainty, any Contingent Collateral, is the "**Voluntary Overcollateralization**". Pursuant to the terms of the Transaction Documents and provided that the Guarantor must at all times be in compliance with such coverage tests, the terms of the Transaction Documents and the CMHC Guide, the Guarantor is from time to time permitted to:

- apply cash (in an amount up to the Voluntary Overcollateralization) to the repayment of any loan advanced by the Issuer, including the Intercompany Loan;

- distribute cash (in an amount up to the Voluntary Overcollateralization) to the Partners;

- (i) subject to the rights of pre-emption enjoyed by the Seller pursuant to the Mortgage Sale Agreement and the Security Sharing Agreement, as applicable, transfer, or (ii) agree with the Seller to withdraw or remove, subject to such rights of pre-emption, Loans and Related Security and Substitute Assets (with an aggregate value, in the case of Loans and Related Security, equal to the LTV Adjusted Loan Balance thereof, and in the case of Substitute Assets, equal to the face value thereof, up to the Voluntary Overcollateralization); or

- agree with the Seller to substitute assets owned by the Guarantor with other Loans and Related Security and/or Substitute Assets that in each case comply with the terms of the Transaction Documents, the CMHC Guide and the Covered Bond Legislative Framework.

In calculating Voluntary Overcollateralization, no credit will be given to the Guarantor for any Excess Proceeds received by the Guarantor following an Issuer Event of Default, including for the Adjusted Aggregate Loan Amount and Amortization Test Aggregate Loan Amount. Any Loans and Related Security and/or Substitute Assets transferred, withdrawn, removed or substituted in accordance with the above will be selected in a manner that would not reasonably be expected to adversely affect the interests of the Covered Bondholders and the consideration received by the Guarantor therefor (whether in cash or in kind) will, unless otherwise prescribed by the terms of the Transaction Documents, not be less than the fair market value thereof.

CASHFLOWS

As described above under "*Credit Structure*", until the occurrence of a Covered Bond Guarantee Activation Event, the Covered Bonds will be obligations of the Issuer only. The Issuer is liable to make payments when due on the Covered Bonds, whether or not it has received any corresponding payment from the Guarantor under the Intercompany Loan or any other Transaction Document.

This section summarizes the Priorities of Payments of the Guarantor, as to the allocation and distribution of amounts standing to the credit of the Guarantor on the Ledgers and their order of priority:

(a) when no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred;

(b) when an Asset Coverage Test Breach Notice is outstanding but no Covered Bond Guarantee Activation Event has occurred;

(c) following service of a Notice to Pay on the Guarantor; and

(d) following service of a Guarantor Acceleration Notice and enforcement of the Security.

If the Transaction Account is closed in accordance with the terms of the Bank Account Agreement or no Transaction Account is maintained, any payment to be made to or from the Transaction Account will, as applicable, be made to or from the GDA Account, or no payment shall be made at all if such payment is expressed to be from the GDA Account to the Transaction Account.

Allocation and distribution of Available Revenue Receipts when no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred

At any time when no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred, Available Revenue Receipts will be allocated and distributed as described below.

The Guarantor or the Cash Manager on its behalf will, as of each Calculation Date, calculate:

(i) the amount of Available Revenue Receipts available for distribution on the immediately following Guarantor Payment Date;

(ii) the Reserve Fund Required Amount (if applicable); and

(iii) where the Pre-Maturity Test has been breached in respect of a Series of Hard Bullet Covered Bonds, on each Calculation Date falling in the five months prior to the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds, whether or not the amount standing to the credit of the Pre-Maturity Liquidity Ledger including the principal amount of any Substitute Assets standing to the credit of the Pre-Maturity Liquidity Ledger at such date is less than the Pre-Maturity Liquidity Required Amount.

On each Guarantor Payment Date, the Guarantor (or the Cash Manager on its behalf) will transfer Available Revenue Receipts from the Revenue Ledger to the Payment Ledger, and use Available Revenue Receipts held by the Cash Manager for and on behalf of the Guarantor and, as necessary, transfer Available Revenue Receipts from the GDA Account to the Transaction Account (to the extent maintained), in an amount equal to the lower of (a) the amount required to make the payments or credits described below (taking into account any Available Revenue Receipts held by the Cash Manager for or on behalf of the Guarantor and any Available Revenue Receipts standing to the credit of the Transaction Account), and (b) the amount of Available Revenue Receipts.

Pre-Acceleration Revenue Priority of Payments

At any time no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred, Available Revenue Receipts will be applied by or on behalf of the Guarantor (or the Cash Manager on its behalf) on each Guarantor Payment Date (except for amounts due to third parties by the Guarantor under paragraph

(a) or Third Party Amounts, which will be paid when due) in making the following payments and provisions (the "**Pre-Acceleration Revenue Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, in or towards satisfaction of any amounts due and payable by the Guarantor to third parties and incurred without breach by the Guarantor of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere in the relevant Priorities of Payments) and to provide for any such amounts expected to become due and payable by the Guarantor in the immediately succeeding Guarantor Payment Period and to pay and discharge any liability of the Guarantor for taxes;

(b) *second*, any amounts in respect of interest due to the Bank in respect of the Demand Loan pursuant to the terms of the Intercompany Loan;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Agreement in the immediately succeeding Guarantor Payment Period in respect of Loans owned by the Guarantor, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(ii) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager under the provisions of the Cash Management Agreement in the immediately succeeding Guarantor Payment Period, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(iii) amounts (if any) due and payable to the Account Bank (or, as applicable, the Standby Account Bank) (including costs) pursuant to the terms of the Bank Account Agreement (or, as applicable, the Standby Bank Account Agreement), together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(iv) amounts due and payable to the Asset Monitor pursuant to the terms of the Asset Monitor Agreement (other than the amounts referred to in paragraph (j) below), together with applicable GST (or other similar taxes) thereon to the extent provided therein; and

(v) amounts due and payable to the Custodian pursuant to the terms of the Custodial Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(d) *fourth*, in or towards satisfaction pro rata and pari passu according to the respective amounts thereof of:

(i) payment due to the Interest Rate Swap Provider (including any termination payment due and payable by the Guarantor under the Interest Rate Swap Agreement (but excluding any Excluded Swap Termination Amount)) pursuant to the terms of the Interest Rate Swap Agreement; and

(ii) payment due to the Covered Bond Swap Provider (including any termination payment due and payable by the Guarantor under the Covered Bond Swap Agreement (but excluding any Excluded Swap Termination Amount)) pursuant to the terms of the Covered Bond Swap Agreement;

(e) *fifth*, in or towards payment on the Guarantor Payment Date of, or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine (in the case of any such payment or provision, after taking into account any provisions previously made and any amounts receivable from the Interest Rate Swap

Provider under the Interest Rate Swap Agreement) any amounts due or to become due and payable (excluding principal amounts) to the Bank in respect of the Guarantee Loan pursuant to the terms of the Intercompany Loan Agreement;

(f) *sixth*, if a Servicer Event of Default has occurred, all remaining Available Revenue Receipts to be credited to the GDA Account (with a corresponding credit to the Revenue Ledger maintained in respect of that account) until such Servicer Event of Default is either remedied by the Servicer or waived by the Bond Trustee or a new servicer is appointed to service the Covered Bond Portfolio (or the relevant part thereof);

(g) *seventh*, in or towards a credit to the GDA Account (with a corresponding credit to the Reserve Ledger) of an amount up to but not exceeding the amount by which the Reserve Fund Required Amount (if applicable) exceeds the existing balance on the Reserve Ledger as calculated on the immediately preceding Calculation Date;

(h) *eighth*, if the Guarantor is required to make a deposit to the Pre-Maturity Liquidity Ledger due to a breach of the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds, towards a credit to the GDA Account (with a corresponding credit to the Pre-Maturity Liquidity Ledger) of an amount up to but not exceeding the difference between:

(i) the Pre-Maturity Liquidity Required Amount as calculated on the immediately preceding Calculation Date; and

(ii) any amounts standing to the credit of the Pre-Maturity Liquidity Ledger on the immediately preceding Calculation Date;

(i) *ninth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) payment of any Excluded Swap Termination Amounts due and payable by the Guarantor under the Interest Rate Swap Agreement; and

(ii) payment of any Excluded Swap Termination Amounts due and payable by the Guarantor under the Covered Bond Swap Agreement;

(j) *tenth*, in or towards payment pro rata and pari passu in accordance with the respective amounts thereof of any indemnity amount due to the Asset Monitor pursuant to the Asset Monitor Agreement, and any indemnity amount due to any Partner pursuant to the Guarantor Agreement;

(k) *eleventh*, in or towards payment of the fee due to the Corporate Services Provider by the Guarantor pursuant to the terms of the Corporate Services Agreement; and

(l) *twelfth*, towards such distributions of profit to the Partners as may be payable in accordance with the terms of the Guarantor Agreement.

Any amounts received by the Guarantor under the Interest Rate Swap Agreement and the Covered Bond Swap Agreement (other than, in each case, amounts in respect of Swap Collateral Excluded Amounts) on or after the Guarantor Payment Date but prior to the next following Guarantor Payment Date will be applied, together with any provision for such payments made on any preceding Guarantor Payment Date, to make payments (other than in respect of principal) due and payable in respect of the Intercompany Loan Agreement and then the expenses of the Guarantor unless an Asset Coverage Test Breach Notice is outstanding or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine.

Any amounts received under the Interest Rate Swap Agreement and the Covered Bond Swap Agreement on the Guarantor Payment Date or on any date prior to the next succeeding Guarantor Payment Date which are not applied towards a payment or provision in accordance with paragraph (d) above or the preceding paragraph will be credited to the Revenue Ledger and applied as Available Revenue Receipts on the next succeeding Guarantor Payment Date.

Amounts (if any) held by the Cash Manager for and on behalf of the Guarantor or standing to the credit of the Transaction Account which are not required to be applied in accordance with paragraphs (a) to (l) of the Pre-Acceleration Revenue Priority of Payments or paragraphs (a) to (g) of the Pre-Acceleration Principal Priority of Payments below will, if applicable, be deposited by the Cash Manager and, in each case be credited to the appropriate ledger in the GDA Account on the Guarantor Payment Date.

Allocation and Distribution of Available Principal Receipts when no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred

At any time no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred, Available Principal Receipts will be allocated and distributed as described below.

The Guarantor or the Cash Manager on its behalf will, as of each Calculation Date, calculate the amount of Available Principal Receipts available for distribution on the immediately following Guarantor Payment Date.

On each Guarantor Payment Date, the Guarantor (or the Cash Manager on its behalf) will transfer Available Principal Receipts from the Principal Ledger to the Payment Ledger, and use Available Principal Receipts held by the Cash Manager for and on behalf of the Guarantor and, as necessary, transfer Available Principal Receipts from the GDA Account to the Transaction Account (to the extent maintained), in an amount equal to the lower of (a) the amount required to make the payments or credits described below (taking into account any Available Principal Receipts held by the Cash Manager for or on behalf of the Guarantor and/or standing to the credit of the Transaction Account), and (b) the amount of Available Principal Receipts.

If a Guarantor Payment Date is the same as an Interest Payment Date, then the distribution of Available Principal Receipts under the Pre-Acceleration Principal Priority of Payments will be delayed until the Issuer has made Scheduled Interest and/or principal payments on that Interest Payment Date unless payment is made by the Guarantor directly to the Bond Trustee (or one or more Paying Agents at the direction of the Bond Trustee).

Pre-Acceleration Principal Priority of Payments

At any time no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred, Available Principal Receipts (other than Cash Capital Contributions made from time to time by the Seller in its capacity as a Limited Partner) will be applied by or on behalf of the Guarantor on each Guarantor Payment Date in making the following payments and provisions (the "**Pre-Acceleration Principal Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, if the Pre-Maturity Test has been breached by the Issuer in respect of any Series of Hard Bullet Covered Bonds, towards a credit to the Pre-Maturity Liquidity Ledger in respect of any such Series in an amount up to but not exceeding the difference between:

  (i) the Pre-Maturity Liquidity Required Amount calculated on the immediately preceding Calculation Date; and

  (ii) any amounts standing to the credit of the Pre-Maturity Liquidity Ledger on the immediately preceding Calculation Date;

(b) *second*, to pay amounts in respect of principal outstanding on the Demand Loan pursuant to the terms of the Intercompany Loan Agreement;

(c) *third*, to acquire New Loans and their Related Security offered to the Guarantor, if necessary or prudent to ensure that, taking into account the other resources available to the Guarantor, the Asset Coverage Test is met and thereafter to acquire (in the discretion of the Guarantor or the Cash Manager on its behalf) Substitute Assets up to the prescribed limit under the CMHC Guide;

(d) *fourth*, to deposit the remaining Available Principal Receipts in the GDA Account (with a corresponding credit to the Principal Ledger) in an amount sufficient to ensure that taking into account the other resources available to the Guarantor, the Asset Coverage Test is met;

(e) *fifth*, in or towards repayment on the Guarantor Payment Date (or to provide for repayment on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine) of amounts (in respect of principal) due or to become due and payable to the Issuer in respect of the Guarantee Loan;

(f) *sixth*, in or towards a credit to the GDA Account (with a corresponding credit to the Reserve Ledger) of an amount up to but not exceeding the amount by which the Reserve Fund Required Amount (if applicable) exceeds the existing balance on the Reserve Ledger as calculated on the immediately preceding Calculation Date; and

(g) *seventh*, subject to complying with the Asset Coverage Test, to make Capital Distributions in accordance with the terms of the Guarantor Agreement.

Allocation and distribution of Available Revenue Receipts and Available Principal Receipts when an Asset Coverage Test Breach Notice is outstanding but no Covered Bond Guarantee Activation Event has occurred

At any time an Asset Coverage Test Breach Notice is outstanding but no Covered Bond Guarantee Activation Event has occurred, all Available Revenue Receipts and Available Principal Receipts will continue to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments save that, while any Covered Bonds remain outstanding, no moneys will be applied under paragraphs (b), (e), (j) (to the extent only that such indemnity amounts are payable to a Partner), (k) or (l) of the Pre-Acceleration Revenue Priority of Payments or paragraphs (b), (c), (e) or (g) of the Pre-Acceleration Principal Priority of Payments.

Allocation and distribution of Available Revenue Receipts and Available Principal Receipts following service of a Notice to Pay on the Guarantor

At any time after service of a Notice to Pay on the Guarantor, but prior to service of a Guarantor Acceleration Notice, all Available Revenue Receipts and Available Principal Receipts (other than Third Party Amounts) will be applied as described below under "Guarantee Priority of Payments".

On each Guarantor Payment Date, the Guarantor or the Cash Manager on its behalf will transfer Available Revenue Receipts and Available Principal Receipts from the Revenue Ledger, the Reserve Ledger, the Principal Ledger or the Capital Account Ledger, as the case may be, to the Payment Ledger, in an amount equal to the lower of (a) the amount required to make the payments set out in the Guarantee Priority of Payments and (b) the amount of all Available Revenue Receipts and Available Principal Receipts standing to the credit of such Ledgers.

The Guarantor will create and maintain ledgers for each Series of Covered Bonds and record amounts allocated to such Series of Covered Bonds in accordance with paragraph (g) of the Guarantee Priority of Payments below, and such amounts, once allocated, will only be available to pay amounts due under the Covered Bond Guarantee and amounts due in respect of the relevant Series of Covered Bonds under the Covered Bond Swap Agreement on the scheduled repayment dates thereof.

Guarantee Priority of Payments

If a Notice to Pay is served on the Guarantor, the Guarantor will on the Final Maturity Date for any Series of Hard Bullet Covered Bonds, apply all funds standing to the credit of the Pre-Maturity Liquidity Ledger (and transferred to the Transaction Account on the relevant Guarantor Payment Date) to repay such Series of Hard Bullet Covered Bonds. Subject thereto, on each Guarantor Payment Date after the service of a Notice to Pay on the Guarantor (but prior to service of a Guarantor Acceleration Notice), the Guarantor or the Cash Manager on its behalf will apply Available Revenue Receipts and Available Principal Receipts to make the following payments, provisions or credits in the following order of priority (the "**Guarantee Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, to pay any amounts in respect of principal and interest due to the Bank in respect of the Demand Loan pursuant to the terms of the Intercompany Loan Agreement;

(b) *second*, in or towards payment of all amounts due and payable or to become due and payable to the Bond Trustee in the immediately succeeding Guarantor Payment Period under the provisions of the

Trust Deed together with interest and applicable GST (or other similar taxes) thereon as provided therein;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Agents and any costs, charges, liabilities and expenses then due or to become due and payable to the Agents in the immediately succeeding Guarantor Payment Period under the provisions of the Agency Agreement together with applicable GST (or other similar taxes) thereon as provided therein, other than any indemnity amounts payable to the Agents in excess of $150,000; and

(ii) any amounts then due and payable by the Guarantor to third parties and incurred without breach by the Guarantor of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and to provide for any such amounts expected to become due and payable by the Guarantor in the immediately succeeding Guarantor Payment Period and to pay or discharge any liability of the Guarantor for taxes;

(d) *fourth*, in or towards satisfaction pro rata and pari passu according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer in the immediately succeeding Guarantor Payment Period under the provisions of the Servicing Agreement in respect of Loans owned by the Guarantor together with applicable GST (or other similar taxes) thereon to the extent provided therein, other than any indemnity amounts payable to the Servicer in excess of $150,000;

(ii) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager in the immediately succeeding Guarantor Payment Period under the provisions of the Cash Management Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein, other than any indemnity amounts payable to the Cash Manager in excess of $150,000;

(iii) amounts (if any) due and payable to the Account Bank (or, as applicable, the Standby Account Bank) (including costs) pursuant to the terms of the Bank Account Agreement (or, as applicable, the Standby Bank Account Agreement), together with applicable GST (or other similar taxes) thereon to the extent provided therein, other than any indemnity amounts payable to the Account Bank (or, as applicable, the Standby Account Bank) in excess of $150,000;

(iv) amounts due and payable to the Asset Monitor (other than the amounts referred to in paragraph (l) below) pursuant to the terms of the Asset Monitor Agreement, together with applicable GST (or other similar taxes) thereon as provided therein; and

(v) amounts due and payable to the Custodian pursuant to the terms of the Custodial Agreement, together with applicable GST (or other similar taxes) thereon as provided therein, other than any indemnity amounts payable to the Custodian in excess of $150,000;

(e) *fifth*, if the Guarantor is Independently Controlled and Governed and has agreed to afford the Interest Rate Swap Provider priority over the holders of Covered Bonds in respect of amounts payable under the Covered Bonds, amounts due and payable to the Interest Rate Swap Provider (excluding any termination payment) in accordance with the terms of the Interest Rate Swap Agreement;

(f) *sixth*, to pay pro rata and pari passu according to the respective amounts thereof:

(i) (x) if (e) above does not apply, the amounts due and payable to the Interest Rate Swap Provider *pro rata* and *pari passu* according to the respective amounts thereof (including any termination payment due and payable by the Guarantor under the Interest Rate Swap Agreement but excluding any Excluded Swap Termination Amount), or (y) if (e) above applies, any termination payment due and payable by the Guarantor to the Interest Rate Swap Provider (but excluding any Excluded Swap Termination Amount), in each case in accordance with the terms of the Interest Rate Swap Agreement;

(ii) the amounts due and payable to the Covered Bond Swap Provider (other than in respect of principal) *pro rata* and *pari passu* in respect of each relevant Series of Covered Bonds (including any termination payment (other than in respect of principal) due and payable by the Guarantor to the Covered Bond Swap Provider but excluding any Excluded Swap Termination Amount) in accordance with the terms of the Covered Bond Swap Agreement; and

(iii) to the Bond Trustee or (if so directed by the Bond Trustee) the Issuing and Paying Agent on behalf of the holders of the Covered Bonds *pro rata* and *pari passu* Scheduled Interest that is Due for Payment (or will become Due for Payment in the immediately succeeding Guarantor Payment Period) under the Covered Bond Guarantee in respect of each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (f) (excluding any amounts received from the Covered Bond Swap Provider) would be insufficient to pay the Canadian Dollar Equivalent of the Scheduled Interest that is Due for Payment in respect of each Series of Covered Bonds under (f)(iii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the Guarantor in respect of each relevant Series of Covered Bonds to the Covered Bond Swap Provider under (f)(ii) above will be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(g) *seventh*, to pay or provide for pro rata and pari passu according to the respective amounts thereof, of:

(i) the amounts (in respect of principal) due and payable pro rata and pari passu in respect of each relevant Series of Covered Bonds (including any termination payment (relating solely to principal) due and payable by the Guarantor under the Covered Bond Swap Agreement but excluding any Excluded Swap Termination Amount) to the Covered Bond Swap Provider in accordance with the terms of the relevant Covered Bond Swap Agreement; and

(ii) to the Bond Trustee or (if so directed by the Bond Trustee) the Issuing and Paying Agent on behalf of the holders of the Covered Bonds pro rata, and pari passu Scheduled Principal that is Due for Payment (or will become Due for Payment in the immediately succeeding Guarantor Payment Period) under the Covered Bond Guarantee in respect of each Series of Covered Bonds, provided that if the amount available for distribution under this paragraph (g) (excluding any amounts received from the Covered Bond Swap Provider) in respect of the amounts referred to in (i) above would be insufficient to pay the Canadian Dollar Equivalent of the Scheduled Principal that is Due for Payment in respect of the relevant Series of Covered Bonds under this (ii) the shortfall will be divided amongst all such Series of Covered Bonds on a pro rata basis and the amount payable by the Guarantor in respect of each relevant Series of Covered Bonds under (i) to the Covered Bond Swap Provider above will be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(h) *eighth*, to deposit the remaining moneys into the GDA Account for application on the next following Guarantor Payment Date in accordance with the Priorities of Payments described in paragraphs (a) to (g) (inclusive) above, until the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series of Covered Bonds);

(i) *ninth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any Excluded Swap Termination Amount due and payable by the Guarantor to the relevant Swap Provider under the relevant Swap Agreement;

(j) *tenth*, to pay or provide for *pro rata* and *pari passu* according the respective amounts thereof, any indemnity amounts payable to the Agents, the Servicer, the Cash Manager, the Account Bank (or, as applicable, the Standby Account Bank) and the Custodian, to the extent not paid pursuant to paragraph (c) or (d) above;

(k) *eleventh*, after the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series of Covered Bonds), any remaining moneys will be applied in and towards repayment in full of amounts outstanding under the Intercompany Loan Agreement;

(l) *twelfth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any indemnity amount due to the Partners pursuant to the Guarantor Agreement and certain costs, expenses and indemnity amounts due by the Guarantor to the Asset Monitor pursuant to the Asset Monitor Agreement; and

(m) *thirteenth*, thereafter any remaining moneys will be applied in accordance with the Guarantor Agreement.

Payments received in respect of the Swap Agreements, premiums received in respect of replacement Swap Agreements

If the Guarantor receives any termination payment from a Swap Provider in respect of a Swap Agreement, such termination payment will first be used, to the extent necessary (prior to the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice) to pay a replacement Swap Provider to enter into a replacement Swap Agreement with the Guarantor, unless a replacement Swap Agreement has already been entered into on behalf of the Guarantor. Any amounts received by the Guarantor from a Swap Provider in respect of a Swap Agreement will be credited to the Revenue Ledger and applied as Available Revenue Receipts on the next succeeding Guarantor Payment Date.

Application of moneys received by the Bond Trustee following service of a Guarantor Acceleration Notice and enforcement of the Security

Following service of a Guarantor Acceleration Notice and enforcement of the Security granted under the terms of the Security Agreement, all moneys received or recovered by the Bond Trustee (or a receiver appointed on its behalf) (excluding all amounts due or to become due in respect of any Third Party Amounts) will be applied in the following order of priority (the "**Post-Enforcement Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, in or towards satisfaction of all amounts due and payable or to become due and payable to the Bond Trustee under the provisions of the Trust Deed together with interest and applicable GST (or other similar taxes) thereon as provided therein;

(b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to respective amounts thereof of any remuneration then due and payable to the Agents and any costs, charges, liabilities and expenses then due or to become due and payable to the Agents under or pursuant to the Agency Agreement together with applicable GST (or other similar taxes) thereon to the extent provided therein, other than any indemnity amounts payable to the Agents in excess of $150,000;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Agreement in respect of Loans owned by the Guarantor, together with applicable

GST (or other similar taxes) thereon to the extent provided therein, other than any indemnity amounts payable to the Servicer in excess of $150,000;

(ii) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager under the provisions of the Cash Management Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein, other than any indemnity amounts payable to the Cash Manager in excess of $150,000;

(iii) amounts due to the Account Bank or, as applicable, the Standby Account Bank (including costs) pursuant to the terms of the Bank Account Agreement or, as applicable, the Standby Bank Account Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein, other than any indemnity amounts payable to the Account Bank (or, as applicable, the Standby Account Bank) in excess of $150,000; and

(iv) amounts due to the Custodian pursuant to the terms of the Custodial Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein, other than any indemnity amounts payable to the Custodian in excess of $150,000;

(d) *fourth*, if the Guarantor is Independently Controlled and Governed and has agreed to afford the Interest Rate Swap Provider priority over the holders of Covered Bonds in respect of amounts payable under the Covered Bonds, amounts due and payable to the Interest Rate Swap Provider (excluding any termination payment) in accordance with the terms of the Interest Rate Swap Agreement;

(e) *fifth*, to pay pro rata and pari passu according to the respective amounts thereof, of:

(i) (x) if (d) above does not apply, any amounts due and payable to the Interest Rate Swap Provider *pro rata* and *pari passu* according to the respective amounts thereof (including any termination payment (but excluding any Excluded Swap Termination Amounts)), or (y) if (d) above applies, any termination payment due and payable by the Guarantor to the Interest Rate Swap Provider (but excluding any Excluded Swap Termination Amounts), in each case pursuant to the terms of the Interest Rate Swap Agreement;

(ii) the amounts due and payable to the Covered Bond Swap Provider *pro rata* and *pari passu* in respect of each relevant Series of Covered Bonds to the Covered Bond Swap Agreement (including any termination payment due and payable by the Guarantor under the Covered Bond Swap Agreement (but excluding any Excluded Swap Termination Amount)) in accordance with the terms of the Covered Bond Swap Agreement; and

(iii) the amounts due and payable under the Covered Bond Guarantee, to the Bond Trustee on behalf of the holders of the Covered Bonds *pro rata* and *pari passu* in respect of interest and principal due and payable on each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (e) (excluding any amounts received from the Covered Bond Swap Provider in respect of amounts referred to in (ii) above) would be insufficient to pay the Canadian Dollar Equivalent of the amounts due and payable under the Covered Bond Guarantee in respect of each Series of Covered Bonds under (iii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the Guarantor in respect of each relevant Series of Covered Bonds under (ii) above to the Covered Bond Swap Provider will be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(f) *sixth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any Excluded Swap Termination Amounts due and payable by the Guarantor to the relevant Swap Provider under the relevant Swap Agreement;

(g) *seventh*, to pay or provide for *pro rata* and *pari passu* according to the respective amounts thereof, any indemnity amounts payable to the Agents, to the extent not paid pursuant paragraph (b) above;

(h) *eighth*, to pay or provide for *pro rata* and *pari passu* according to the respective amounts thereof, any indemnity amounts payable to the Servicer, the Cash Manager, the Account Bank (or, as applicable, the Standby Account Bank) and the Custodian, to the extent not paid pursuant paragraph (c) above;

(i) *ninth*, after the Covered Bonds have been fully repaid, any remaining moneys shall be applied in or towards repayment in full of all amounts outstanding under the Intercompany Loan Agreement;

(j) *tenth*, towards payment of any indemnity amount due to the Partners pursuant to the Guarantor Agreement;

(k) *eleventh*, in or towards payment of the fee due to the Corporate Services Provider; and

(l) *twelfth*, thereafter any remaining moneys will be applied in or towards payment to the Partners pursuant to the Guarantor Agreement.

DESCRIPTION OF THE CANADIAN REGISTERED COVERED BOND PROGRAMS FRAMEWORK

On 17 December 2012, CMHC published the first version of the CMHC Guide implementing the legislative framework established by Part I.1 of the *National Housing Act* (Canada) (the "**Covered Bond Legislative Framework**"). As of the date of this Prospectus, the most recent version of the CMHC Guide was published on 23 June 2017. On 13 November 2019, CMHC advised that further changes would be made to the CMHC Guide effective 1 January 2020, which amendments included the following: (i) covered bonds must be rated by at least one rating agency (as opposed to the current requirement of at least two rating agencies), (ii) swap counterparties must maintain applicable credit ratings from no less than two rating agencies and (iii) a reduction in the credit ratings thresholds for delivery of registrable mortgage assignments in the Province of Quebec. The CMHC Guide is updated from time to time and may result in amendments to the Transaction Documents, which changes will be made in accordance with the respective terms of those documents. The CMHC Guide elaborates on the role and powers of CMHC as administrator of the Covered Bond Legislative Framework and sets out the conditions and restrictions applicable to registered covered bond issuers and registered covered bond programs.

Eligible Issuers

The Covered Bond Legislative Framework provides that in order to apply for registration as a registered issuer, a proposed issuer of covered bonds must be a "federal financial institution", as defined in section 2 of the Bank Act or a cooperative credit society that is incorporated and regulated by or under an act of the legislature of a province of Canada.

Eligible Covered Bond Collateral and Coverage Tests

Assets held by a guarantor as collateral for covered bonds issued under a registered program may not include mortgages or other secured residential loans that (i) are insured by CMHC or other Prohibited Insurers, or (ii) have a loan-to-value ratio that exceeds 80% at the time of the loan. A guarantor may hold substitute assets consisting of Government of Canada securities and repos of such securities, provided that the value of such substitute assets may not exceed 10% of the total value of the assets of the guarantor held as covered bond collateral. The Covered Bond Legislative Framework, as further described in the CMHC Guide, further restricts assets comprising covered bond collateral by limiting cash held by the guarantor at any time to the amount necessary to meet the guarantor's payment obligations for the next six months, subject to certain exceptions.

In addition to confirming a Level of Overcollateralization greater than the Guide OC Minimum, the CMHC Guide requires registered issuers to establish a minimum and maximum level of overcollateralization by adopting a minimum and maximum value for the Asset Percentage to be used to perform the Asset Coverage Test and disclose such Asset Percentages in the issuer's offering documents and in the Registry. Methodology to be employed for the asset coverage and amortization tests is specified in the CMHC Guide. Commencing 1 July 2014, in performing such tests registered issuers are required to adjust the market values of the residential properties securing the mortgages or other residential loans comprising covered bond collateral to account for subsequent price adjustments.

The CMHC Guide also requires that the guarantor engage in certain risk-monitoring and risk-mitigation practices, including (i) measurement of the present value of the assets comprising covered bond collateral as compared to the outstanding covered bonds (the "**Valuation Calculation**"), and (ii) hedging of its interest rate and currency exchange risks.

Bankruptcy and Insolvency

The Covered Bond Legislative Framework contains provisions that will limit the application of the laws of Canada and the provinces and territories relating to bankruptcy, insolvency and fraudulent conveyance to the assignments of loans and other assets to be held by a guarantor as covered bond collateral under a registered covered bond program. Such provisions will not be applicable to any covered bonds that are issued under a registered program at a time that the registered issuer has been suspended by CMHC in accordance with the powers afforded to it under the Covered Bond Legislative Framework and the CMHC Guide.

Qualifications of Counterparties

The CMHC Guide prescribes certain qualifications for each of the counterparties to a registered covered bond program, including that such counterparty (i) possess the necessary experience, qualifications and facilities to perform its

obligations under the program, (ii) meet or exceed any minimum standards prescribed by an applicable rating agency, (iii) if regulated, be in regulatory good standing, (iv) be in material compliance with any internal policies and procedures relevant to its role as a counterparty, and (v) be in material compliance with all laws, regulations and rules applicable to that aspect of its business relevant to its role as a counterparty (collectively, the "**Counterparty Qualifications**"). In connection with the Programme, the counterparties are the Swap Providers, the Servicer, the Cash Manager, the Asset Monitor, the Custodian, the Bond Trustee, the Account Bank, the Standby Account Bank, the GDA Provider and the Standby GDA Provider (collectively, the "**Counterparties**"). Each of the Counterparties has represented and warranted in the Transaction Documents that it meets the Counterparty Qualifications.

Asset Monitor

The role of the asset monitor and the specified procedures to be carried out by the asset monitor, are also detailed in the CMHC Guide. The asset monitor's responsibilities include confirmation of the arithmetical accuracy of the tests required by the CMHC Guide to be carried out under the registered covered bond program and the preparation and delivery of an annual report detailing the results of the specified procedures undertaken in respect of the covered bond collateral and the program. In addition to the Counterparty Qualifications, the asset monitor must be either (i) a firm engaged in the practice of accounting that is qualified to be an auditor of the registered issuer under the Bank Act and Canadian auditing standards, or (ii) otherwise approved by CMHC (the "**Asset Monitor Qualifications**"). The Asset Monitor has represented and warranted in the Transaction Documents that it meets the Asset Monitor Qualifications.

Custodian

The CMHC Guide requires that a registered issuer appoint a custodian for each of its registered covered bond programs. The custodian's responsibilities include holding on behalf of the Guarantor applicable powers of attorney granted by the Bank to the Guarantor and details of the Loans and their Related Security and Substitute Assets. In addition to the Counterparty Qualifications, the custodian must satisfy certain other qualifications, including that it (i) be a federally or provincially chartered institution authorized to act in a fiduciary capacity with respect to valuable documents, or a chartered bank as described in Schedule I to the Bank Act, (ii) be equipped with secure, fireproof storage facilities, with adequate controls on access to assure the safety, confidentiality and security of the documents in accordance with customary standards for such facilities, (iii) use employees who are knowledgeable in the handling of mortgage and security documents and in the duties of a mortgage and security custodian, (iv) have computer systems that can accept electronic versions of asset details and be able to transmit that data as required by the CMHC Guide, and (v) be at arm's length from (and otherwise independent and not an affiliate of) the registered issuer (collectively, the "**Custodian Qualifications**"). The Custodian has represented and warranted in the Transaction Documents that it meets the Custodian Qualifications.

Bond Trustee

A registered issuer is required to appoint a bond trustee to represent the views and interests, and to enforce the rights, of the covered bondholders. In addition to the Counterparty Qualifications, a bond trustee must be at arm's length from (and otherwise independent and not an affiliate of) the registered issuer (the "**Bond Trustee Qualifications**"). The Bond Trustee has represented and warranted in the Transaction Documents that it meets the Bond Trustee Qualifications.

Ratings

If there are covered bonds outstanding under a registered covered bond program, at least one rating agency must at all times have current ratings assigned to at least one series or tranche of covered bonds outstanding, and swap counterparties must maintain applicable credit ratings from no less than two rating agencies.

Disclosure and Reporting

The CMHC Guide sets out a number of disclosure and reporting obligations for registered covered bond issuers. Underlying these obligations is the principle that investors should have access to all material information with respect to the registered issuer and the relevant series of covered bonds in order to make an informed investment decision with respect to buying, selling or holding such covered bonds. Registered covered bond issuers are required to maintain a website where investors can access, among other things, material transaction documents, monthly reports on the covered bond collateral and static covered bond collateral portfolio data that users may download and analyze. The

provisions of the CMHC Guide permit registered issuers to restrict access to such website (for example, through the use of a password) in order to comply with securities laws or otherwise. The Issuer's website can be found at http://www.td.com/investor-relations/ir-homepage/debt-information/legislative-covered-bonds/LCBTermsofAccess.jsp.

Status of the Issuer and the Programme

The Issuer and the Programme were registered in the Registry in accordance with the Covered Bond Legislative Framework and the CMHC Guide on 25 June 2014.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantor believe to be reliable, but none of the Issuer, the Guarantor, the Bond Trustee or any Dealer takes any responsibility for the accuracy thereof Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantor nor any other party to the Agency Agreement 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 Covered Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has S&P highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of DTC Covered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Covered Bonds on DTC's records. The ownership interest of each actual purchaser of each Covered Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Covered Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Covered Bonds, except in the event that use of the book-entry system for the DTC Covered Bonds is discontinued.

To facilitate subsequent transfers, all DTC Covered Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. The deposit of DTC Covered Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Covered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Covered Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communication by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Covered Bonds within Tranche are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Tranche to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Covered Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Covered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Covered Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or its nominee, the Paying Agents, the Issuer, the Guarantor, the Bond Trustee or the Dealers, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Under certain circumstances, DTC will exchange the DTC Covered Bonds for Registered Definitive Covered Bonds, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Covered Bond, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Covered Bonds to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Covered Bonds, will be required to withdraw its Registered Covered Bonds from DTC as described below.

CDS

CDS is the exclusive clearing agency for equity trading on the TSX and also clears a substantial volume of "over the counter" trading in equities and bonds. Its parent company, The Canadian Depository for Securities Limited, was incorporated in 1970 and is a private corporation owned by banks, TMX Group Inc. and the Investment Industry Regulatory Organization of Canada. CDS provides a variety of services for financial institutions and investment dealers active in domestic and international capital markets. CDS participants include banks, trust companies and investment dealers. Indirect access to CDS is available to other organizations that clear through or maintain a custodial relationship with a CDS participant. Transfers of ownership and other interests, including cash distributions, in Covered Bonds in CDS may only be processed through CDS participants and will be completed in accordance with existing CDS rules and procedures. CDS is headquartered in Toronto and has offices in Montréal, Vancouver and Calgary to centralize securities clearing functions through a central securities depositary.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and

Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of Covered Bonds registered with DTC or CDS

The Issuer may apply to DTC or CDS, as the case may be, in order to have any Tranche of Covered Bonds represented by a Registered Global Covered Bond accepted in its book-entry settlement system. Upon the issue of any such Registered Global Covered Bond, DTC or its custodian or CDS or its custodian, as the case may be, will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Covered Bond to the accounts of persons who have accounts with DTC or CDS, as the case may be. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Covered Bond will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Covered Bond, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Covered Bond accepted by DTC or CDS, as the case may be, will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee or CDS or its nominee, as the case may be (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Covered Bond accepted by DTC or CDS, as the case may be, will be made to the order of DTC or its nominee, or CDS or its nominee, as applicable, as the registered holder of such Covered Bond. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee, or CDS or its nominee, as applicable, and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Covered Bond in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC or CDS, as the case may be, to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC or CDS, as applicable, unless there is reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Covered Bonds will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC or CDS, as the case may be, the Bond Trustee, the Issuing and Paying Agent, the Registrar, the Issuer, the Guarantor or the Dealers. Payment of principal, premium, if any, and interest, if any, on Covered Bonds to DTC or CDS is the responsibility of the Issuer and after a Covered Bond Guarantee Activation Event the Guaranteed Amounts in respect thereof are obligations of the Guarantor under the Covered Bond Guarantee.

Transfers of Covered Bonds Represented by Registered Global Covered Bonds

Transfers of any interests in Covered Bonds represented by a Registered Global Covered Bond within DTC, CDS, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. Similarly, because DTC and CDS can only act on behalf of Direct Participants in the DTC system or CDS system, as the case may be, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Covered Bonds represented by a Registered Global Covered Bond accepted by DTC or CDS to pledge such Covered Bonds to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Covered Bonds may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. The ability of any holder of Covered Bonds represented by a Registered Global Covered Bond accepted by DTC or CDS to resell, pledge or otherwise transfer such Covered Bonds may be impaired if the proposed transferee of such Covered Bonds is not eligible to hold such Covered Bonds through a direct or indirect participant in such system.

Subject to compliance with the transfer restrictions applicable to the Registered Covered Bonds described under "Subscription and Sale and Transfer and Selling Restrictions", cross-market transfers between DTC or CDS, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the

relevant Paying Agent(s) and any custodian with whom the relevant Registered Global Covered Bonds have been deposited.

On or after the Issue Date for any Series, transfers of Covered Bonds of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Covered Bonds of such Series between participants in DTC or CDS will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC and CDS participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC or CDS, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Covered Bonds will be effected through the Registrar, the Issuing and Paying Agent and the custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC or CDS participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, CDS, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Covered Bonds among participants and accountholders of DTC, CDS, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Bond Trustee, the Issuer, the Guarantor, the Agents or any Dealer will be responsible for any performance by DTC, CDS, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Covered Bonds represented by Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

Canada

The following summary describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Act**") and Income Tax Regulations (the "**Regulations**") generally applicable as of the date hereof to a holder of Covered Bonds who acquires, as a beneficial owner, Covered Bonds, including entitlement to all payments thereunder, pursuant to this Prospectus, and who, for purposes of the Act, at all relevant times, (a) is not resident and is not deemed to be resident in Canada, (b) deals at arm's length and is not affiliated with the Issuer, or the Guarantor, and deals at arm's length with any Canadian resident (or deemed Canadian resident) to whom the holder disposes of the Covered Bonds, (c) is not a, and deals at arm's length with every, "specified shareholder" (as defined in subsection 18(5) of the Act for the purposes of the "thin capitalization" rules) of the Issuer and each direct and indirect partner of the Guarantor, (d) does not use or hold and is not deemed to use or hold Covered Bonds in, or in the course of, carrying on a business in Canada and (e) is not an insurer carrying on an insurance business in Canada and elsewhere (a "**Non-resident Holder**"). A "specified shareholder" for these purposes generally includes a person who (either alone or together with persons with whom that person is not dealing at arm's length for the purposes of the Act) owns or has the right to acquire or control 25% or more of the Issuer's shares determined on a votes or fair market value basis.

This summary assumes that no amount paid or payable in respect of the Covered Bonds will be the deduction component of a "hybrid mismatch arrangement" under which the payment arises within the meaning of proposed paragraph 18.4(3)(b) of the Act in the Tax Proposals (defined below) contained in Bill C-59 released by the Canadian federal government in November 2023.

This summary also assumes that no amount paid or payable as, on account or in lieu of payment of, or in satisfaction of, interest will be in respect of a debt or other obligation to pay an amount to a person, other than the recipient of the interest, who does not deal at arm's length with the Issuer or the Guarantor, as the case may be, for the purposes of the Act.

This summary is based upon the provisions of the Act and the Regulations in force on the date hereof, proposed amendments to the Act and the Regulations in the form publicly announced prior to the date hereof by or on behalf of the Minister of Finance of Canada (the "**Tax Proposals**") and the current administrative policies of the Canada Revenue Agency ("**CRA**") published in writing by it prior to the date hereof. No assurance can be given that the proposed amendments will be enacted in the form proposed or at all. This summary is not exhaustive of all Canadian federal income tax considerations relevant to an investment in Covered Bonds and does not take into account or anticipate any other changes in law or any changes in CRA's administrative policies, whether by legislative, governmental or judicial decision, action or interpretation, nor does it take into account any other federal or any provincial, territorial or foreign income tax legislation. Subsequent developments could have a material effect on the following description.

The following summary of certain Canadian federal income tax considerations which may affect a Non-resident Holder is of a general nature only. This summary is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Non-resident Holder and no representation with respect to the income tax consequences to any particular Non-resident Holder is made. Persons considering investing in Covered Bonds should consult their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of Covered Bonds having regard to their own particular circumstances.

Material Canadian federal income tax considerations applicable to Exempt Covered Bonds may be described particularly when such Covered Bonds are offered in the Pricing Supplement related thereto if they are not otherwise addressed herein. In that event, the following will be superseded to the extent indicated therein.

Interest (including amounts on account or in lieu of payment of, or in satisfaction of, interest) paid or credited or deemed for purposes of the Act to be paid or credited on a Covered Bond (including accrued interest, any amount paid at maturity in excess of the principal amount and interest deemed to be paid on the Covered Bond in certain cases involving the assignment or other transfer of a Covered Bond to a resident or deemed resident of Canada) to a Non-resident Holder will not be subject to Canadian non-resident withholding tax unless all or any portion of such interest (other than interest that is paid or payable on a "prescribed obligation", described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation ("**Participating Debt Interest**"). A "prescribed obligation" is a debt

obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money and no amount payable in respect thereof, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent upon the use of or production from property in Canada or is computed by reference to any of the criteria described in the Participating Debt Interest definition above.

In the event that a Covered Bond, the interest on which is not exempt from Canadian withholding tax upon its terms is redeemed, cancelled, repurchased or exchanged pursuant to Condition 6 or 7, as applicable, or purchased by the Issuer or any other person resident or deemed to be resident in Canada from a Non-resident Holder or is otherwise assigned or transferred by a Non-resident Holder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof, the excess may be deemed to be interest and may, together with any interest that has accrued or is deemed to have accrued on the Covered Bond to that time, be subject to non-resident withholding tax. Such withholding tax will apply if all or any portion of such interest or deemed interest is Participating Debt Interest unless, in certain circumstances, the Covered Bond is considered to be an "excluded obligation" for purposes of the Act. A Covered Bond that is not an "indexed debt obligation" (described below) will be an "excluded obligation" for this purpose if it was issued for an amount not less than 97% of its principal amount (as defined in the Act), and the yield from which, expressed in terms of an annual rate (determined in accordance with the Act) on the amount for which the Covered Bond was issued, does not exceed 4/3 of the interest stipulated to be payable on the Covered Bond, expressed in terms of an annual rate on the outstanding principal amount from time to time. An "indexed debt obligation" is a debt obligation the terms and conditions of which provide for an adjustment to an amount payable in respect of the obligation, for a period during which the obligation was outstanding, that is determined by reference to a change in the purchasing power of money.

Generally, for purposes of the Act, all amounts must be converted into Canadian dollars based on exchange rates determined in accordance with the Act.

If interest is subject to non-resident withholding tax, the rate is 25%, subject to reduction under the terms of an applicable income tax treaty or convention.

Amounts paid or credited or deemed to be paid or credited on a Covered Bond by the Guarantor to a Non-resident Holder pursuant to the Covered Bond Guarantee will be exempt from Canadian withholding tax to the extent such amounts, if paid or credited by the Issuer to such Non-resident Holder on such Covered Bond, would have been exempt.

Generally, there are no other taxes on income (including taxable capital gains) payable by a Non-resident Holder on interest, discount or premium in respect of a Covered Bond or on the proceeds received by a Non-resident Holder on the disposition of a Covered Bond (including on a redemption, cancellation, purchase or repurchase).

The foregoing summary is of a general nature only, and is not intended to be, nor should it be considered to be, legal or tax advice to any particular Non-resident Holder. Non-resident Holders should therefore consult their own tax advisors with respect to their particular circumstances.

UK Taxation

The following comments relate only to UK withholding tax. They do not deal with any other aspect of the UK taxation treatment that may be applicable to holders of Covered Bonds (including, for instance, income tax, capital gains tax and corporation tax). The comments are of a general nature and are based on current UK law and the published practice of HM Revenue & Customs (which may not be binding on HM Revenue & Customs), which may be subject to change, possibly with retrospective or retroactive effect. They relate only to the position of persons who are the absolute beneficial owners of their Covered Bonds and all payments made thereon. Prospective Covered Bondholders should be aware that the particular terms of issue of any series of Covered Bonds as specified in the relevant Final Terms or Pricing Supplement may affect the tax treatment of that and other series of Covered Bonds. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective Covered Bondholder.

Any holders of Covered Bonds who are in doubt as to their tax position should consult their professional advisers. Holders of Covered Bonds who may be liable to taxation in jurisdictions other than the UK in respect of their acquisition, holding or disposal of Covered Bonds are particularly advised to consult their professional advisers as to whether they are so liable (and, if so, under the laws of which jurisdictions), since the following comments relate only to certain UK taxation aspects of payments in respect of the Covered Bonds. In particular, Covered Bondholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Covered Bonds even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the UK.

Covered Bonds issued by the Issuer's London branch

The Issuer, provided that it continues to be a bank within the meaning of section 991 of the U.K. *Income Tax Act 2007* (the "**UK Act**"), and provided that interest on the Covered Bonds is paid in the ordinary course of its business within section 878 of the UK Act, will be entitled to make payments of interest without withholding or deduction on account of UK income tax.

Under section 882 of the UK Act, payments of interest on the Covered Bonds may also be made without deduction of or withholding on account of UK income tax provided that the Covered Bonds constitute quoted Eurobonds under section 987 of the UK Act. To be a quoted Eurobond, the Covered Bonds must carry a right to interest and either be, and continue to be, listed on a "recognised stock exchange" within the meaning of section 1005 of the UK Act, or admitted to trading on a "multilateral trading facility" operated by a regulated recognised stock exchange. The London Stock Exchange is a recognised stock exchange for these purposes. Section 1005 of the UK Act provides that securities will be treated as listed on a recognised stock exchange if (and only if) they are admitted to trading on that exchange and either they are included in the UK official list (within the meaning of Part 6 of the *Financial Services and Markets Act 2000*) or they are officially listed and admitted to trading, in accordance with provisions corresponding to those generally applicable in EEA states, in a country outside the UK in which there is a recognised stock exchange.

Interest on the Covered Bonds may also be paid without withholding or deduction on account of UK tax, under the exception in section 930 of the UK Act. This will be the case where interest on the Covered Bonds is paid by a company (such as the Issuer) and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Covered Bonds is paid reasonably believes) that the payment is an "excepted payment" which will be the case where the beneficial owner is a UK resident company as set out in section 933 of the UK Act or the recipient of the payment otherwise falls under the categories of "excepted payments" set out in Sections 934 to 937 of the UK Act, provided that HM Revenue & Customs has not given a direction under section 931 of the UK Act (where it has reasonable grounds to believe that the payment will not be an "excepted payment" at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Covered Bonds may also be paid without withholding or deduction on account of UK tax where the maturity date of the Covered Bonds is less than, and is not capable of exceeding, one year from the date of issue, and the Issuer and the holder of the Covered Bonds in question do not contemplate or intend that the indebtedness under

the Covered Bonds will continue, through a succession of subsequent redemptions and subscriptions of further Covered Bonds or otherwise, for a period of one year or more.

In other cases, on the basis that interest on Covered Bonds issued by the Issuer's London branch has a UK source, an amount generally must be withheld from payments of interest on the Covered Bonds on account of UK income tax at the basic rate (currently 20 per cent.) subject to such relief or exemptions as may be available under UK tax law, for example under the provisions of any applicable double taxation treaty, or in certain other circumstances.

Where interest has been paid under deduction of UK income tax, Covered Bondholders who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

If the Covered Bonds cease to be listed on a recognised stock exchange for the purposes of section 987 of the UK Act, interest on Covered Bonds issued by the Issuer's London branch may be paid without deduction on account of UK income tax if the conditions set out in section 888A of ITA 2007 and relevant subordinate legislation for qualifying private placements are met. These are that the Covered Bonds should not be listed on a recognised stock exchange, that their term should not exceed 50 years, that their value equal or exceed £10m, that they be entered into for genuine commercial reasons (by both the Issuer and Covered Bondholders), that the Issuer should reasonably believe that it is not connected to the Covered Bondholders and vice versa, and that the Issuer should hold a 'creditor certificate' (which, in turn, requires that each Covered Bondholder be: (i) resident in a jurisdiction which has a double taxation treaty with the UK containing a non-discrimination article; and (ii) beneficially entitled to the interest on the Covered Bonds for genuine commercial reasons and not as part of a tax avoidance scheme) for each Covered Bondholder, and such creditor certificate should not be withdrawn or cancelled.

The above description of the UK withholding tax position assumes that there will be no substitution of an issuer of the Covered Bonds or otherwise and does not consider the tax consequences of any such substitution.

Payments by the Guarantor

If the Guarantor makes any payment in respect of interest on Covered Bonds issued by the Issuer's London branch (or any other amounts due under such Covered Bonds other than the repayment of amounts subscribed for under the Covered Bonds) such payment may be subject to UK withholding tax at the basic rate (currently 20 per cent.), whether or not the Covered Bonds are listed on a "recognised stock exchange" within the meaning of section 1005 of the UK Act, and may not be eligible for the exemptions from UK withholding tax described above.

Issue at a Discount and/or Redemption at a Premium

If Covered Bonds are issued at a price which is a discount to their nominal amount, any discount element of the redemption amount should not be subject to withholding or deduction on account of UK income tax. If Covered Bonds are issued with a premium payable on redemption (as opposed to being issued at a discount), the payment of such a redemption premium may be treated as a payment of interest for UK tax purposes and may be subject to withholding or deduction on account of UK income tax (unless it falls within one of the exemptions from withholding or deduction described above).

The references in this section titled "UK *Taxation*" to "interest", mean "interest" as understood in UK tax law. The statements in this section do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Conditions or any related documentation.

Covered Bondholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Covered Bonds which does not constitute "interest" or "principal" as those terms are understood in UK tax law.

United States Federal Income Taxation

The following summary discusses the principal U.S. federal income tax consequences of the ownership and disposition of the Covered Bonds. Except as specifically noted below, this discussion applies only to:

- Covered Bonds purchased on original issuance at their "issue price" (as defined below); and

- Covered Bonds held as capital assets.

Except as expressly set out below, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular holder based on such holder's particular circumstances, nor does it address any aspect of state, local, or non-U.S. tax laws or the possible application of the alternative minimum tax, the Medicare tax on net investment income, special tax accounting rules that apply to accrual basis taxpayers under Section 451(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), excise tax or U.S. federal gift or estate taxes. In particular, this discussion does not address aspects of U.S. federal income taxation that may be applicable to holders that are subject to special treatment, including holders that are:

- financial institutions;
- insurance companies;
- dealers in securities or foreign currencies;
- persons holding Covered Bonds as part of a hedging transaction, "straddle," conversion transaction or other integrated transaction;
- U.S. holders whose functional currency is not the U.S. dollar; or
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes.

This discussion is based upon the Code, existing and proposed regulations promulgated thereunder, and current administrative rulings and court decisions, each as available on the date hereof. All of the foregoing are subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion. Persons considering the purchase of the Covered Bonds should consult the applicable Final Terms or Pricing Supplement for any additional discussion regarding U.S. federal income taxation and should consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

This summary does not discuss Bearer Covered Bonds. In general, U.S. federal income tax law imposes significant limitations on U.S. holders of Bearer Covered Bonds. U.S. holders should consult their tax advisors regarding the U.S. federal income and other tax consequences of the acquisition, ownership and disposition of Bearer Covered Bonds.

As used herein, the term "**U.S. holder**" means a beneficial owner of a Covered Bond that is for United States federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organized in or under the laws of the United States or of any political subdivision thereof; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

The term "**U.S. holder**" also includes certain former citizens and residents of the United States. A "**Non-U.S. holder**" is a beneficial owner of Covered Bonds that is not a U.S. holder.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Covered Bonds, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners of partnerships holding Covered Bonds should consult with their tax advisors.

Payments of Stated Interest

Interest paid on a Covered Bond will be taxable to a U.S. holder as ordinary interest income at the time it accrues or is received in accordance with the holder's method of accounting for U.S. federal income tax purposes, provided that the interest is "qualified stated interest" (as defined below). Interest income earned by a U.S. holder with respect to a

Covered Bond will constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the holder's foreign tax credit limitation. The rules regarding foreign tax credits are complex and recently issued final U.S. Treasury regulations have imposed additional requirements that must be met for a foreign tax to be creditable. However, recent notices from the U.S. Internal Revenue Service ("**IRS**") provide taxpayers, subject to certain conditions, with temporary relief from some of these additional requirements until further notice or guidance by the IRS. Prospective investors should consult their tax advisors about the application of such rules to them in their particular circumstances. Special rules governing the treatment of interest paid with respect to original issue discount Covered Bonds, exchangeable Covered Bonds and foreign currency Covered Bonds are described under "*Taxation — United States Federal Income Taxation — Original Issue Discount*," "*—Contingent Payment Debt Instruments*," and "*— Foreign Currency Covered Bonds*."

Original Issue Discount

A Covered Bond that has an "issue price" that is less than its "stated redemption price at maturity" will be considered to have been issued at an original issue discount for U.S. federal income tax purposes (and will be referred to as an "**original issue discount Covered Bond**") unless the Covered Bond satisfies a *de minimis* threshold (as described below) or is a "short-term Covered Bond" (as defined below). The "issue price" of a Covered Bond generally will be the first price at which a substantial amount of the Covered Bonds are sold to persons (which does not include sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The "**stated redemption price at maturity**" of a Covered Bond generally will equal the sum of all payments required to be made under the Covered Bond other than payments of "qualified stated interest". "**Qualified stated interest**" is stated interest unconditionally payable (other than in debt instruments of the issuer) at least annually during the entire term of the Covered Bond and equal to the outstanding principal balance of the Covered Bond multiplied by a single fixed rate of interest. In addition, qualified stated interest includes, among other things, stated interest on a "variable rate debt instrument" that is unconditionally payable (other than in debt instruments of the issuer) at least annually at a single qualified floating rate of interest or at a rate that is determined at a single fixed formula that is based on objective financial or economic information. A rate is a qualified floating rate if variations in the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Covered Bond is denominated.

If the difference between a Covered Bond's stated redemption price at maturity and its issue price is less than a *de minimis* amount, *i.e.,* 1/4 of 1 percent of the stated redemption price at maturity multiplied by the number of complete years to maturity, the Covered Bond will not be considered to have original issue discount. U.S. holders of Covered Bonds with a *de minimis* amount of original issue discount will include this original issue discount in income, as capital gain, on a *pro rata* basis as principal payments are made on the Covered Bond.

A U.S. holder of original issue discount Covered Bonds will be required to include any qualified stated interest payments in income in accordance with the holder's method of accounting for U.S. federal income tax purposes. U.S. holders of original issue discount Covered Bonds that mature more than one year from their date of issuance will be required to include original issue discount in income, as ordinary income, for U.S. federal income tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, irrespective of the U.S. holder's method of accounting and regardless of whether cash attributable to this income is received.

A U.S. holder may make an election to include in gross income all interest that accrues on any Covered Bond (including stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest (a "**constant yield election**"), and may revoke such election only with the permission of the IRS.

The Issuer may have an unconditional option to redeem, or U.S. holders may have an unconditional option to require the Issuer to redeem, a Covered Bond prior to its stated maturity date. Under applicable regulations, if the Issuer has an unconditional option to redeem a Covered Bond prior to its stated maturity date , this option will be presumed to be exercised if, by utilizing any date on which the Covered Bond may be redeemed as the maturity date and the amount payable on that date pursuant to the option as the scheduled payment on the Covered Bond, the yield on the Covered Bond would be lower than its yield to maturity. If the U.S. holders have an unconditional option to require the Issuer to redeem a Covered Bond prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Covered Bond would be higher than its yield to maturity. If this option is not in fact exercised, the Covered Bond would be treated solely for purposes of

calculating original issue discount as if it were redeemed, and a new Covered Bond were issued, on the presumed exercise date for an amount equal to the Covered Bond's adjusted issue price on that date. The adjusted issue price of an original issue discount Covered Bond is defined as the sum of the issue price of the Covered Bond and the aggregate amount of previously accrued original issue discount, less any prior payments other than payments of qualified stated interest.

A Covered Bond that matures one year or less from its date of issuance (a "**short-term Covered Bond**") will be treated as being issued at a discount and none of the interest paid on the Covered Bond will be treated as qualified stated interest. In general, a cash method U.S. holder of a short-term Covered Bond is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so. Holders who so elect and certain other holders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. holder who is not required and who does not elect to include the discount in income currently, any gain realized on the sale, exchange, or retirement of the short-term Covered Bond will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Covered Bonds in an amount not exceeding the accrued discount until the accrued discount is included in income.

Market Discount

If a U.S. holder purchases a Covered Bond (other than a short-term Covered Bond) for an amount that is less than its stated redemption price at maturity or, in the case of an original issue discount Covered Bond, its adjusted issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A U.S. holder will be required to treat any principal payment on, or any gain on the sale, exchange, retirement or other disposition of a Covered Bond, including disposition in certain nonrecognition transactions, as ordinary income to the extent of the market discount accrued on the Covered Bond at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. holder pursuant to an election by the holder to include market discount in income as it accrues, or pursuant to a constant yield election by the holder as described under "T*axation — United States Federal Income Taxation — Original Issue Discount*" above. In addition, the U.S. holder may be required to defer, until the maturity of the Covered Bond or its earlier disposition (including certain nontaxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Covered Bond.

If a U.S. holder makes a constant yield election (as described under "*Taxation — United States Federal Income Taxation — Original Issue Discount*") for a Covered Bond with market discount, such election will result in a deemed election for all market discount bonds acquired by the holder on or after the first day of the first taxable year to which such election applies.

Acquisition Premium and Amortizable Bond Premium

A U.S. holder who purchases a Covered Bond for an amount that is greater than the Covered Bond's adjusted issue price but less than or equal to the sum of all amounts payable on the Covered Bond after the purchase date other than payments of qualified stated interest will be considered to have purchased the Covered Bond at an acquisition premium. Under the acquisition premium rules, the amount of original issue discount that the U.S. holder must include in its gross income with respect to the Covered Bond for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If a U.S. holder purchases a Covered Bond for an amount in excess of the sum of all amounts payable on the Covered Bonds after the purchase date, other than qualified stated interest, the holder will be considered to have purchased the Covered Bond with amortizable bond premium equal in amount to the excess of the purchase price over the amount payable at maturity. The holder may elect to amortize this premium, using a constant yield method, as an offset to interest income over the remaining term of the Covered Bond (where the Covered Bond is not optionally redeemable prior to its maturity date). If the Covered Bond may be optionally redeemed prior to maturity after the holder has acquired it, the amount of amortizable bond premium is determined by substituting the call date for the maturity date

and the call price for the amount payable at maturity only if the substitution results in a smaller amount of premium attributable to the period before the redemption date. A holder who elects to amortize bond premium must reduce such person's tax basis in the Covered Bond by the amount of the premium amortized in any year. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the holder and may be revoked only with the consent of the IRS.

If a U.S. holder makes a constant yield election (as described under "*Taxation — United States Federal Income Taxation — Original Issue Discount*") for a Covered Bond with amortizable bond premium, such election will result in a deemed election to amortize bond premium for all of the holder's debt instruments with amortizable bond premium.

Sale, Exchange or Retirement of the Covered Bonds

Upon the sale, exchange or retirement of a Covered Bond, a U.S. holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the holder's adjusted tax basis in the Covered Bond. For these purposes, the amount realized does not include any amount attributable to accrued qualified stated interest on the Covered Bond, which generally is treated as interest as described under "—Payments of Stated Interest." A U.S. holder's adjusted tax basis in a Covered Bond generally will equal the acquisition cost of the Covered Bond increased by the amount of original issue discount and market discount included in the Holder's gross income and decreased by the amount of any payment received from the Issuer other than a payment of qualified stated interest. Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. holder's foreign tax credit limitation. For these purposes, the amount realized does not include any amount attributable to accrued interest on the Covered Bond. Amounts attributable to accrued interest are treated as interest as described under "*Taxation — United States Federal Income Taxation —Payments of Stated Interest*".

Except as described below, gain or loss realized on the sale, exchange or retirement of a Covered Bond will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the Covered Bond has been held for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount or, in the case of a short-term Covered Bond, to the extent of any accrued discount not previously included in the holder's taxable income. See "*Taxation — United States Federal Income Taxation —Original Issue Discount*" and "*—Market Discount*". In addition, other exceptions to this general rule apply in the case of foreign currency Covered Bonds, and contingent payment debt instruments. See "*Taxation — United States Federal Income Taxation — Foreign Currency Covered Bonds*" and "*—Contingent Payment Debt Instruments*". Long-term capital gains of non-corporate U.S. holders (including individuals) are eligible for preferential rates of taxation. The deductibility of capital losses is subject to limitations.

Contingent Payment Debt Instruments

If the terms of the Covered Bonds provide for certain contingencies that affect the timing and amount of payments (including Covered Bonds with a variable rate or rates that do not qualify as "variable rate debt instruments" for purposes of the original issue discount rules) they will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Covered Bonds qualifies as qualified stated interest. Rather, a U.S. holder must account for interest for U.S. federal income tax purposes based on a "comparable yield" and the differences between actual payments on the Covered Bond and the Covered Bond's "projected payment schedule" as described below. The comparable yield is determined by the Issuer at the time of issuance of the Covered Bonds. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Covered Bonds. Solely for the purpose of determining the amount of interest income that a U.S. holder will be required to accrue on a contingent payment debt instrument, the Issuer will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield.

Neither the comparable yield nor the projected payment schedule constitutes a representation by the Issuer regarding the actual amount, if any, that the contingent payment debt instrument will pay.

For U.S. federal income tax purposes, a U.S. holder will be required to use the comparable yield and the projected payment schedule established by the Issuer in determining interest accruals and adjustments in respect of a Covered Bond treated as a contingent payment debt instrument, unless the holder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. holder, regardless of the holder's method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment instrument (as set forth below).

A U.S. holder will be required to recognize interest income equal to the amount of any net positive adjustment, *i.e.,* the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a holder would otherwise be required to include in income in the taxable year; and
- to the extent of any excess, will give rise to an ordinary loss equal to so much of this excess as does not exceed the excess of:
- the amount of all previous interest inclusions under the contingent payment debt instrument over
- the total amount of the U.S. holder's net negative adjustments treated as ordinary loss on the contingent payment debt instrument in prior taxable years.

A net negative adjustment is not subject to the limitations imposed on miscellaneous deductions. Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the contingent payment debt instrument or to reduce the amount realized on a sale, exchange or retirement of the contingent payment debt instrument. Where a U.S. holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange or retirement of a contingent payment debt instrument, a U.S. holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the holder's adjusted basis in the contingent payment debt instrument. A U.S. holder's adjusted basis in a Covered Bond that is a contingent payment debt instrument generally will be the acquisition cost of the Covered Bond, increased by the interest previously accrued by the U.S. holder on the Covered Bond under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any noncontingent payments and the projected amount of any contingent payments previously made on the Covered Bond. A U.S. holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. In addition, if a holder recognizes loss above certain thresholds, the holder may be required to file a disclosure statement with the IRS (as described under "*Taxation — United States Federal Income Taxation – Reportable Transactions*").

A U.S. holder will have a tax basis in any property, other than cash, received upon the retirement of a contingent payment debt instrument including in satisfaction of a conversion right or a call right equal to the fair market value of the property, determined at the time of retirement. The holder's holding period for the property will commence on the day immediately following its receipt.

Foreign Currency Covered Bonds

The following discussion summarizes the principal U.S. federal income tax consequences to a U.S. holder of the ownership and disposition of Covered Bonds that are denominated in a specified currency other than the U.S. dollar or the payments of interest or principal on which are payable in a currency other than the U.S. dollar ("**foreign currency Covered Bonds**").

The rules applicable to foreign currency Covered Bonds could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Covered Bond to be recharacterized as ordinary income or loss. The rules applicable to foreign currency Covered Bonds are complex and may depend on the holder's particular U.S. federal

income tax situation. For example, various elections are available under these rules, and whether a holder should make any of these elections may depend on the holder's particular U.S. federal income tax situation. U.S. holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Covered Bonds.

A U.S. holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Covered Bond will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at that time, and this U.S. dollar value will be the U.S. holder's tax basis in the foreign currency. A cash method holder who receives a payment of qualified stated interest in U.S. dollars pursuant to an option available under such foreign currency Covered Bond will be required to include the amount of this payment in income upon receipt.

An accrual method U.S. holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount or market discount, but reduced by acquisition premium and amortizable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Covered Bond during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. holder will recognize ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of ordinary income or loss recognized will equal the difference between the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period (or, where a holder receives U.S. dollars, the amount of the payment in respect of the accrual period) and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue original issue discount or market discount.

An accrual method U.S. holder may elect to translate interest income (including original issue discount) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

Original issue discount, market discount, acquisition premium and amortizable bond premium on a foreign currency Covered Bond are to be determined in the relevant foreign currency. Where the taxpayer elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realized with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued interest described above.

If an election to amortize bond premium is made, amortizable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realized on amortized bond premium with respect to any period by treating the bond premium amortized in the period in the same manner as on the sale, exchange or retirement of the foreign currency Covered Bond. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realized on the sale, exchange or retirement of a foreign currency Covered Bond with amortizable bond premium by a U.S. holder who has not elected to amortize the premium will be a capital loss to the extent of the bond premium.

A U.S. holder's tax basis in a foreign currency Covered Bond, and the amount of any subsequent adjustment to the holder's tax basis, will be the U.S. dollar value amount of the foreign currency amount paid for such foreign currency Covered Bond, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. A U.S. holder who purchases a foreign currency Covered Bond with previously owned foreign currency will recognize ordinary income or loss in an amount equal to the difference, if any, between such U.S. holder's tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency Covered Bond on the date of purchase.

Gain or loss realized upon the sale, exchange or retirement of a foreign currency Covered Bond that is attributable to fluctuations in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between (i) the U.S. dollar

value of the foreign currency principal amount of the Covered Bond, determined on the date the payment is received or the Covered Bond is disposed of, and (ii) the U.S. dollar value of the foreign currency principal amount of the Covered Bond, determined on the date the U.S. holder acquired the Covered Bond. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Covered Bonds described above. The foreign currency gain or loss will be recognized only to the extent of the total gain or loss realized by the holder on the sale, exchange or retirement of the foreign currency Covered Bond. The source of the foreign currency gain or loss will be determined by reference to the residence of the holder or the "qualified business unit" of the holder on whose books the foreign currency Covered Bond is properly reflected. Any gain or loss realized by these holders in excess of the foreign currency gain or loss will be capital gain or loss except to the extent of any accrued market discount or, in the case of a short-term foreign currency Covered Bond, to the extent of any discount not previously included in the holder's income. Holders should consult their own tax advisor with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such foreign currency Covered Bond accrue.

A U.S. holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a foreign currency Covered Bond equal to the U.S. dollar value of the foreign currency, determined at the time of sale, exchange or retirement. A cash method taxpayer who buys or sells a foreign currency Covered Bond is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment for all purchases and sales of foreign currency obligations provided that the foreign currency Covered Bonds are traded on an established securities market. This election cannot be changed without the consent of the IRS. Any gain or loss realized by a U.S. holder on a sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase foreign currency Covered Bonds) will be ordinary income or loss.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Covered Bonds and the proceeds from a sale or other disposition of the Covered Bonds. A U.S. holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle them to a refund, provided that the required information is furnished to the IRS. Non-U.S. holders may be required to comply with applicable certification procedures to establish that they are not U.S. holders in order to avoid the application of such information reporting requirements and backup withholding.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. holder may be required to treat a foreign currency exchange loss from the Covered Bonds as a reportable transaction if the loss exceeds U.S. $50,000 in a single taxable year if the U.S. holder is an individual or trust, or higher amounts for other U.S. holders. In the event the acquisition, ownership or disposition of Covered Bonds constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. holder will be required to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of Covered Bonds.

U.S. holders should consult their own tax advisors regarding any reporting requirements they may have as a result of their acquisition, ownership or disposition of Covered Bonds.

Foreign Financial Asset Reporting

Certain U.S. holders that own "specified foreign financial assets" that meet certain U.S. dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Covered Bonds generally will constitute specified foreign financial assets subject to these reporting requirements unless the Covered Bonds are held in an account at certain financial institutions. U.S. holders are urged to consult their tax advisors regarding the application of these disclosure requirements to their ownership of the Covered Bonds.

Base Rate Amendments

Pursuant to Condition 13.02(c), the Issuer may in certain circumstances modify a Series of the Floating Rate Covered Bonds to change the relevant reference rate to an Alternative Base Rate (such change, a "**Base Rate Modification**"), to replace the then-current USD Benchmark with the Benchmark Replacement or to reflect Benchmark Replacement Conforming Changes. It is possible that a Base Rate Modification, the replacement of the USD Benchmark to the Benchmark Replacement or effecting Benchmark Replacement Conforming Changes will be treated as a deemed exchange of old Covered Bonds for new Covered Bonds, which may be taxable to U.S. holders. U.S. holders should consult with their own tax advisors regarding the potential consequences of a Base Rate Modification, the replacement of the USD Benchmark to the Benchmark Replacement or effecting Benchmark Replacement Conforming Changes.

Taxation of Non-U.S. holders

Subject to the backup withholding rules discussed above and the Foreign Account Tax Compliance Act rules discussed below, Non-U.S. holders generally should not be subject to U.S. federal income or withholding tax on any payments on the Covered Bonds and gain from the sale, redemption or other disposition of the Covered Bonds unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. holder of a trade or business in the U.S.; (ii) in the case of any gain realized on the sale or exchange of a Covered Bond by an individual Non-U.S. holder, that holder is present in the U.S. for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met; or (iii) the Non-U.S. holder is subject to tax pursuant to provisions of the Code applicable to certain expatriates.

Non-U.S. holders should consult their own tax advisors regarding the U.S. federal income and other tax consequences of owning Covered Bonds.

The United States federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their own tax advisors with respect to the tax consequences to them of the ownership and disposition of the Covered Bonds, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the Code, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Canada and the UK) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Covered Bonds executed on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional Covered Bonds (as described under "*Terms and Conditions of the Covered Bonds—Further Issues*") that are not distinguishable from previously issued Covered Bonds are executed after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds executed prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Covered Bonds.

Exchange of Information and Information Gathering Powers

Under the Organisation for Economic Co-operation and Development's ("**OECD**") initiative for the automatic exchange of information, many countries have committed to automatic exchange of information relating to accounts held by tax residents of signatory countries, using a common reporting standard.

Canada and the UK have implemented the OECD's Multilateral Competent Authority Agreement and Common Reporting Standard ("**Common Reporting Standard**"), which provides for the automatic exchange of tax information. Canadian and UK financial institutions (and their branches in other jurisdictions) are required to report certain information concerning certain investors resident in participating countries to their relevant tax authority (or the relevant tax authority in the branch jurisdiction, as appropriate) and to follow certain due diligence procedures. The Canada Revenue Agency and HM Revenue & Customs (or other relevant tax authority) will provide such information on a bilateral, reciprocal basis to the tax authorities in the applicable investors' countries of residence, where such countries have enacted the Common Reporting Standard or otherwise as required under the Common Reporting Standard.

In addition, domestic tax reporting obligations may, subject to any relevant exceptions or concessions, require a person (including a Paying Agent) making payments to a Covered Bondholder to report certain information (which may include the name and address of the Covered Bondholder) to the relevant tax authority in the jurisdiction in which the payer operates. Any information obtained may, in certain circumstances, be exchanged by that tax authority with the tax authority of the jurisdiction in which the Covered Bondholder is resident for tax purposes.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Covered Bonds (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Covered Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Covered Bonds are advised to seek their own professional advice in relation to the FTT.

ERISA AND CERTAIN OTHER U.S. BENEFIT PLAN CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and the Code impose certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) that are subject to Part 4 of Subtitle B of Title I of ERISA, "plans" (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code, and entities, such as collective investment funds and separate accounts, whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (each of the foregoing, a "**Benefit Plan Investor**") and on those persons who are fiduciaries with respect to Benefit Plan Investors. In addition, Title I of ERISA requires fiduciaries of Benefit Plan Investors subject to ERISA to make investments that are prudent, diversified and in accordance with the governing plan documents. Subject to the following discussion, Covered Bonds may be acquired with the assets of Benefit Plan Investors.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Benefit Plan Investor and certain persons (referred to as "**parties in interest**" under ERISA or "**disqualified persons**" under the Code) having certain relationships to such Benefit Plan Investors, unless a statutory or administrative exemption is applicable to the transaction.

Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any Covered Bonds are acquired or held by a Benefit Plan Investor with respect to which any of the Issuer, the Dealers, the Arranger or the Bond Trustee or any of their respective affiliates is or becomes a party in interest or a disqualified person with respect to such Benefit Plan Investor. Certain parties in interest or disqualified persons that participate in a non-exempt prohibited transaction may be subject to an excise tax or other penalties and liabilities under ERISA or the Code. In addition, the persons involved in the non-exempt prohibited transaction may have to rescind the transaction and pay an amount to the Benefit Plan Investor for any losses realized by the Benefit Plan Investor or profits realized by such persons and certain other liabilities could result that have a significant adverse effect on such persons. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Benefit Plan Investor fiduciary making the decision to acquire Covered Bonds, the circumstances under which such decision is made and the relationship of the party in interest or disqualified person to the Benefit Plan Investor. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to certain transactions between a plan and a non-fiduciary service provider), Prohibited Transaction Class Exemption ("**PTCE**") 95-60 (relating to investments by insurance company general accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by an in-house asset manager). There can be no assurance that any exemption will be available with respect to any particular transaction involving the Covered Bonds, or that, if an exemption is available, it will cover all aspects of any particular transaction. Prospective purchasers that are Benefit Plan Investors should consult with their legal advisors regarding the applicability of any such exemption.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to any U.S. federal, state, local or non-U.S. laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Similar Law**"). Fiduciaries of any such plans should consult with their counsel before purchasing any Covered Bonds.

By its acquisition of any Covered Bond (or any interest therein), each purchaser (whether in the case of the initial acquisition or in the case of a subsequent transferee, and if applicable, its fiduciary) will be deemed to have represented, warranted and agreed that either (i) it is not, and is not acting on behalf of (and for so long as it holds a Covered Bond (or any interest therein) will not be and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church or non-U.S. plan subject to Similar Law, or (ii) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of the Covered Bond (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code because an administrative or statutory exemption applies or, in the case of a governmental, church or non-U.S. plan subject to Similar Law, its acquisition, holding and disposition of the Covered Bond (or any interest therein) will not constitute or result in a violation of Similar Law.

Additionally, if a purchaser or transferee is, or is acting on behalf of, a Benefit Plan Investor, it will be further deemed to have represented, warranted and agreed that, (i) none of Issuer, the Guarantor, the Bond Trustee, the Arranger or the Dealers or other persons that provide marketing services, or any of their respective affiliates, has provided any investment recommendation or investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor, or to any fiduciary or other person investing the assets of the Benefit Plan Investor ("**Plan Fiduciary**"), in connection with its decision to invest in the Covered Bonds, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Covered Bonds, and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Covered Bonds.

The foregoing discussion is general in nature and not intended to be all-inclusive. Any fiduciary who proposes to cause a Benefit Plan Investor or other plan subject to Similar Law (collectively, "**Plans**") to acquire any Covered Bonds should consult with its counsel regarding the applicability of the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, Similar Law and other applicable legal requirements to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of the applicable requirements of ERISA, the Code or Similar Law.

The sale of Covered Bonds to a Plan is in no respect a representation by the Issuer, the Guarantor, the Bond Trustee, the Arranger or the Dealers that such an investment meets all relevant requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

CERTAIN VOLCKER RULE CONSIDERATIONS

The Guarantor is not now, and solely after giving effect to any offering and sale of Covered Bonds pursuant to the Trust Deed will not be, a "**covered fund**" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "**Volcker Rule**".

In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended ("**Investment Company Act**"), and under the Volcker Rule and its related regulations may be available, we have relied on the determinations that:

- the Guarantor may rely on the exemption from registration under the Investment Company Act provided by Section 3(c)(5)(C) thereunder, and accordingly

- the Guarantor does not rely on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act for its exemption from registration under the Investment Company Act and may rely on the exemption from the definition of a "covered fund" under the Volcker Rule made available to entities that do not rely solely on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act for their exemption from registration under the Investment Company Act.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Covered Bonds may be sold from time to time by the Issuer to any one or more of Banco Santander, S.A., Commerzbank Aktiengesellschaft, Coöperatieve Rabobank U.A., Crédit Agricole Corporate and Investment Bank, Danske Bank A/S, Deutsche Bank Aktiengesellschaft, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Goldman Sachs International, ING Bank N.V., Intesa Sanpaolo S.p.A., Landesbank Baden-Württemberg, Lloyds Bank Corporate Markets plc, Natixis, NatWest Markets Plc, Nomura International plc, Société Générale, Standard Chartered Bank, The Toronto-Dominion Bank, London Branch, UBS AG London Branch, UniCredit Bank GmbH, and any other dealers appointed from time to time in accordance with the Dealership Agreement, which appointment may be for a specific issue or on an ongoing basis (the "**Dealers**"). The Dealers named herein have each determined to act through a branch of a bank, which allows for such Dealer to be differentiated from the bank itself and related banking operations, however, investors should be aware that a branch of a bank is not a subsidiary of such bank and does not comprise a separate legal entity.

Covered Bonds may also be sold by the Issuer directly to institutions who are not Dealers. The arrangements under which Covered Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the Dealership Agreement. Such agreement will, among other things, make provision for the form and terms and conditions of the relevant Covered Bonds, the price at which such Covered Bonds will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Covered Bonds. The Dealership Agreement will be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

Other relationships

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantor and their affiliates, in the ordinary course of business, for which they received or will receive customary compensation and, as applicable, without regard to the Issuer, the Bond Trustee, the Holders of the Covered Bonds or the Guarantor. Certain of the Dealers and their affiliates may also have positions, deal or make markets in the Covered Bonds issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers without regard to the Issuer, the Bond Trustee, the Holders of the Covered Bonds or the Guarantor. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Covered Bonds issued under the Programme. Any such short positions could adversely affect future trading prices of Covered Bonds issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Canada

The Covered Bonds have not been and will not be qualified for sale under the securities laws of any province or territory of Canada.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or delivered, and that it will not offer, sell, distribute or deliver any Covered Bonds, directly or indirectly, in Canada or to, or for the benefit of any resident thereof in contravention of the securities laws of Canada or any province or territory thereof.

If the applicable Final Terms or Pricing Supplement provide that the Covered Bonds may be offered, sold or distributed in Canada, the issue of the Covered Bonds will be subject to such additional selling restrictions as the Issuer and the relevant Dealer may agree, as specified in the applicable Final Terms or Pricing Supplement. Each Dealer will be required to agree that it will offer, sell and distribute such Covered Bonds only in compliance with such additional Canadian selling restrictions.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, not to distribute or deliver this Prospectus, or any other offering material relating to the Covered Bonds, in Canada in contravention of the securities laws of Canada or any province or territory thereof.

United States of America

Transfer Restrictions

As a result of the following restrictions, purchasers of Covered Bonds in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of Covered Bonds.

Each purchaser of Registered Covered Bonds issued pursuant to this Prospectus (other than a person purchasing an interest in a Registered Global Covered Bond with a view to holding it in the form of an interest in the same Global Covered Bond) or person wishing to transfer an interest from one Registered Global Covered Bond to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Covered Bond with a view to holding it in the form of an interest in the same Global Covered Bond will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either: (i) it is a QIB, purchasing (or holding) the Covered Bonds for its own account or for the account of one or more QIBs and it is aware and each beneficial owner of such Covered Bond has been advised that any sale to it is being made in reliance on Rule 144A, or (ii) it is outside the United States and is not a U.S. person;

(b) that the Covered Bonds are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except as set forth in this section;

(c) it agrees that neither the Issuer nor the Guarantor has any obligation to register the Covered Bonds or the Covered Bond Guarantee under the Securities Act;

(d) that, unless it holds an interest in a Regulation S Global Covered Bond and is a person located outside the United States and is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Covered Bonds or any beneficial interests in the Covered Bonds, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Covered Bonds, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

(e) it will, and will require each subsequent holder to, notify any purchaser of the Covered Bonds from it of the resale restrictions referred to in paragraph (d) above, if then applicable;

(f) that Covered Bonds initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Covered Bonds and that Covered Bonds offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Covered Bonds;

(g) that either (A) it is not, and is not acting on behalf of (and for so long as it holds a Covered Bond (or any interest therein) will not be and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church or non-U.S. plan subject to Similar Law, or (B) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of the Covered Bond (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code because an administrative or statutory exemption applies or, in the case of a governmental, church or non-U.S. plan subject to Similar Law, its acquisition, holding and disposition of the Covered Bond (or any interest therein) will not constitute or result in a violation of Similar Law;

(h) if it is, or is acting on behalf of, a Benefit Plan Investor, (i) none of Issuer, the Guarantor, the Bond Trustee, the Arranger or the Dealers or other persons that provide marketing services, or any of their respective affiliates, has provided any investment recommendation or investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor or to any Plan Fiduciary, in connection with its decision to invest in the Covered Bonds, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Covered Bonds, and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Covered Bonds;

(i) that the Covered Bonds, other than the Regulation S Global Covered Bonds, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES 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 AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "AGENCY AGREEMENT"), THE TRUST DEED (AS DEFINED HEREIN) AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY, OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT AND THE TRUST DEED REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF SUCH SECURITY SENT TO ITS

REGISTERED ADDRESS, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

BY ITS ACQUISITION AND HOLDING OF THIS SECURITY (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF), (I) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), THAT IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A "PLAN" (AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE")), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (EACH OF THE FOREGOING, A "BENEFIT PLAN INVESTOR"), OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR (B) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE BECAUSE AN ADMINISTRATIVE OR STATUTORY EXEMPTION APPLIES OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO SIMILAR LAW, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF SIMILAR LAW.

IF THE PURCHASER OR HOLDER OF THIS SECURITY (OR ANY INTEREST HEREIN) IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, IT WILL BE FURTHER DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT, (I) NONE OF ISSUER, THE GUARANTOR, THE BOND TRUSTEE, THE ARRANGER OR THE DEALERS OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, OR ANY OF THEIR RESPECTIVE AFFILIATES, HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE WITHIN THE MEANING OF SECTION 3(21) OF ERISA TO THE BENEFIT PLAN INVESTOR, OR TO ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR ("PLAN FIDUCIARY"), IN CONNECTION WITH ITS DECISION TO INVEST IN THIS SECURITY, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS SECURITY, AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS SECURITY.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.";

(j) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Covered Bonds prior to the expiration of the distribution compliance period (defined as 40 days

after the completion of the distribution of the Tranche of Covered Bonds of which such Covered Bonds are a part), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Covered Bonds will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES 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"), THE TRUST DEED (AS DEFINED HEREIN) AND PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL LAWS 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 (I) PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (II) TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.

BY ITS ACQUISITION AND HOLDING OF THIS SECURITY (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF), (I) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), THAT IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A "PLAN" (AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE")), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (EACH OF THE FOREGOING, A "BENEFIT PLAN INVESTOR"), OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR (B) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE BECAUSE AN ADMINISTRATIVE OR STATUTORY EXEMPTION APPLIES OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO SIMILAR LAW, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF SIMILAR LAW.

IF THE PURCHASER OR HOLDER OF THIS SECURITY (OR ANY INTEREST HEREIN) IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, IT WILL BE FURTHER DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT, (I) NONE OF ISSUER, THE GUARANTOR, THE BOND TRUSTEE, THE ARRANGER OR THE DEALERS OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, OR ANY OF THEIR RESPECTIVE AFFILIATES, HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE WITHIN THE MEANING OF SECTION 3(21) OF ERISA TO THE BENEFIT PLAN INVESTOR, OR TO ANY FIDUCIARY OR OTHER PERSON INVESTING

THE ASSETS OF THE BENEFIT PLAN INVESTOR ("PLAN FIDUCIARY"), IN CONNECTION WITH ITS DECISION TO INVEST IN THIS SECURITY, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS SECURITY, AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS SECURITY."; and

(k) that the Issuer, the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it will promptly notify the Issuer; and if it is acquiring any Covered Bonds as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sales of Legended Covered Bonds in the United States to any one purchaser will be for less than the minimum purchase price set forth in the applicable Final Terms or Pricing Supplement in respect of the relevant Legended Covered Bonds. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least an amount equal to the applicable minimum purchase price set forth in the applicable Final Terms or Pricing Supplement in respect of the relevant Legended Covered Bonds.

Selling Restrictions

Regulation S, Category 2, TEFRA D Rules apply, unless TEFRA C Rules are specified as applicable in the applicable Final Terms or Pricing Supplement or unless TEFRA Rules are not applicable. Sales to QIBs in reliance upon Rule 144A under the United States Securities Act of 1933, as amended (the "**Securities Act**") who agree to purchase for their own account and not with a view to distribution will be permitted, if so specified in the applicable Final Terms or Pricing Supplement.

The Covered Bonds issued pursuant to this Prospectus and the related Covered Bond Guarantee have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered directly or indirectly within the United States or its territories or possessions or to or for the account or benefit of U.S. persons as defined in Regulation S and the Securities Act except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable local, state or federal securities laws.

The Covered Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

In connection with any Covered Bonds which are offered or sold outside the United States in reliance on Regulation S ("**Regulation S Covered Bonds**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulations S Covered Bonds (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Tranche of Covered Bonds of which such Covered Bonds are a part, and except in either case in accordance with Regulation S under the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Covered Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until forty days after the commencement of the offering of Covered Bonds comprising any Tranche in reliance on Regulation S, any offer or sale of Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Covered Bonds to QIBs pursuant to Rule 144A and each such purchaser of Covered Bonds is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Covered Bonds which may be purchased by a QIB pursuant to Rule 144A will be specified in the applicable Final Terms or Pricing Supplement in U.S. dollars (or the approximate equivalent in another Specified Currency). The Issuer has undertaken in the Trust Deed to furnish, upon the request of a holder of such Covered Bonds or any beneficial interest therein, to such holder or to a prospective purchaser designated by such person, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of request, any of the Covered Bonds remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Intesa Sanpaolo S.p.A will not effect any offers or sales of any notes in the United States unless it is through one or more U.S. registered broker-dealers as permitted by the regulations of FINRA.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms or Pricing Supplement in respect of the Covered Bonds specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available, any Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms or Pricing Supplement in relation thereto to any retail investor in the EEA. For purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II;

(b) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(c) not a qualified investor as defined in the Prospectus Regulation.

If the Final Terms or Pricing Supplement in respect of any Covered Bonds specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", then in relation to each Member State, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Member State except that it may, make an offer of Covered Bonds to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors, as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or a supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of these provisions, the expression an "**offer**" in relation to any Covered Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

Prohibition of sales to UK Retail Investors

Unless the Final Terms or Pricing Supplement in respect of any Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under

the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms or Pricing Supplement in relation thereto to any retail investor in the UK. For purposes of this provision, the expression retail investor means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(c) not a qualified investor as defined in the UK Prospectus Regulation.

If the Final Terms of Pricing Supplement in respect of any Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms or Pricing Supplement in relation thereto to the public in the UK except that it may make an offer of such Covered Bonds to the public in the UK:

(A) at any time to any legal entity which is a qualified investor as defined in the UK Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Covered Bonds referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer**" of Covered Bonds to the public in relation to any Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

Additional UK regulatory matters

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Guarantor or, in the case of the Issuer, would not, if the Issuer was not an authorized person, apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the UK.

Other Jurisdictions

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia ("**Corporations Act**")) in relation to the Programme or the Covered Bonds has been, or will be, lodged with the Australian Securities and Investments Commission ("ASIC"). Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it:

(a) has not (directly or indirectly) made or offered, and will not make or offer for issue or sale and has not invited, and will not invite, an offer of the Covered Bonds for issue, purchase or sale in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any prospectus, offering circular or any other offering material or advertisement relating to the Covered Bonds in Australia,

unless (a) the aggregate consideration payable by each offeree or invitee in Australia (including any person who receives an offer or invitation or offering materials in Australia) is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9, (b) such action complies with all applicable laws, regulations and directives in Australia (including without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act), (c) such action does not require any document to be lodged with ASIC, and (d) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act.

Belgium

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that an offering of Covered Bonds may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, issued, sold or resold, transferred, distributed or delivered, and will not offer, issue, sell, resell, transfer, distribute or deliver, the Covered Bonds, and that it has not published or distributed, and will not publish or distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Covered Bonds, directly or indirectly, to any Belgian Consumer.

Denmark

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Covered Bonds directly or indirectly in Denmark by way of a public offering, unless in compliance with, as applicable, the Prospectus Regulation, the Danish Consolidated Act no. 2014 of 2 November 2021 on Capital Markets, as amended, supplemented or replaced from time to time, and Executive Orders issued thereunder and in compliance with Executive Order No. 191 of 31 January 2022, as amended, supplemented or replaced from time to time, issued pursuant to the Danish Consolidated Act no. 406 of 29 March 2022 on Financial Business, as amended, supplemented or replaced from time to time.

France

Each of the Dealers and the Bank has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Covered Bonds and the distribution in France of the Prospectus or any other offering material relating to the Covered Bonds.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that this Prospectus has not been approved by the Securities and Futures Commission in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") and, accordingly:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Covered Bonds other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**Securities and Futures Ordinance**") and any rules made under the Securities and Futures Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**Companies Ordinance**") or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Covered Bonds which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Covered Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance.

Italy

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that the offering of the Covered Bonds has not been registered with *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, the Covered Bonds may not be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Covered Bonds be distributed in the Republic of Italy, except:

(a) to qualified investors ("investitori qualificati"), pursuant to article 2 of the Prospectus Regulation and any applicable provision of the Legislative Decree no. 58 of 24 February 1998, as amended ("**Consolidated Financial Act**") and/or Italian CONSOB regulations; or

(b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and in accordance with any applicable Italian laws and regulations.

Furthermore, each Dealer has represented and agreed that any offer, sale or delivery of the Covered Bonds or distribution of copies of the Prospectus or any other document relating to the Covered Bonds in the Republic of Italy under (a) or (b) above must be made:

(i) by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Financial Act, the Legislative Decree No. 385 of 1 September 1993, as amended (the "**Consolidated Banking Act**") and CONSOB Regulation no. 20307 of 15 February 2018, all as amended;

(ii) in compliance with article 129 of the Consolidated Banking Act and with the implementing instructions of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the offering or issue of securities in the Republic of Italy; and

(iii) in accordance with any other applicable laws and regulations, including all relevant Italian securities, tax and exchange controls, laws and regulations and any limitations which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

The following applies to Exempt Covered Bonds with a Specified Denomination of less than €100,000 (or equivalent):

Please note that in accordance with Article 100-bis of the Consolidated Financial Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the Covered Bonds on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Consolidated Financial Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Covered Bonds being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Norway

This Prospectus does not constitute a public offer in Norway and has not been filed with, approved by or notified to the Financial Supervisory Authority of Norway, the Oslo Stock Exchange or any other regulatory authority in Norway. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it (a) has not offered or sold and will not offer, sell or deliver any Covered Bonds directly or indirectly in Norway or to residents or citizens of Norway; and (b) that it has not distributed and will not distribute this Prospectus or any other offering material relating to the Covered Bonds in or from Norway, except in circumstances which will (i) not result in a requirement to prepare a prospectus pursuant to the provisions of Chapter 7 of the Norwegian Securities Trading Act (lov 29. juni 2007 nr. 75 Lov om verdipapirhandel) (the "**Securities Trading Act**") and (ii) otherwise be in compliance with the Securities Trading Act.

Singapore

Unless the Final Terms or Pricing Supplement in respect of any Covered Bonds specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Covered Bonds or caused the Covered Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Covered Bonds or cause the Covered Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Covered Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Final Terms or Pricing Supplement in respect of any Covered Bonds specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Covered Bonds or caused the Covered Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Covered Bonds or cause the Covered Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or

purchase, of the Covered Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

South Korea

The Covered Bonds have not been and will not be registered under the Financial Investment Services and Capital Markets Act. Each Dealer has represented and agreed, and each new Dealer further appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, any Covered Bonds in Korea or to, or for the account or benefit of, any Korean resident (as such term is defined in the Foreign Exchange Transaction Law), except as otherwise permitted under applicable Korean laws and regulations. Furthermore, each Dealer is aware that a holder of any Covered Bonds will be prohibited from offering, selling or delivering any Covered Bonds, directly or indirectly, in Korea or to any resident of Korea for a period of one (1) year from the date of issuance of the Covered Bonds, except as otherwise permitted by applicable Korean laws and regulations. Each Dealer has further represented that it will take commercially reasonable best measures as an underwriter in the ordinary course of its business to prevent any Covered Bonds from being offered, sold or delivered to any resident of Korea within one (1) year from the issuance of the Covered Bonds.

Sweden

This is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*). Neither the Swedish Financial Supervisory Authority nor any other Swedish public body has examined, approved or registered this document.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Covered Bonds. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that (i) the Covered Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Covered Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland and (ii) neither this Prospectus nor any other offering or marketing material relating to the Covered Bonds constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Covered Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell the Covered Bonds in the Netherlands other than to qualified investors (as defined in the Prospectus Regulation)**.**

General

No action has been or will be taken in any country or jurisdiction by the Issuer, the Guarantor, the Dealers or the Bond Trustee that would permit a public offering of Covered Bonds, or possession or distribution of any offering material in relation thereto, in such country or jurisdiction where action for that purpose is required.

Each Dealer has agreed (and each further Dealer appointed under the Programme will be required to agree) that it shall comply, to the best of its knowledge, with all relevant laws, regulations and directives in each jurisdiction in which it offers, sells or delivers Covered Bonds or has in its possession or distribute this Prospectus, any other offering material or any Final Terms, in all cases at its own expense. If any jurisdiction in which such offer or solicitation is authorized requires that such offering or sale of the Covered Bonds be made by a licensed broker or dealer and the Arranger or the Dealers or any parent company or affiliate of the Arranger or the Dealers is a licensed broker or dealer in that jurisdiction, such offer or solicitation shall be deemed to be made by such parent company or affiliate on behalf of the Issuer in such jurisdiction.

The Dealership Agreement provides that the Dealers will not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions will, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the second paragraph above.

None of the Issuer or the Dealers represents to an investor or prospective investor in Covered Bonds that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Other persons into whose hands this Prospectus, any other offering material or any Final Terms comes are required by the Issuer, the Guarantor, the Dealers and the Bond Trustee to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Covered Bonds or have in their possession or distribute such offering material, in all cases at their own expense.

Selling restrictions may be supplemented or modified with the agreement of the Issuer.

GENERAL INFORMATION

1. The listing of the Covered Bonds on the Official List will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Covered Bonds which is to be listed on the Official List and to trading on the Main Market will be admitted separately upon submission of the applicable Final Terms and any other information required, subject to the issue of the relevant Covered Bonds. Prior to official listing, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.

2. The establishment and registration in the Registry of the Programme and the issue of Covered Bonds has been authorized by the Issuer. The giving of the Covered Bond Guarantee has been duly authorized by resolution of the Managing GP on behalf of the Guarantor dated 13 June 2014. On 25 June 2014, the Issuer was registered as a registered issuer and the Programme as a registered programme in the Registry. The Issuer and the Guarantor have obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of the Covered Bonds and the Covered Bond Guarantee.

3. Other than as disclosed in Note 26 of the audited consolidated financial statements for the year ended 31 October 2023 set out on pages 213 to 214 of the 2023 Annual Report, and Note 19 of the unaudited interim consolidated financial statements for the six month period ended 30 April 2024 set out on page 78 of the 2024 Second Quarter Report and incorporated by reference herein, there are no governmental, legal or arbitration proceedings involving the Issuer or any of its subsidiaries or the Guarantor (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which, during the 12 months prior to the date of this document, may have or have had in the recent past, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer, or of the Issuer and its subsidiaries taken as a whole, or the Guarantor.

4. There has been no significant change in the financial performance or financial position of the Issuer and its consolidated subsidiaries, including the Guarantor, taken as a whole since 30 April 2024, the last day of the financial period in respect of which the most recent interim unaudited published consolidated financial statements of the Issuer have been prepared.

5. There has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries, including the Guarantor, taken as a whole since 31 October 2023, the last day of the financial period in respect of which the most recent annual audited published consolidated financial statements of the Issuer have been prepared.

6. The independent auditor of the Issuer is EY who are Chartered Professional Accountants and Licensed Public Accountants and are subject to oversight by the Canadian Public Accountability Board and Public Company Accounting Oversight Board (United States). EY is also registered in the Register of Third Country Audit Firms maintained by the Financial Reporting Council in the UK in accordance with the requirements of Directive 2006/43/EC as it forms part of UK domestic law by virtue of the EUWA. EY is independent of the Issuer in the context of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario. The address for EY is set out on the last page hereof.

7. The consolidated balance sheets of the Issuer as at 31 October 2023 and 2022 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the two-year period ended 31 October 2023 were prepared in accordance with IFRS as issued by the International Accounting Standards Board, were audited in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) ("**PCAOB AS**"). EY expressed an unqualified opinion thereon in their independent auditor's report dated 29 November 2023. The independent auditor's report (Canadian generally accepted auditing standards) and the report of the independent registered public accounting firm (PCAOB AS) both dated 29 November 2023 did not contain any qualifications.

8. For so long as the Programme remains in effect or any Covered Bonds are outstanding, copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the specified offices of the Paying Agents, the Registrar and the Issuer, namely:

(i) the Transaction Documents (including, without limitation, the Trust Deed containing the Covered Bond Guarantee);

(ii) the annual report of the Issuer for the two most recently completed fiscal years, which includes audited annual comparative consolidated financial statements of the Issuer and the auditor's reports thereon; the Guarantor is not required to prepare any audited accounts on an annual basis pursuant to applicable Canadian law;

(iii) the most recent quarterly report of the Issuer including the unaudited interim consolidated financial statements; the Guarantor is not required to prepare any unaudited interim accounts pursuant to applicable Canadian law;

(iv) each Final Terms for a Tranche of Covered Bonds that is admitted to trading on the Main Market in circumstances requiring publication of a prospectus in accordance with the UK Prospectus Regulation; and

(v) a copy of the Prospectus together with any supplement to the Prospectus or further Prospectus.

The Prospectus, together with any supplement to the Prospectus or further Prospectus, all documents incorporated by reference therein, and the Transaction Documents will also be available on the Issuer's website at http://www.td.com/investor-relations/ir-homepage/debt-information/legislative-covered-bonds/LCBTermsofAccess.jsp. Copies of the constating documents of the Issuer are also available for viewing at https://www.td.com/about-tdbfg/corporate-governance/constating-documents/constating-documents.jsp, and copies of the constating documents of the Guarantor are available for viewing at http://www.td.com/investor-relations/ir-homepage/debt-information/legislative-covered-bonds/LCBTermsofAccess.jsp.

9. The Prospectus and the Final Terms for Covered Bonds that are listed on the Official List and admitted to trading on the Main Market of the London Stock Exchange will be published on the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com.

10. The Covered Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records in respect of the Covered Bonds. The appropriate common code and International Securities Identification Number for the relevant Covered Bonds will be contained in the Final Terms or Pricing Supplement relating thereto. In addition, the Issuer may make an application for any Registered Covered Bonds to be accepted for issuance in book-entry form by DTC and CDS. The CUSIP and/or CINS numbers for each Tranche of Registered Bonds, together with the relevant ISIN and Common Code, will be specified in the applicable Final Terms or Pricing Supplement. If the Covered Bonds are to clear through an additional or alternative clearing system, the appropriate information (including address) will be specified in the applicable Final Terms or Pricing Supplement. The address of Euroclear is 3 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream is 42 Avenue J.F. Kennedy, L-1855 Luxembourg. The address of DTC is 570 Washington Boulevard, Jersey City, New Jersey, 07310, United States of America. The address of CDS is 100 Adelaide Street West, Toronto, Ontario, M5H 1S3.

11. The price and amount of Covered Bonds to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

12. Bearer Covered Bonds (other than Temporary Global Covered Bonds) and any Coupon appertaining thereto where TEFRA D is specified in the Final Terms or Pricing Supplement will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code". The sections referred to in such legend provide that a United States person who holds a Bearer Covered Bond or Coupon generally will not be allowed to deduct any loss realized on the sale, exchange or redemption of such Bearer Covered Bond or Coupon and any gain (which might otherwise be characterized as capital gain) recognized on such sale, exchange or redemption will be treated as ordinary income.

13. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the relevant Paying Agent(s) or, as the case may be, the Registrar(s) in relation to each Tranche of Covered Bonds.

14. The Issuer will provide post-issuance information to Holders of Covered Bonds in the form of Investor Reports, which will be available on the Issuer's website at http://www.td.com/investor-relations/ir-homepage/debt-information/legislative-covered-bonds/LCBTermsofAccess.jsp. The Investor Reports will set out certain information in relation to, among other things, the Covered Bond Portfolio, the Asset Coverage Test, the Valuation Calculation, the Amortization Test and the Indexation Methodology, as applicable, and other information required pursuant to the CMHC Guide. Unless otherwise provided in the applicable Final Terms or Pricing Supplement, the Issuer has no intention of providing any other post-issuance information to Holders of Covered Bonds.

15. The Trust Deed provides that the Bond Trustee may rely on reports or other information from professional advisers or other experts in accordance with the provisions of the Trust Deed. However, the Bond Trustee will have no recourse to the professional advisers in respect of such certificates or reports unless the professional advisers have agreed to have a duty of care for such certificates or reports to the Bond Trustee pursuant to the terms of the relevant document(s) between the Bond Trustee and such persons.

RATINGS GLOSSARY

"**Account Bank Threshold Ratings**"	The threshold ratings P-1 (in respect of Moody's), A or R-1(low) (in respect of DBRS, provided that, for greater certainty, only one of such ratings from DBRS is required to be at or above such ratings), and A or F1 (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of, in the case of Moody's, the short term deposit rating, in the case of DBRS, the unsecured, unsubordinated and unguaranteed debt obligations, and in the case of Fitch, the issuer default rating, in each case, of the Account Bank;
"**Cash Management Deposit Ratings**"	The threshold ratings P-1 (in respect of Moody's), BBB(low) (in respect of DBRS), and A or F1 (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of, in the case of Moody's, the short term deposit rating, in the case of DBRS, the unsecured, unsubordinated and unguaranteed debt obligations, and in the case of Fitch, the issuer default rating, in each case, of the Cash Manager;
"**Cash Manager Required Ratings**"	The threshold ratings P-2(cr) (in respect of Moody's), BBB(low) (in respect of DBRS), and F2 or BBB+ (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of the short term counterparty risk assessment (in the case of Moody's), the unsecured, unsubordinated and unguaranteed debt obligations (in the case of DBRS), and the issuer default rating (in the case of Fitch) of the Cash Manager;
"**Contingent Collateral Threshold Ratings**"	The threshold ratings Baa1 (in respect of Moody's), BBB(high) (in respect of DBRS) and BBB+ (in respect of Fitch), as applicable, of the unsecured, unsubordinated and unguaranteed debt obligations (or, in the case of Fitch, the long-term issuer default rating) of the Interest Rate Swap Provider or the Covered Bond Swap Provider, as applicable;
"**Downgrade Trigger Event**"	In respect of an Interest Rate Swap Provider or a Covered Bond Swap Provider, an Initial Downgrade Trigger Event or a Subsequent Downgrade Trigger Event;
"**Initial Downgrade Trigger Event**"	The occurrence of any of the following events in respect of the Interest Rate Swap Provider or the Covered Bond Swap Provider, as applicable: (a) the short-term counterparty risk assessment or the long-term counterparty risk assessment of the Swap Provider or any credit support provider of such Swap Provider, as applicable, ceases to be at least P-1(cr) or A2(cr), respectively, by Moody's (provided that, for greater certainty, if the Swap Provider or any credit support provider of such Swap Provider, as applicable, has one of such ratings from Moody's, an Initial Downgrade Trigger Event shall not occur with respect to Moody's), (b) the short-term unsecured, unsubordinated and unguaranteed debt obligations or the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Provider or any credit support

provider of such Swap Provider, as applicable, cease to be rated at least R-1(low) or A, respectively, by DBRS (provided that, for greater certainty, if the Swap Provider or any credit support provider of such Swap Provider, as applicable, has one of such ratings from DBRS, an Initial Downgrade Trigger Event shall not occur with respect to DBRS); or

(c) (i) the short-term issuer default rating or (ii) the derivative counterparty rating, if one is assigned, and if not, the long-term issuer default rating of the Swap Provider or any credit support provider of such Swap Provider, as applicable, ceases to be at least F1 or A-, respectively, by Fitch (provided that, for greater certainty, if the Swap Provider or any credit support provider of such Swap Provider, as applicable, has one of such ratings from Fitch, an Initial Downgrade Trigger Event shall not occur with respect to Fitch);

"**Pre-Maturity Test" and "Pre-Maturity Minimum Ratings**"	The Issuer will fail and be in breach of the "**Pre-Maturity Test**" in respect of a Series of Hard Bullet Covered Bonds on a Pre-Maturity Test Date if: (a) the rating from DBRS of the Issuer's unsecured, unsubordinated and unguaranteed debt obligations falls below A(high) or A(low) and the Final Maturity Date of the Series of Hard Bullet Covered Bonds falls within six months or 12 months, respectively, from the relevant Pre-Maturity Test Date; (b) the rating from Moody's of the Issuer's unsecured, unsubordinated and unguaranteed debt obligations falls below P-1 and the Final Maturity Date of the Series of Hard Bullet Covered Bonds falls within 12 months from the relevant Pre-Maturity Test Date; (c) the rating from Fitch of the Issuer falls below F1+ and the Final Maturity Date of the Series of Hard Bullet Covered Bonds falls within 12 months from the relevant Pre-Maturity Test Date, (each of the ratings set out above, the "**Pre-Maturity Minimum Ratings**").
"**Registration of Title Threshold Ratings**"	The threshold ratings Baa1 (in respect of Moody's), BBB(low) (in respect of DBRS) and BBB- (in respect of Fitch), as applicable, of the unsecured, unsubordinated and unguaranteed debt obligations of the Bank (or in the case of Fitch, the long-term issuer default rating);
"**Reserve Fund Required Amount Ratings**"	The threshold ratings P-1(cr) (in respect of Moody's), A(low) or R-1(low) (in respect of DBRS, provided that, for greater certainty, only one of such ratings from DBRS is required to be at or above such ratings) and F1 or A (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of the short term counterparty risk assessment (in the case of Moody's), the unsecured, unsubordinated and

unguaranteed debt obligations (in the case of DBRS), and the issuer default rating (in the case of Fitch) of the Issuer;

"**Servicer Deposit Threshold Ratings**"	The threshold ratings P-1(cr) (in respect of Moody's), BBB(low) (in respect of DBRS) and F1 or A (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of the short term counterparty risk assessment (in the case of Moody's) the unsecured, unsubordinated and unguaranteed debt obligations (in the case of DBRS) and the issuer default rating (in the case of Fitch), of the Servicer;
"**Servicer Replacement Threshold Ratings**"	The threshold ratings Baa3 (in respect of Moody's), BBB(low) (in respect of DBRS) and F2 or BBB+ (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings) as applicable, of the unsecured, unsubordinated and unguaranteed debt obligations (or in the case of Fitch, the issuer default rating) of the Servicer;
"**Standby Account Bank Ratings**"	The threshold ratings P-1 (in respect of Moody's), A or R-1(low) (in respect of DBRS, provided that, for greater certainty, only one of such ratings from DBRS is required to be at or above such ratings) and A or F1 (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of, in the case of Moody's, the short term deposit rating, in the case of DBRS, the unsecured, unsubordinated and unguaranteed debt obligations, and in the case of Fitch, the issuer default rating, in each case, of the Standby Account Bank;
"**Subsequent Downgrade Trigger Event**"	The occurrence of any of the following events in respect of the Interest Rate Swap Provider or the Covered Bond Swap Provider, as applicable: (a) the short-term counterparty risk assessment or the long-term counterparty risk assessment of the Swap Provider or any credit support provider of such Swap Provider, as applicable, ceases to be at least P-2(cr) or A3(cr), respectively, by Moody's (provided that, for greater certainty, if the Swap Provider or any credit support provider of such Swap Provider, as applicable, has one of such ratings from Moody's, a Subsequent Downgrade Trigger Event shall not occur with respect to Moody's), (b) the short-term unsecured, unsubordinated and unguaranteed debt obligations or the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Provider or any credit support provider of such Swap Provider, as applicable, cease to be rated at least R-2(mid) or BBB, respectively, by DBRS (provided that, for greater certainty, if the Swap Provider or any credit support provider of such Swap Provider, as applicable, has one of such ratings from DBRS, a Subsequent Downgrade Trigger Event shall not occur with respect to DBRS); or (c) (i) the short-term issuer default rating or (ii) the derivative counterparty rating, if one is assigned, and

if not, the long-term issuer default rating of the Swap Provider or any credit support provider of such Swap Provider, as applicable, ceases to be at least F3 or BBB-, respectively, by Fitch (provided that, for greater certainty, if the Swap Provider or any credit support provider of such Swap Provider, as applicable, has one of such ratings from Fitch, a Subsequent Downgrade Trigger Event shall not occur with respect to Fitch);

"**2023 Annual Consolidated Financial Statements**"	The meaning given to it in "*Documents Incorporated by Reference*" on page 86;
"**2023 Annual Information Form**"	The meaning given to it in "*Documents Incorporated by Reference*" on page 86;
"**2023 MD&A**"	The meaning given to it on page 10;
"**360/360**"	The meaning given in Condition 5.09 on page 116;
"**30E/360**"	The meaning given in Condition 5.09 on page 116;
"**30E/360 (ISDA)**"	The meaning given in Condition 5.09 on page 117;
"**$**", "**C$**", "**CAD**" or "**Canadian dollars**"	The lawful currency for the time being of Canada;
"**€**" or "**euro**"	The lawful currency for the time being of the Partner states of the European Union that have adopted or may adopt the single currency in accordance with the treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the treaty on European Union;
"**€STR**"	The meaning given in "*Risk Factors*" on page 71;
"**€STR Fallbacks**"	The meaning given in "*Risk Factors*" on page 72;
"**£**", "**Sterling**" and "**UK Pound**"	The lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;
"**U.S.$**", "**U.S. dollars**", "**USD**" or "**United States dollars**"	The lawful currency for the time being of the United States of America;
"**¥**", "**Yen**" and "**Japanese Yen**"	The lawful currency for the time being of Japan;
"**Account Bank**"	The Toronto-Dominion Bank together with any successor Account Bank appointed under the Bank Account Agreement;
"**Accrual Period**"	The meaning given in Condition 5.09 on page 116;
"**Accrued Interest**"	In respect of a Loan as at any relevant date the aggregate of all interest accrued but not yet due and payable on the Loan from (and including) the Monthly Payment Date immediately preceding the relevant date to (but excluding) the relevant date;
"**Act**"	The meaning given in "*Taxation*" on page 265;
"**Act/Act (ICMA)**"	The meaning given in Condition 5.09 on page 117;
"**Actual/360**"	The meaning given in Condition 5.09 on page 116;
"**Actual/365 (Fixed)**"	The meaning given in Condition 5.09 on page 116;
"**Actual/Actual**" or "**Actual/Actual (ISDA)**"	The meaning given in Condition 5.09 on page 116;
"**Actual/Actual (ICMA)**"	The meaning given in Condition 5.09 on page 117;
"**Actual/365 (Sterling)**"	The meaning given in Condition 5.09 on page 116;
"**Additional Loan Advance**"	A further drawing (including, but not limited to, Further Advances) in respect of Loans sold by the Seller to the Guarantor;
"**Adjusted Aggregate Loan Amount**"	The meaning given in "*Summary of the Principal Documents*" on page 222;

"**Adjusted Required Redemption Amount**"	The meaning given in "*Summary of the Principal Documents*" on page 209;
"**Agency Agreement**"	The agency agreement dated as of the Programme Date (as may be amended and/or supplemented and/or restated from time to time) and made between the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent and the other Paying Agents, the Exchange Agents, the Registrars and the Transfer Agents;
"**Agent**"	Each of the Paying Agents, the Registrars, the Exchange Agents and the Transfer Agents;
"**Alternative Base Rate**"	The meaning given in Condition 13.02(c)(i) on page 136;
"**Amortization Test**"	The test as to whether the Amortization Test Aggregate Loan Amount is at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date;
"**Amortization Test Aggregate Loan Amount**"	The meaning given in "*Summary of the Principal Documents*" on page 224;
"**Amortization Test True Balance**"	The meaning given in "*Summary of the Principal Documents*" on page 224;
"**Amortization Yield**"	The rate defined by the relevant Final Terms or Pricing Supplement;
"**Amortized Face Amount**"	The meaning given in Condition 6.10 on page 124;
"**APMs**"	The meaning given in the Form of Pricing Supplement for Exempt Covered Bonds on page 189
"**April 2021 letter**"	The meaning given to it in "*Risk Factors*" on page 80;
"**Arranger**"	TD Securities;
"**ARRC**"	The meaning given in "*Risk Factors*" on page 73;
"**Arrears of Interest**"	As at any date in respect of any Loan, interest (other than Accrued Interest) on that Loan which is currently due and payable and unpaid on that date;
"**Asset Coverage Test**"	The test as to whether the Adjusted Aggregate Loan Amount is at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date and from time to time;
"**Asset Coverage Test Breach Notice**"	The notice required to be served by the Guarantor if the Asset Coverage Test has not been met on two consecutive Calculation Dates;
"**Asset Monitor**"	EY, in its capacity as Asset Monitor under the Asset Monitor Agreement, together with any successor asset monitor appointed from time to time;
"**Asset Monitor Agreement**"	The meaning given in "*Summary of the Principal Documents*" on page 218;
"**Asset Monitor Report**"	The results of the tests conducted by the Asset Monitor in accordance with the Asset Monitor Agreement to be delivered to the Cash Manager, the Issuer and the Bond Trustee;

"**Asset Percentage**"	The meaning given in "*Summary of the Principal Documents*" on page 224;
"**Asset Percentage Adjusted Loan Balance**"	The meaning given in "*Summary of the Principal Documents*" on page 222;
"**Authorities**"	The meaning given in "*Risk Factors*" on page 77;
"**Authorized Underpayment**"	A Borrower making either no Monthly Payment under a Loan or a payment in an amount less than the Monthly Payment then due on the Loan, in each case, where the Servicer has authorized such underpayment or non-payment;
"**Available Principal Receipts**"	On a relevant Calculation Date, an amount equal to the aggregate of (without double counting): (a) the amount of Principal Receipts received during the immediately preceding Calculation Period and credited to the Principal Ledger (but, for the avoidance of doubt, excluding any Principal Receipts received in the Calculation Period commencing on the relevant Calculation Date); (b) any other amount standing to the credit of the Principal Ledger including (i) the proceeds of any advances under the Intercompany Loan Agreement (where such proceeds have not been applied to acquire additional Covered Bond Portfolios of Loans and their Related Security, refinance an advance under the Intercompany Loan, invest in Substitute Assets, or, in the Guarantor's discretion, fund the Reserve Fund), (ii) any Cash Capital Contributions (which may, in the Guarantor's discretion, be applied directly to the Reserve Fund) and (iii) the proceeds from any sale of Loans and their Related Security and Substitute Assets pursuant to the terms of the Guarantor Agreement or the Mortgage Sale Agreement but excluding any amounts received under the Covered Bond Swap Agreement in respect of principal (but for the avoidance of doubt, excluding in each case any such amounts received in the Calculation Period commencing on the relevant Calculation Date); and (c) following repayment of any Hard Bullet Covered Bonds by the Issuer and the Guarantor on the Final Maturity Date thereof, any amounts standing to the credit of the Pre-Maturity Liquidity Ledger in respect of such Series of Hard Bullet Covered Bonds (except where the Guarantor has elected to or is required to retain such amounts on the Pre-Maturity Liquidity Ledger);
"**Available Revenue Receipts**"	On a relevant Calculation Date, an amount equal to the aggregate of: (a) the amount of Revenue Receipts received during the previous Calculation Period and credited to the Revenue Ledger; (b) other net income of the Guarantor including all amounts of interest received on the Guarantor

	Accounts and the Substitute Assets in the previous Calculation Period but excluding amounts received by the Guarantor under the Interest Rate Swap Agreement and in respect of interest received by the Guarantor under the Covered Bond Swap Agreement; (c) prior to the service of a Notice to Pay on the Guarantor amounts standing to the credit of the Reserve Fund in excess of the Reserve Fund Required Amount; (d) the amount of any termination payment or premium received from a Swap Provider which is not applied to pay a replacement Swap Provider; (e) any other Revenue Receipts not referred to in paragraphs (a) to (d) (inclusive) above received during the previous Calculation Period and standing to the credit of the Revenue Ledger; and (f) following the service of a Notice to Pay on the Guarantor, amounts standing to the credit of the Reserve Fund; *less* (g) Third Party Amounts, which shall be paid on receipt in cleared funds to the Seller;
"**Bail-in Conversion**"	The meaning given in "*Risk Factors*" on page 80;
"**Bail-in Regulations**"	The meaning given in "*Risk Factors*" on page 84;
"**Bank**"	The Toronto-Dominion Bank;
"**Bank Account Agreement**"	The bank account agreement entered into on the Programme Date between the Guarantor, the Account Bank, the GDA Provider, the Cash Manager and the Bond Trustee (as amended and/or restated and/or supplemented from time to time);
"**Bank Act**"	The meaning given on page 1;
"**Bank Rate**"	The meaning given in Condition 5.03 on page 105;
"**Banking Day**"	The meaning given in Condition 5.09 on page 115;
"**Base Prospectus**"	The meaning given on page 1;
"**Base Rate Modification**"	The meaning given in Condition 13.02(c)(i) on page 136;
"**Base Rate Modification Certificate**"	The meaning given in Condition 13.02(c)(i) on page 136;
"**BCBS**"	The meaning given in "*Risk Factors*" on page 81;
"**Bearer Covered Bonds**"	Covered Bonds in bearer form;
"**Bearer Definitive Covered Bond**"	A Bearer Definitive Covered Bond and/or, as the context may require, a Registered Definitive Covered Bond;
"**Bearer Global Covered Bond**"	The meaning given in "*Form of the Covered Bonds*" on page 88;
"**Belgian Consumer**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions"* on page 289;
"**Benchmarks Regulations**"	The meaning given on page 46;

"**Benchmark Replacement**"	The meaning given in Condition 13.02(c)(ii) on page 141;
"**Benchmark Replacement Adjustment**"	The meaning given in Condition 13.02(c)(ii) on page 141;
"**Benchmark Replacement Conforming Changes**"	The meaning given in Condition 13.02(c)(ii) on page 141;
"**Benchmark Replacement Date**"	The meaning given in Condition 13.02(c)(ii) on page 142;
"**Benchmark Transition Designee**"	The meaning given in Condition 13.02(c)(ii) on page 142;
"**Benchmark Transition Event**"	The meaning given in Condition 13.02(c)(ii) on page 142;
"**Benchmark Transition Event Conditions**"	The meaning given in Condition 13.02(c)(ii) on page 139;
"**Beneficial Owner**"	The meaning given in "*Book-Entry Clearance Systems*" on page 261;
"**Benefit Plan Investor**"	A "benefit plan investor", as defined in Section 3(42) of ERISA, and includes (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Part 4 of Subtitle B of Title I of ERISA, (b) a "plan" (as defined in Section 4975(e)(1) of the Code) that is subject to Section 4975 of the Code, or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity;
"**BIA**"	The meaning given in "*Risk Factors*" on page 79;
"**Board**"	The board of directors of the Issuer;
"**Bond Basis**"	The meaning given in Condition 5.09 on page 116;
"**Bond Trustee**"	Computershare Trust Company of Canada, in its capacity as bond trustee under the Trust Deed together with any successor bond trustee appointed from time to time;
"**Borrower**"	In relation to a Loan, the person or persons specified as such in the relevant Mortgage together with the person or persons (if any) from time to time assuming an obligation thereunder to repay such Loan or any part of it;
"**Branch of Account**"	The meaning given in Condition 18.01 on page 151;
"**Brexit**"	The meaning given in "*Risk Factors"* on page 84;
"**BRRD**"	The meaning given in "*Risk Factors"* on page 31;
"**BRRD Firms**"	The meaning given in "*Risk Factors"* on page 31;
"**Business Centre(s)**"	The business centre or centres specified in the applicable Final Terms or Pricing Supplement;
"**Business Day**"	The meaning given in Condition 5.09 on page 115;
"**Business Day Convention**"	The meaning given in Condition 5.09 on page 115;
"**business of the branch**"	The meaning given in "*Risk Factors*" on page 78;
"**Calculation Agent**"	In relation to all or any Series of the Covered Bonds, the person initially appointed as calculation agent in relation to such Covered Bonds by the Issuer and the Guarantor pursuant to the Agency Agreement or, if applicable, any successor or separately appointed calculation agent in relation to all or any Series of the Covered Bonds;
"**Calculation Amount**"	The meaning given in the applicable Final Terms or Pricing Supplement;

"**Calculation Date**"	The meaning given in Condition 7.01 on page 126;
"**Calculation Period**"	In respect of a Calculation Date for a month, the period from, but excluding, the Calculation Date of the previous month to, and including, the Calculation Date of the current month and, for greater certainty, references to the "**immediately preceding Calculation Period**" or the "**previous Calculation Period**" in respect of a Calculation Date are references to the Calculation Period ending on such Calculation Date, provided that the first Calculation Period begins on, but excludes, the Programme Date;
"**Call Option**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**Call Option Date(s)**"	The meaning given in Condition 6.04 on page 123;
"**Call Option Period**"	The meaning given in Condition 6.04 on page 123;
"**Canadian Dollar Equivalent**"	In relation to a Covered Bond which is denominated in (i) a currency other than Canadian dollars, the Canadian dollar equivalent of such amount ascertained using (x) the relevant Covered Bond Swap Rate relating to such Covered Bond, or (y) for the purposes of the Amortization Test only, if the Covered Bond Swap Agreement relating to such Covered Bond is no longer in force by reason of termination or otherwise, the end of day spot foreign exchange rate determined by the Bank of Canada on the related date of determination, and (ii) Canadian dollars, the applicable amount in Canadian dollars;
"**Capital Account Ledger**"	The ledger maintained by the Cash Manager on behalf of the Guarantor in respect of each Partner to record the balance of each Partner's Capital Contributions from time to time;
"**Capital Balance**"	For a Loan at any date, the principal balance of that Loan to which the Servicer applies the relevant interest rate at which interest on that Loan accrues;
"**Capital Contribution**"	In relation to each Partner, the aggregate of the capital contributed by or agreed to be contributed by that Partner to the Guarantor from time to time by way of Cash Capital Contributions and Capital Contributions in Kind as determined on each Calculation Date in accordance with the formula set out in the Guarantor Agreement;
"**Capital Contribution Balance**"	The balance of each Partner's Capital Contributions as recorded from time to time in the relevant Partner's Capital Account Ledger;
"**Capital Contribution in Kind**"	Contributions other than Cash Capital Contributions including Loans and Related Security on a fully-serviced basis to the Guarantor in an amount equal to (a) the aggregate of the fair market value of those Loans as at the relevant Transfer Date, minus (b) any cash payment paid by the Guarantor for such Loans and their Related Security on that Transfer Date, in each case, in compliance with the terms of the Transaction Documents;
"**Capital Distribution**"	Any return on a Partner's Capital Contribution in accordance with the terms of the Guarantor Agreement;

"**Capital Requirements Directive**"	CRD IV comprised of Directive 2013/36/EC and Regulation (EU) No. 575/2013, in each case, of the European Parliament and the Council dated 26 June 2013 relating to access to the activity of credit institutions and the prudential supervision and requirements of credit institutions and investment firms (as the same may be varied, amended or re-enacted from time to time);
"**Capitalized Arrears**"	For any Loan at any date, interest or other amounts (including property taxes) which are overdue in respect of that Loan and which as at that date have been added to the Capital Balance of the Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower;
"**Capitalized Expenses**"	In relation to a Loan, the amount of any expense, charge, fee, premium or payment (excluding, however, any Arrears of Interest) capitalized and added to the Capital Balance of that Loan in accordance with the relevant Mortgage Conditions;
"**Cash Capital Contributions**"	A Capital Contribution made in cash;
"**Cash Management Agreement**"	The meaning given in "*Summary of the Principal Documents*" on page 230;
"**Cash Manager**"	The Toronto-Dominion Bank, in its capacity as cash manager under the Cash Management Agreement together with any successor cash manager appointed pursuant to the Cash Management Agreement from time to time;
"**CCAA**"	The meaning given in "*Risk Factors*" on page 79;
"**CDIC**"	The Canada Deposit Insurance Corporation;
"**CDIC Act**"	The meaning given in "*Risk Factors*" on page 59;
"**CDS**"	CDS Clearing and Depository Services Inc. and its successors and assigns;
"**Charged Property**"	The property charged by the Guarantor pursuant to the Security Agreement;
"**Clearing Systems**"	DTC, CDS, Euroclear and/or Clearstream, Luxembourg;
"**Clearstream, Luxembourg**"	Clearstream Banking SA;
"**CMHC**"	Canada Mortgage and Housing Corporation, a Canadian federal crown corporation, and its successors responsible for administering the Covered Bond Legislative Framework;
"**CMHC Guide**"	The Canadian Registered Covered Bond Programs Guide published by CMHC, as the same may be amended, restated or replaced from time to time;
"**Code**"	U.S. Internal Revenue Code of 1986, as amended;
"**Commission's Proposal**"	The meaning given in "*Taxation*" on page 277;
"**Common Depositary**"	The common depositary for Euroclear and Clearstream, Luxembourg;
"**Common Reporting Standard**"	The meaning given on page 277;
"**Common Safekeeper**"	A common safekeeper for Euroclear and/or Clearstream, Luxembourg;

"**Companies Ordinance**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions"* on page 290;
"**Compounded Daily SONIA**"	The meaning given in Condition 5.03 on page 103;
"**Compounded Daily SONIA Observation Convention**"	The meaning given in Condition 5.03 on page 103;
"**Compounded SOFR**"	The meaning given in Condition 5.03 on page 101 or on page 107, as applicable;
"**Conditions**"	Terms and conditions of the Covered Bonds as described under "*Terms and Conditions of the Covered Bonds*";
"**CONSOB**"	Commission Nazionale per le Societá e la Borsa;
"**Consolidated Banking Act**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 290;
"**Consolidated Financial Act**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 290;
"**constant yield election**"	The meaning given in "*Taxation*" on page 270;
"**Contingent Collateral**"	On any Business Day, in respect of the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, the Loans and Related Security and the Substitute Assets of the Guarantor in an aggregate amount equal to the Contingent Collateral Amount in respect of the related Swap Agreement, provided that (i) in determining the value of (x) the Loans and Related Security, the LTV Adjusted Loan Balance thereof is used and (y) the Substitute Assets, the Trading Value thereof is used, and (ii) such Loans, Related Security and Substitute Assets are excluded from the determination of the Asset Coverage Test and/or the Amortization Test, as applicable;
"**Contingent Collateral Amount**"	On any Business Day, in respect of the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, an amount equal to the Guarantor's "Exposure" under and as defined in the related Swap Agreement, in each case, calculated as if the confirmation thereunder was in effect on such Business Day;
"**Contingent Collateral Notice**"	In respect of the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, a notice delivered by the relevant Swap Provider, in its capacity as lender under the Intercompany Loan Agreement, to the Guarantor, that, as of the effective date of such notice and in respect of: (i) a Contingent Collateral Trigger Event in relation to the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, (ii) a Downgrade Trigger Event, or (iii) an event of default (other than an insolvency event of default) or an additional termination event, in each case, under the relevant Swap Agreement in respect of which Party A is the sole defaulting party or the sole affected party, as applicable, it elects to decrease the amount of the Demand Loan with a corresponding increase in the amount of the Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount(s), which notice shall

	continue in effect until (x) the event in (i), (ii) or (iii) above, as applicable, is cured, or (y) the relevant Swap Provider and the Guarantor mutually agree to terminate such notice;
"**Contingent Collateral Trigger Event**"	The long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Covered Bond Swap Provider or the Interest Rate Swap Provider, as applicable, or any credit support provider or guarantor from time to time in respect of the Covered Bond Swap Provider or the Interest Rate Swap Provider, as applicable, fall below the Contingent Collateral Threshold Ratings;
"**Contractual Currency**"	The meaning given in Condition 16 on page 150;
"**Corporate Services Agreement**"	The meaning given in "*Summary of the Principal Document*s" on page 241;
"**Corporate Services Provider**"	Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada, as corporate services provider to the Liquidation GP under the Corporate Services Agreement, together with any successor corporate services provider appointed from time to time;
"**Corporations Act**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions"* on page 289;
"**Corresponding Tenor**"	The meaning given in Condition 13.02(c)(ii) on page 143;
"**Couponholders**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 94;
"**Coupons**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 96;
"**Counterparty Qualifications**"	The meaning given in "*Description of The Canadian Registered Covered Bond Programs Framework*" on page 259;
"**Cover Pool Collateral**"	The meaning given in "*Structure Overview—Structure Overview*" on page 221;
"**Covered Bond**"	Each covered bond issued or to be issued pursuant to the Dealership Agreement and which is or is to be constituted under the Trust Deed, which covered bond may be represented by a Global Covered Bond or any Definitive Covered Bond and includes any replacements or a Covered Bond issued pursuant to Condition 12;
"**Covered Bond Guarantee**"	A direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and irrevocable guarantee by the Guarantor set forth in the Trust Deed for the payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment;
"**Covered Bond Guarantee Activation Event**"	The earlier to occur of (i) an Issuer Event of Default, together with the service of an Issuer Acceleration Notice on the Issuer and the service of a Notice to Pay on the Guarantor; and (ii) a Guarantor Event of Default, together with the service of a Guarantor Acceleration Notice on the Issuer and on the Guarantor (and each a "**Covered Bond Guarantee Activation Event**" as the context requires);

"**Covered Bond Legislative Framework**"	The meaning given in "*Description of the Canadian Registered Covered Bond Programs Framework*" on page 258;
"**Covered Bond Portfolio**"	The Initial Covered Bond Portfolio and each additional portfolio of Loans and Related Security acquired by the Guarantor;
"**Covered Bond Swap Activation Event Date**"	The earlier of (i) the date on which an Issuer Event of Default occurs, and (ii) the date on which a Guarantor Event of Default occurs, together with the service of a Guarantor Acceleration Notice on the Issuer and the Guarantor;
"**Covered Bond Swap Agreement**"	The agreement(s) (including any replacement agreements) entered into between the Guarantor and the Covered Bond Swap Provider(s) in the form of an ISDA Master Agreement, including a schedule and confirmations and credit support annex in relation to each Tranche or Series of Covered Bonds (as amended and/or restated and/or supplemented from time to time);
"**Covered Bond Swap Early Termination Event**"	The meaning given in "*Summary of the Principal Documents*" on page 235;
"**Covered Bond Swap Effective Date**"	The earlier of (i) the date on which a Contingent Collateral Trigger Event occurs in respect of the Covered Bond Swap Provider, and (ii) a Covered Bond Swap Activation Event Date, provided that the Covered Bond Swap Effective Date will be the Covered Bond Swap Activation Event Date if (a) the Covered Bond Swap Provider is the lender under the Intercompany Loan Agreement, (b) (i) a Contingent Collateral Trigger Event has occurred in respect of the Covered Bond Swap Provider, (ii) a Contingent Collateral Notice is delivered in respect of such Contingent Collateral Trigger Event relating to the Covered Bond Swap Provider and (iii) within 10 Business Days of the occurrence of such Contingent Collateral Trigger Event and for so long as a Contingent Collateral Trigger Event in respect of the Covered Bond Swap Provider continues to exist, the Guarantor has Contingent Collateral in respect of the Covered Bond Swap Agreement, and (c) the Asset Coverage Test and/or the Amortization Test, as applicable continues to be satisfied;
"**Covered Bond Swap Provider**"	The provider(s) of the Covered Bond Swap under the Covered Bond Swap Agreement;
"**Covered Bond Swap Rate**"	In relation to a Covered Bond or Tranche or Series of Covered Bonds, the exchange rate specified in the Covered Bond Swap Agreement relating to such Covered Bond or Series of Covered Bonds or, if the Covered Bond Swap Agreement has terminated, the applicable spot rate;
"**CRA**"	Canada Revenue Agency;
"**CRA Regulations**"	The meaning given on page 2;
"**CRR**"	The meaning given in "*Risk Factors*" on page 64;
"**Current Balance**"	In relation to a Loan at any relevant date, means the aggregate principal balance of the Loan at such date (but avoiding double counting) including the following: (i) the Initial Advance; (ii) Capitalized Expenses; (iii) Capitalized Arrears; and (iv) any increase in the principal amount due

	under that Loan due to any form of Further Advance, in each case relating to such Loan less any prepayment, repayment or payment of the foregoing made on or prior to the determination date;
"**Custodial Agreement**"	The meaning given in "*Summary of the Principal Documents*" on page 241;
"**Custodian**"	Computershare Trust Company of Canada, as custodian for the Guarantor under the Custodial Agreement, together with any successor custodian appointed from time to time;
"**Cut-off Date**"	For a Product Switch or Further Advance, the second Toronto Business Day following the Calculation Date preceding the relevant Guarantor Payment Date, and in any other case, such Toronto Business Day on or prior to the relevant Purchase Date as agreed between the Seller and the Guarantor;
"**Day Count Fraction**"	The meaning given in Condition 5.09 on page 116;
"**DBRS**"	DBRS Limited;
"**Dealers**"	Banco Santander, S.A., Commerzbank Aktiengesellschaft, Coöperatieve Rabobank U.A., Crédit Agricole Corporate and Investment Bank, Danske Bank A/S, Deutsche Bank Aktiengesellschaft, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Goldman Sachs International, ING Bank N.V., Intesa Sanpaolo S.p.A., Landesbank Baden-Württemberg, Lloyds Bank Corporate Markets plc, Natixis, NatWest Markets Plc, Nomura International plc, Société Générale, Standard Chartered Bank, The Toronto-Dominion Bank, London Branch, UBS AG London Branch, UniCredit Bank GmbH, and any other person appointed by the Issuer and the Guarantor from time to time in accordance with the Dealership Agreement, which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the relevant Dealer(s) shall, in the case of an issue of Covered Bonds being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Covered Bonds;
"**Dealership Agreement**"	Either (i) the dealership agreement initially dated as of the Programme Date and most recently amended and restated as of 30 June 2023 made between the Bank, the Dealers and the Arranger that sets out the arrangements under which Covered Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers, as may be further amended, supplemented or replaced, or (ii) the underwriting agreement made between the Bank, the dealers named therein and the Arranger that sets out the arrangements under which U.S. Registered Covered Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, the dealers named therein, as amended, supplemented or replaced, as the context requires;
"**December 2014 letter**"	The meaning given to it in "*Risk Factors*" on page 80;
"**Definitive Covered Bond**"	A Bearer Definitive Covered Bond and/or, as the context may require, a Registered Definitive Covered Bond;

"**Definitive Rule 144A Covered Bond**"	A Registered Covered Bond in definitive form sold to QIBs pursuant to Rule 144A;
"**Demand Loan**"	The meaning given in "*Summary of the Principal Documents*" on page 199;
"**Demand Loan Contingent Amount**"	The meaning given in "*Summary of the Principal Documents*" on page 200;
"**Demand Loan Repayment Event**"	The meaning given in "*Summary of the Principal Documents*" on page 200;
"**Designated Maturity**"	In relation to the ISDA Determination, the meaning given in the ISDA Definitions, or, in relation to Screen Rate Determination, the meaning given in Condition 5.09 on page 118;
"**Determination Date**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 118;
"**Determination Period**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 118;
"**Direct Participants**"	The meaning given in "*Book-Entry Clearance Systems*" on page 261 and includes participants of CDS, as the context requires;
"**Distribution Compliance Period**"	The meaning given in Condition 2.08 on page 98;
"**disqualified persons**"	The meaning given in "*ERISA and Certain Other U.S. Benefit Plan Considerations*" on page 278;
"**Dodd-Frank**"	The Dodd-Frank Wall Street Reform and *Consumer Protection Act*;
"**D-SIBs**"	Domestic Systemically Important Banks;
"**DTC**"	The Depository Trust Company;
"**DTC Covered Bonds**"	Covered Bonds accepted into DTC's book-entry settlement system;
"**DTCC**"	The Depository Trust & Clearing Corporation;
"**Due for Payment**"	The requirement by the Guarantor to pay any Guaranteed Amounts following the service of a Notice to Pay on the Guarantor, (i) prior to the occurrence of a Guarantor Event of Default, on: (a) the date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, or, if later, the day which is two Business Days following service of a Notice to Pay on the Guarantor in respect of such Guaranteed Amounts or if the applicable Final Terms or Pricing Supplement specify that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Interest Payment Date that would have applied if the Final Maturity Date (the "**Original Due for Payment Date**") of such Series of Covered Bonds had been the Extended Due for Payment Date; and

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

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

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

"**Earliest Maturing Covered Bonds**"	At any time, the Series of the Covered Bonds (other than any Series which is fully collateralized by amounts standing to the credit of the Guarantor in the Guarantor Accounts) that has or have the earliest Final Maturity Date as specified in the applicable Final Terms or Pricing Supplement (ignoring any acceleration of amounts due under the Covered Bonds prior to the occurrence of a Guarantor Event of Default);
"**Early Redemption Amount**"	The meaning given in the relevant Final Terms or Pricing Supplement;
"**ECB**"	European Central Bank;
"**EEA**" or "**European Economic Area**"	The meaning given on page 7;
"**Eligibility Criteria**"	The meaning given in "*Summary of the Principal Documents*" on page 202;
"**EMMI**"	European Money Markets Institute;

"**Enforcement Proceeds**"	The meaning given in "*Summary of the Principal Documents*" on page 211;
"**ERISA**"	U.S. Employee Retirement Income Security Act of 1974, as amended;
"**ESMA**"	European Securities and Markets Authority;
"**EU**"	European Union;
"**EU BMR**"	The meaning given on page 46;
"**EU CRA Regulation**"	The meaning given on page 2;
"**EURIBOR**"	Euro-zone inter-bank offered rate;
"**Eurobond Basis**"	The meaning given in Condition 5.09 on page 116;
"**Euroclear**"	Euroclear Bank SA/NV;
"**Eurodollar Convention**"	The meaning given in Condition 5.09 on page 115;
"**European Registrar**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 93;
"**Eurosystem**"	The meaning given on page 23;
"**Euro-zone**"	The meaning given in Condition 5.09 on page 118;
"**EUWA**"	The meaning given on page 1;
"**Excess Proceeds**"	Moneys received (following the occurrence of an Issuer Event of Default and delivery of an Issuer Acceleration Notice) 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;
"**Exchange Act**"	The *U.S. Securities Exchange Act of 1934*, as amended;
"**Exchange Agent**"	Each institution appointed as such in accordance with the Agency Agreement (which expression shall include any successor exchange agent);
"**Exchange Date**"	The meaning specified in the relevant Final Terms or Pricing Supplement;
"**Exchange Event**"	The meanings given in "*Form of the Covered Bonds*" on pages 89 and 91, as applicable;
"**Excluded Holder**"	The meaning given in Condition 18.03 on page 151;
"**Excluded Scheduled Interest Amounts**"	The meaning given in the definition of "Scheduled Interest" below;
"**Excluded Scheduled Principal Amounts**"	The meaning given in the definition of "Scheduled Principal" below;
"**Excluded Swap Termination Amount**"	In relation to a Swap Agreement, an amount equal to the amount of any termination payment due and payable (a) to the relevant Swap Provider as a result of a Swap Provider Default with respect to such Swap Provider or (b) to the relevant Swap Provider following a Swap Provider Downgrade Event with respect to such Swap Provider;
"**Exempt Covered Bonds**"	The meaning given on page 2;
"**Extended Due for Payment Date**"	In relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms or Pricing Supplement 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;
"**Extension Determination Date**"	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;
"**Extraordinary Resolution**"	Means (a) a resolution passed at a meeting of the Holders of the Covered Bonds duly convened and held in accordance with the terms of the Trust Deed by a majority consisting of not less than three-quarters 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-quarters of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of the Holders of the Covered Bonds 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 Holders of the Covered Bonds;
"**EY**"	Ernst & Young LLP, a limited liability partnership governed by the laws of the Province of Ontario;
"**FATCA**"	Certain provisions of U.S. law commonly referred to as the *Foreign Account Tax Compliance Act*;
"FCA"	The meaning given on the cover page;
"FCA Register"	The meaning given on page 1;
"**FIEA**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions"* on page 291;
"**Final Maturity Date**"	The Interest Payment Date on which each Series of Covered Bonds will be redeemed at their Principal Amount Outstanding in accordance with the Conditions;
"**Final Redemption Amount**"	The meaning given in the relevant Final Terms or Pricing Supplement;
"**Final Terms**"	Final terms which, with respect to Covered Bonds to be admitted to the Official List and admitted to trading on the London Stock Exchange, will be delivered to the FCA and the London Stock Exchange on or before the date of issue of the applicable Tranche of Covered Bonds;
"**Financial Centre**"	The financial centre or centres specified in the applicable Final Terms or Pricing Supplement;
"**First Multiproduct Loan**"	The first Multiproduct Loan made by the Seller to a particular Borrower, which is owned by the Guarantor;
"**FinSA**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 292;
"**First Transfer Date**"	The Transfer Date in respect of the Initial Covered Bond Portfolio which occurred on 3 July 2014;
"Fitch"	Fitch Ratings, Inc.;
"**Fixed Amount Payer**"	The meaning given in the ISDA Definitions;

"**Fixed Amounts**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Fixed Coupon Amount**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Fixed Interest Period**"	The meaning given in Condition 5.02 on page 101;
"**Fixed Rate Covered Bonds**"	Covered Bonds paying a fixed rate of interest on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s);
"FlexLine Product"	The meaning given in "*Loan Origination and Lending Criteria*" on page 192;
"**Floating Rate**"	The meaning given in the ISDA Definitions;
"**Floating Rate Covered Bonds**"	Covered Bonds which bear interest at a rate determined: (a) on the same basis as the floating rate under a notional schedule and confirmations and credit support annex, if applicable, for each Tranche and/or Series of Covered Bonds in the relevant Specified Currency governed by the Interest Rate Swap Agreement incorporating the ISDA Definitions; or (b) on the basis of a reference rate;
"**Floating Rate Option**"	The meaning given in the ISDA Definitions;
"**Following Business Day Convention**"	The meaning given in Condition 5.09 on page 115;
"**foreign currency Covered Bonds**"	The meaning given in "*Taxation*" on page 273;
"**foreign passthru payments**"	The meaning given in "*Taxation – United States Federal Income Taxation*" on page 276;
"**FRBNY**"	The meaning given on the cover page;
"**FRN Convention**"	The meaning given in Condition 5.09 on page 115;
"**FSB**"	The meaning given in "*Risk Factors*" on page 119;
"**FSMA**"	*Financial Services and Markets Act 2000*, as amended;
"**FTT**"	The meaning given in "*Taxation*" on page 277;
"**Further Advance**"	In relation to a Loan, any advance of further money to the relevant Borrower following the making of the Initial Advance, which is secured by the same Mortgage as the Initial Advance, excluding the amount of any retention in respect of the Initial Advance;
"**GDA Account**"	The account in the name of the Guarantor held with the Account Bank and maintained subject to the terms of the Master Definitions and Construction Agreement, the Guaranteed Deposit Account Contract, the Bank Account Agreement and the Security Agreement or such additional or replacement account(s) as may be for the time being be in place with the prior consent of the Bond Trustee;
"**GDA Provider**"	The Toronto-Dominion Bank, in its capacity as GDA provider under the Guaranteed Deposit Account Contract together with any successor GDA provider appointed from time to time;

"**Global Covered Bond**"	A Bearer Global Covered Bond and/or Registered Global Covered Bond, as the context may require;
"**GOC**"	The meaning given in "*Risk Factors*" on page 80;
"**GST**"	GST means the taxes payable under Part IX of the *Excise Tax Act* (Canada);
"**Guarantee Loan**"	The meaning given in "*Summary of the Principal Documents*" on page 199;
"**Guarantee Priority of Payments**"	The meaning given in Condition 6.01 on page 122;
"**Guaranteed Amounts**"	Prior to the service of a Guarantor Acceleration Notice, with respect to any Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, the sum of Scheduled Interest and Scheduled Principal, in each case, payable on that Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, or after service of a Guarantor Acceleration Notice, an amount equal to the relevant Early Redemption Amount as specified in the Conditions plus all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the Guarantor under the Trust Deed;
"**Guaranteed Deposit Account Contract**" or "**GDA**"	The guaranteed deposit account contract between the Guarantor, the GDA Provider, the Bond Trustee and the Cash Manager dated the Programme Date, as amended by a first amending agreement dated 28 June 2024 (as amended and/or restated and/or supplemented from time to time);
"**Guarantor**"	TD Covered Bond (Legislative) Guarantor Limited Partnership;
"**Guarantor Acceleration Notice**"	The meaning given in Condition 7.02 on page 127;
"**Guarantor Accounts**"	The GDA Account, the Transaction Account (to the extent maintained) and any additional or replacement accounts opened in the name of the Guarantor, including the Standby GDA Account and the Standby Transaction Account;
"**Guarantor Agreement**"	The meaning given in "*Summary of the Principal Documents*" on page 219;
"**Guarantor Event of Default**"	The meaning given in Condition 7.02 on page 127;
"**Guarantor Payment Date**"	The 17th day of each month or if not a Toronto Business Day the next following Toronto Business Day;
"**Guarantor Payment Period**"	The period from and including a Guarantor Payment Date to but excluding the next following Guarantor Payment Date;
"**Guide OC Minimum**"	The meaning given in "*Structure Overview—Structure Overview*" on page 220;
"**Guideline B-20**"	The meaning given in "*Risk Factors*" on page 81;
"**Hard Bullet Covered Bonds**"	The meaning given in "*Credit Structure*" on page 244;
"**HELOC**"	The meaning given in "*Risk Factors*" on page 81;
"**HMRC**"	His Majesty's Revenue and Customs;

"**Holders of the Covered Bonds**", "**Holders**" or "**Covered Bondholder**"	The holders for the time being of the Covered Bonds;
"**Hong Kong**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions"* on page 290;
"**IFRS**"	International Financial Reporting Standards;
"**IGA**"	The meaning given in "*Taxation – United States Federal Income Taxation*" on page 276;
"**Independent Financial Adviser**"	The meaning given in Condition 5.09 on page 118;
"**Independently Controlled and Governed**"	In respect of the Guarantor, (i) the general partner (having the power to carry on the business of the Guarantor) of the Guarantor is not (and cannot be) an affiliate of the Issuer and less than ten percent of its voting securities are (or can be) owned, directly or indirectly, by the Issuer or any of its affiliates, (ii) if an administrative agent or other analogous entity has been engaged by the general partner of the Guarantor to fulfil such general partner's responsibility or role to carry on, oversee, manage or otherwise administer the business, activities and assets of the Guarantor, the agent or entity is not (and cannot be) an affiliate of the Issuer and less than ten percent of its voting securities are (or can be) owned, directly or indirectly, by the Issuer or any of its affiliates, (iii) all members (but one) of the board of directors or other governing body of the general partner of the Guarantor, administrative agent or other entity are not (and cannot be) directors, officers, employees or other representatives of the Issuer or any of its affiliates, do not (and cannot) hold greater than ten percent of the voting or equity securities of the Issuer or any of its affiliates and are (and must be) otherwise free from any material relationship with the Issuer or any of its affiliates (hereinafter referred to as "**Independent Members**"), and (iv) the board of directors or other governing body of the general partner of the Guarantor, administrative agent or other entity is (and must be) composed of at least three members, and the non-Independent Member is not (and shall not be) entitled to vote on any resolution or question to be determined or resolved by the board (or other governing body) and shall attend meetings of the board (or other governing body) at the discretion of the remaining members thereof; provided that such board of directors or other governing body may be composed of only two Independent Members with "observer" status granted to one director, officer, employee or other representative of the Issuer or any of its affiliates;
"**Independent Resolution of UK Branch Powers" or "IRUKBPs**"	The meaning given in "*Risk Factors*" on page 78;

"**Indexation Methodology**"	The meaning given in "*Risk Factors*" on page 52;
"**Indirect Participants**"	The meaning given in "*Book-Entry Clearance Systems*" on page 261;
"**Initial Advance**"	In respect of any Loan, the original principal amount advanced by the Seller to the relevant Borrower;
"**Initial Covered Bond Portfolio**"	The portfolio of Loans and their Related Security, particulars of which were delivered on the First Transfer Date pursuant to the terms of the Mortgage Sale Agreement (other than any Loans and their Related Security that have been redeemed in full prior to the First Transfer Date) and all right, title, interest and benefit of the Seller in and to such Loans and their Related Security, including any rights of the Seller thereunder;
"**Insolvency Event**"	In respect of the Seller, the Servicer or the Cash Manager or any other person, any impending or actual insolvency on the part of such person, as evidenced by, but not limited to: (a) the commencement of a dissolution proceeding or a case in bankruptcy involving the relevant entity (and where such proceeding is the result of an involuntary filing, such proceeding is not dismissed within 60 days after the date of such filing); or (b) the appointment of a trustee or other similar court officer over, or the taking of control or possession by such officer, of the business of the relevant entity, in whole or in part, before the commencement of a dissolution proceeding or a case in bankruptcy; or (c) the relevant entity makes a general assignment for the benefit of any of its creditors; or (d) the general failure of, or the inability of, or the written admission of the inability of, the relevant entity to pay its debts as they become due;
"**Instalment Amount**"	The meaning given in Condition 1.07 on page 96;
"**Instalment Covered Bonds**"	Covered Bonds which will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms or Pricing Supplement;
"**Instalment Dates**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**Intercompany Loan**"	The meaning given in "*Summary of the Principal Documents*" on page 199;
"**Intercompany Loan Agreement**"	The meaning given in "*Summary of the Principal Documents*" on page 199;
"**Interest Amount**"	The amount of interest payable on the Floating Rate Covered Bonds in respect of each Specified Denomination for the relevant Interest Period;
"**Interest Basis**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**Interest Commencement Date**"	The meaning given in Condition 5.09 on page 118;

"**Interest Determination Date**"	The meaning given in Condition 5.09 on page 118;
"**Interest Payment Date**"	The meaning given in Condition 5.09 on page 118;
"**Interest Period**"	The meaning given in Condition 5.09 on page 118;
"**Interest Rate Swap Agreement**"	The agreement (including any replacement agreement) entered into between the Guarantor and the Interest Rate Swap Provider(s) in the form of an ISDA Master Agreement, including a schedule and confirmation and credit support annex, if applicable, in relation to the Covered Bond Portfolio (as amended and/or restated and/or supplemented from time to time);
"**Interest Rate Swap Early Termination Event**"	The meaning given in "*Summary of the Principal Documents*" on page 232;
"**Interest Rate Swap Provider**"	The provider(s) of the Interest Rate Swap under the Interest Rate Swap Agreement;
"**Investment Company Act**"	The meaning given in "*Certain Volcker Rule Considerations*" on page 280;
"**Investor's Currency**"	The meaning given in "*Risk Factors*" on page 85;
"**Investor Reports**"	The monthly reports to be made available on the Issuer's website at http://www.td.com/investor-relations/ir-homepage/debt-information/legislative-covered-bonds/LCBTermsofAccess.jsp detailing information with respect to the Programme, each Series of Covered Bonds and the Covered Bond Portfolio, in each case as required pursuant to Annex H to the CMHC Guide;
"**IRS**"	U.S. Internal Revenue Service;
"**ISDA**"	International Swaps and Derivatives Association, Inc.;
"**ISDA Definitions**"	The meaning given in Condition 5.09 on page 119;
"**ISDA Determination**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**ISDA Fallback Adjustment**"	The meaning given in Condition 13.02(c)(ii) on page 143;
"**ISDA Fallback Rate**"	The meaning given in Condition 13.02(c)(ii) on page 143;
"**ISDA Master Agreement**"	The 2002 Master Agreement, as published by ISDA;
"**ISDA Rate**"	The meaning given in Condition 5.04 on page 112;
"**Issue Date**"	Each date on which the Issuer issues Covered Bonds to purchasers of such Covered Bonds;
"**Issue Price**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Issuer**"	The Toronto-Dominion Bank;
"**Issuer Acceleration Notice**"	The meaning given in Condition 7.01 on page 125;
"**Issuer Event of Default**"	The meaning given in Condition 7.01 on page 125;
"**Issuing and Paying Agent**"	Citibank, N.A., acting through its London Branch, in its capacity as issuing and paying agent and any successor as such;
"**LAR Guideline**"	The meaning given in "*Risk Factors"* on page 34;
"**Latest Valuation**"	In relation to any Property, the value given to that Property by the most recent valuation addressed to the Seller or

	obtained from a third party computer generated risk assessment model, acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market or the purchase price of that Property or current property tax assessment, as applicable; provided that such value shall be adjusted at least quarterly to account for subsequent price adjustments using the Indexation Methodology;
"**LCR**"	The meaning given in "*Risk Factors"* on page 34;
"**Ledger**"	Each of the Revenue Ledger, the Principal Ledger, the Reserve Ledger, the Payment Ledger, the Pre-Maturity Liquidity Ledger and the Capital Account Ledgers maintained by the Cash Manager in accordance with the terms of the Cash Management Agreement;
"**Legended Covered Bonds**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 98;
"**LEI**"	Legal Entity Identifier;
"**Lending Criteria**"	The lending criteria of the Seller from time to time, or such other criteria as would be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market;
"**Level of Overcollateralization**"	The meaning given in "*Structure Overview—Structure Overview*" on page 220;
"**LGP Trust**"	The meaning given in "*Structure Overview—Ownership Structure of the Liquidation GP*" on page 18;
"**Limited Partner**"	The Toronto-Dominion Bank, in its capacity as a limited partner of the Guarantor, individually and together with such other person or persons who may from time to time, become limited partner(s) of the Guarantor pursuant to the terms of the Guarantor Agreement;
"**Line of Credit Agreement**"	With respect to any Borrower, the revolving credit contracts providing for the establishment of a Line of Credit Loan, together with any amendments, addendums and supplements thereto (including to provide for one or more Term Loans);
"**Line of Credit Loan**"	The meaning given in "*Risk Factors"* on page 56;
"**Liquidation GP**"	8638080 Canada Inc., in its capacity as liquidation general partner of the Guarantor together with any successor liquidation general partner appointed pursuant to the terms of the Guarantor Agreement;
"**Loan**"	Any residential mortgage loan (or, subject to receipt by the Seller, the Guarantor, the Bond Trustee and the Custodian of CMHC's written confirmation of verification of compliance with the CMHC Guide, and satisfaction of the other conditions provided for in the Mortgage Sale Agreement, residential real estate secured line of credit or Line of Credit Loans), referenced by its loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other moneys (including all Additional Loan Advances) due or owing with respect to that loan under the relevant Mortgage Conditions by a Borrower on the security of a Mortgage

	from time to time outstanding, or, as the context may require, the Borrower's obligations in respect of the same;
"**Loan Agreement**"	The standard form agreement establishing each Loan;
"**Loan Files**"	The file or files relating to each Loan and its Related Security (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing, among other things, the original fully executed copy of the document(s) evidencing the Loan and its Related Security, including the relevant loan agreement (together with the promissory note, if any, evidencing such Loan or, if applicable, a guarantor of the Borrower), and, if applicable, evidence of the registration thereof or filing of financing statements under the applicable personal property security acts, and the mortgage documentation, Mortgage Deed and other Related Security documents in respect thereof and evidence of paper or electronic registration from the applicable land registry office, land titles office or similar place of public record in which the related Mortgage is registered together with a copy of other evidence, if applicable, of any applicable insurance policies in respect thereof to which the Seller or the Guarantor, as the case may be, is entitled to any benefit, a copy of the policy of title insurance or opinion of counsel regarding title, priority of the Mortgage or other usual matters, in each case, if any, and any and all other documents (including all electronic documents) kept on file by or on behalf of the Seller relating to such Loan;
"**Loan Offer Notice**"	A notice from the Guarantor served on the Seller offering to sell Loans and their Related Security for an offer price equal to the greater of (a) the fair market value of such Loans and (b)(i) if the sale is following a breach of the Pre-Maturity Test or the service of a Notice to Pay on the Guarantor, the Adjusted Required Redemption Amount of the relevant Series of Covered Bonds, otherwise (ii) the True Balance of such Loans;
"**Loan Representations and Warranties**"	The loan representations and warranties of the Seller set out in the Mortgage Sale Agreement;
"**Loan Repurchase Notice**"	A notice from the Guarantor (or the Cash Manager on its behalf) to the Seller identifying a Loan or its Related Security in the Covered Bond Portfolio which does not, as at the relevant Transfer Date, materially comply with the Loan Representations and Warranties set out in the Mortgage Sale Agreement;
"**local banking day**"	The meaning given in Condition 9.13 on page 134;
"**London Banking Day**" or "**LBD**"	Any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, UK;
"**London Stock Exchange**"	London Stock Exchange plc;
"**LRCC risk**"	The meaning given in "*Risk Factors*" on page 35;
"**LTV**"	The meaning given in "*Loan Origination and Lending Criteria*" on page 192;

"**LTV Adjusted Loan Present Value**"	The meaning given in "*Summary of the Principal Documents*" on page 225;
"**LTV Adjusted Loan Balance**"	The meaning given in "*Summary of the Principal Documents*" on page 222;
"**Main Market**"	The meaning given on the cover page;
"**Managing GP**"	TD Covered Bond (Legislative) GP Inc., in its capacity as managing general partner of the Guarantor together with any successor managing general partner;
"**March 2020 letter**"	The meaning given to it in "*Risk Factors*" on page 80;
"**Margin**"	In respect of a Floating Rate Covered Bond, the percentage rate per annum (if any) specified in the applicable Final Terms or Pricing Supplement;
"**Markets in Financial Instruments Directive**"	The meaning given on the cover page;
"**Master Definitions and Construction Agreement**"	The master definitions and construction agreement made between certain parties to the Transaction Documents initially dated as of the Programme Date and most recently amended and restated as of 30 June 2023 (as may be further amended and/or restated and/or supplemented from time to time);
"**Maximum Redemption Amount**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**May 2019 letter**"	The meaning given to it in "*Risk Factors*" on page 80;
"**Member States**"	The countries united under and party to the treaties of the European Union as at the date hereof (and each individually, a "**Member State**");
"**MiFID II**"	Directive 2014/65/EU (as amended);
"**MiFID II Product Governance Rules**"	The meaning given on page 6;
"**Minimum and/or Maximum Interest Rate**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Minimum Redemption Amount**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Modified Following Business Day Convention"** or "**Modified Business Day Convention**"	The meaning specified in Condition 5.09 on page 115;
"**Monthly Payment**"	The amount which the relevant Mortgage Terms require a Borrower to pay on each Monthly Payment Date in respect of that Borrower's Loan;
"**Monthly Payment Date**"	In relation to a Loan, the date(s) in each month on which the relevant Borrower is required to make a payment of interest and, if applicable, principal for that Loan, as required by the applicable Mortgage Conditions;
"**Moody's**"	Moody's Investors Service, Inc.;
"**Mortgage**"	In respect of any Loan, each first fixed charge by way of legal mortgage or hypothec sold, transferred and assigned by the Seller to the Guarantor pursuant to the Mortgage Sale Agreement or contributed by the Seller to the Guarantor pursuant to the Guarantor Agreement, which secures the

	repayment of the relevant Loan including the Mortgage Conditions applicable to it;
"**Mortgage Conditions**"	All the terms and conditions applicable to a Loan, including without limitation those set out in the Seller's relevant mortgage conditions booklet and the Seller's relevant general conditions, each as varied from time to time by the relevant Loan agreement between the lender under the Loan and the Borrower, as the same may be amended from time to time, and the relevant Mortgage Deed;
"**Mortgage Deed**"	In respect of any Mortgage, the deed creating that Mortgage;
"**Mortgage Sale Agreement**"	The mortgage sale agreement entered into on the Programme Date, as amended by a first amending agreement dated 7 September 2017, a second amending agreement dated 30 June 2023 and a third amending agreement dated 28 June 2024, between the Seller, the Guarantor and the Bond Trustee (as further amended and/or restated and/or supplemented from time to time);
"**Mortgage Terms**"	The terms of the applicable Mortgage;
"**Multiproduct Account**"	In respect of a Borrower, the Line of Credit Loans extended to such Borrower pursuant to a Line of Credit Agreement and the Term Loans made to such Borrower, all of which are secured by the same Multiproduct Mortgage;
"**Multiproduct Loan**"	A Line of Credit Loan, Term Loan or other residential mortgage loan secured by a Multiproduct Mortgage;
"**Multiproduct Mortgage**"	A Mortgage that secures a Line of Credit Loan and/or a Term Loan and/or any residential mortgage loan and one or more other loans or home equity lines of credit, including another Loan;
"**Multiproduct Purchaser**"	Any owner of any Multiproduct Loan outstanding from time to time or any interest therein, including any person holding and/or having the benefit of a Multiproduct Mortgage, other than the Seller and the Guarantor;
"**N Covered Bonds**"	The meaning given in "*Risk Factors*" on page 75;
"**Negative Carry Factor**"	The meaning given in "*Summary of the Principal Documents*" on page 223;
"**New Loans**"	Loans, other than the Loans comprised in the Initial Covered Bond Portfolio, which the Seller may assign or transfer to the Guarantor after the First Transfer Date pursuant to the Mortgage Sale Agreement;
"**New Portfolio Asset Type**"	A new type of mortgage loan or home equity line of credit originated or acquired by the Seller, which the Seller intends to transfer to the Guarantor, the terms and conditions of which are materially different (in the opinion of the Seller, acting reasonably) from the Loans. For the avoidance of doubt, a loan will not constitute a New Portfolio Asset Type if it differs from the Loans due to it having different interest rates and/or interest periods and/or time periods for which it is subject to a fixed rate, capped rate, tracker rate or any other interest rate or the benefit of any discounts, cash-backs and/or rate guarantees;

"**New Seller**"	Any member of the Bank's banking group that accedes to the relevant Transaction Documents and sells Loans or New Loans and their respective Related Security to the Guarantor in the future;
"**NGCB**"	The meaning given in "*Form of the Covered Bonds*" on page 98;
"**NIBOR**"	Norwegian Interbank Offered Rate;
"**Non-Performing Loan**"	Any Loan in the Covered Bond Portfolio which is more than three months in arrears;
"**Non-Performing Loans Notice**"	A notice from the Cash Manager to the Seller identifying one or more Non-Performing Loans;
"**Non-resident Holder**"	The meaning given in "*Taxation*" on page 265;
"**Norwegian Kroner**"	The lawful currency for the time being of Norway;
"**Notice to Pay**"	The meaning given in Condition 7.01 on page 126;
"**NSS**"	The meaning specified in the "*Form of the Covered Bonds*" on page 90;
"**Observation Lookback Convention**"	The meaning given in Condition 5.03 on page 103;
"**Observation Lookback Period**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Observation Period**"	The meaning given in Condition 5.03 on page 104 or on page 106, as applicable;
"**Observation Period Shift**"	The meaning given in Condition 5.03 on page 104 or on page 107, as applicable;
"**Observation Shift Convention**"	The meaning given in Condition 5.03 on page 103;
"**OC Valuation**"	The meaning given in "*Structure Overview—Structure Overview*" on page 220;
"**OECD**"	The meaning given in "*Taxation*" on page 277;
"**Offer Period**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Official List**"	Official list of the FCA;
"**OID Regulations**"	The meaning given in "*Taxation—United States Federal Income Taxatio*n" on page 166;
"**Optional Redemption Amount**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Optional Redemption Date**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Original Due for Payment Date**"	The meaning given in paragraph (i)(a)of the definition of "*Due for Payment*";
"**original issue discount Covered Bond**"	The meaning given in "*Taxation*" on page 270;
"**OSFI**"	Office of the Superintendent of Financial Institutions;
"**OTC**"	Over-the-counter;
"**Outstanding Principal Amount**"	The meaning given in Condition 5.09 on page 119;
"**Outstanding Principal Balance**"	In respect of any relevant Loan or Loans, the Current Balance of such Loan or the aggregate Current Balance of such Loans, as the case may be;

"**Participant**"	A Direct and/or Indirect Participant;
"**Participating Debt Interest**"	The meaning given in "*Taxation*" on page 265;
"**participating Member States**"	The meaning given in "*Taxation*" on page 277;
"**parties in interest**"	The meaning given in "*ERISA and Certain Other U.S. Benefit Plan Considerations*" on page 278;
"**Partners**"	The Managing GP, the Liquidation GP and the Limited Partner and any other limited partner who may become a limited partner of the Guarantor from time to time, and the successors and assigns thereof;
"**Paying Agents**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 93;
"**Payment Day**"	The meaning given in Condition 9.13 on page 134;
"**Payment in Kind**"	The meaning given in "*Summary of the Principal Documents*" on page 200;
"**Payment Ledger**"	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record payments by or on behalf of the Guarantor in accordance with the terms of the Guarantor Agreement;
"PCAOB AS"	The meaning given in "*General Information*" on page 294;
"**Permanent Global Covered Bond**"	The meaning given in "*Form of the Covered Bonds*" on page 88;
"**Plan Fiduciary**"	The meaning given in "*ERISA and Certain Other U.S. Benefit Plan Considerations*" on page 279;
"**Post-Default Collections**"	The meaning given in "*Summary of the Principal Documents*" on page 211;
"**Post-Enforcement Priority of Payments**"	The meaning given in "*Cashflows*" on page 255;
"**Post Issuer Event of Default Yield Shortfall Test**"	The meaning given in "*Summary of the Principal Documents*" on page 217;
"**Potential Guarantor Event of Default**"	The meaning given in Condition 13 on page 149;
"**Potential Issuer Event of Default**"	The meaning given in Condition 13 on page 149;
"**PRA**"	The meaning given in "*Risk Factors*" on page 77;
"**Pre-Acceleration Principal Priority of Payments**"	The meaning given in "*Cashflows*" on page 251;
"**Pre-Acceleration Revenue Priority of Payments**"	The meaning given in "*Cashflows*" on page 249;
"**Preceding Business Day Convention**"	The meaning given in Condition 5.09 on page 115;
"**Pre-Maturity Liquidity Ledger**"	The ledger on the GDA Account established to record the credits and debits of moneys available to repay any Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof if the Pre-Maturity Test has been breached;
"**Pre-Maturity Liquidity Required Amount**"	Nil, unless the Pre-Maturity Test has been breached in respect of one or more Series of Hard Bullet Covered Bonds, and then an amount equal to the aggregate for each affected Series (without double counting) of (i) the Required Redemption Amount for such affected Series, (ii) the Required Redemption Amount for all other Series of Hard Bullet Covered Bonds which will mature within 12

	months of the date of the calculation, and (iii) the amount required to satisfy paragraphs (a) through (f) of the Guarantee Priority of Payments on the Final Maturity of the affected Series of Hard Bullet Covered Bonds and on the Final Maturity Date of all other Series of Hard Bullet Covered Bonds which will mature within 12 months of the date of the calculation;
"**Pre-Maturity Test Date**"	The meaning given in "*Credit Structure*" on page 245;
"**Prescribed Cash Limitation**"	The meaning given in "*Summary of Principal Documents*" on page 229;
"**Present Value**"	For any Loan, the value of the outstanding loan balance of such Loan, calculated by discounting the expected future cash flow (on a loan level basis) using current market interest rates for mortgage loans with credit risks similar to those of the Loan (using the same discounting methodology as that used as part of the fair value disclosure in the Issuer's audited financial statements), or using publicly posted mortgage rates;
"**Pricing Supplement**"	Pricing supplement of any Tranche of Exempt Covered Bonds giving details of that particular Series or Tranche of Exempt Covered Bonds and as described under "*Terms and Conditions of the Covered Bonds*" on page 167 and with respect to any Series of N Covered Bond, means for greater certainty, the Conditions applicable thereto;
"**PRIIPs Regulation**"	The meaning given on page 5;
"**Principal Amount Outstanding**"	In respect of a Covered Bond the principal amount of that Covered Bond on the relevant Issue Date thereof less all principal amounts received by the relevant holder of the Covered Bonds in respect thereof;
"**Principal Financial Centre**"	The meaning given in Condition 5.09 on page 119;
"**Principal Ledger**"	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record the credits and debits of Principal Receipts held by the Cash Manager for and on behalf of the Guarantor and/or in the Guarantor Accounts;
"**Principal Receipts**"	Receipts in respect of Loans which are not Revenue Receipts including the following (to the extent that such amounts are not Revenue Receipts): (a) principal repayments under the Loans (including payments of arrears, Capitalized Expenses and Capitalized Arrears); (b) recoveries of principal from defaulting Borrowers under Loans being enforced or in respect of which enforcement procedures have been completed (including the proceeds of sale of the relevant Property); (c) any repayments of principal (including payments of arrears, Capitalized Expenses and Capitalized Arrears) received pursuant to any insurance policy (that is not a mortgage insurance policy provided by a Prohibited Insurer) in respect of a Property in

	connection with a Loan in the Covered Bond Portfolio; and (d) the proceeds of the purchase of any Loan by a Purchaser from the Guarantor (excluding, for the avoidance of doubt, amounts attributable to Accrued Interest and Arrears of Interest thereon as at the relevant purchase date);
"**Priorities of Payments**"	The orders of priority for the allocation and distribution of amounts standing to the credit of the Guarantor in different circumstances;
"**Product Switch**"	A variation to the financial terms or conditions included in the Mortgage Conditions applicable to a Loan other than: (a) any variation agreed with a Borrower to control or manage arrears on a Loan; (b) any variation in the maturity date of a Loan; (c) any variation imposed by statute or any variation in the frequency with which the interest payable in respect of the Loan is charged; (d) any variation to the interest rate as a result of the Borrowers switching to a different rate; (e) any change to a Borrower under the Loan or the addition of a new Borrower under a Loan; or (f) any change in the repayment method of the Loan;
"**Programme**"	CAD 100 billion Global Legislative Covered Bond Programme;
"**Programme Date**"	25 June 2014;
"**Programme Resolution**"	The meaning given in Condition 13 on page 135;
"**Prohibited Insurer**"	CMHC, Canada Guaranty Mortgage Insurance Company, the Genworth Financial Mortgage Insurance Company of Canada, the PMI Mortgage Insurance Company Canada, any other private mortgage insurer recognized by CMHC for purposes of the Covered Bond Legislative Framework or otherwise identified in the *Protection of Residential Mortgage or Hypothecary Insurance Act* (Canada), or any successor to any of them;
"**Property**"	A freehold, leasehold or commonhold property (or equivalent in the Province of Québec) which is subject to a Mortgage;
"**Prospectus**"	The meaning given on the cover page;
"**Prospectus Regulation**"	The meaning given on the cover page;
"**PTCE**"	The meaning given in "*ERISA and Certain Other U.S. Benefit Plan Considerations*" on page 278;
"**Purchaser**"	Any third party or the Seller to whom the Guarantor offers to sell Loans and their Related Security;
"**Put Notice**"	The meaning given in Condition 6.06 on page 124;
"**Put Option**"	The meaning given in the applicable Final Terms or Pricing Supplement;

"**Q2 2024 MD&A**"	The meaning given to it on page 10;
"**QIB**"	A "qualified institutional buyer" within the meaning of Rule 144A;
"**Qualified stated interest**"	The meaning given in "*Taxation*" on page 270;
"**Randomly Selected Loans**"	Loans and, if applicable, their Related Security, in the Covered Bond Portfolio, selected in accordance with the terms of the Guarantor Agreement on a basis that (i) is not designed to favour the selection of any identifiable class or type or quality of Loans and their Related Security over all the Loans and their Related Security in the Covered Bond Portfolio, except with respect to identifying such Loans and their Related Security as having been acquired by the Guarantor from a particular Seller, if applicable, and (ii) will not (and is not reasonably expected to) adversely affect the interests of the Covered Bondholders;
"**Rating Agency**" or "**Rating Agencies**"	The meaning given in Condition 6.01 on page 122;
"**Rating Agency Condition**"	The meaning given in Condition 20.01 on page 152;
"**Rate of Interest**"	The meaning given in Condition 5.09 on page 119;
"**Receiptholders**"	The holders of the Receipts;
"**Receipts**"	The meaning given in Condition 1.07 on page 96;
"**Recognised CRAs**"	The meaning given on page 2;
"**Recognised EU CRA**"	The meaning given on page 2;
"**Recognised UK CRA**"	The meaning given on page 2;
"**Record Date**"	The meaning given in Condition 9.09 on page 132;
"**Redemption Amount**"	The meaning given in Condition 6.09 on page 124;
"**Redemption/Payment Basis**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**Reference Banks**"	The meaning given in Condition 5.09 on page 119;
"**Reference Rate**"	The meaning given in Condition 5.09 on page 119;
"**Reference Time**"	The meaning given in Condition 13.02(c)(ii) on page 143;
"**Register**"	The register of holders of the Registered Covered Bonds maintained by the Registrar;
"**Registered Covered Bonds**"	Covered Bonds in registered form;
"**Registered Definitive Covered Bonds**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 93;
"**Registered Global Covered Bonds**"	The Rule 144A Global Covered Bonds together with the Regulation S Global Covered Bonds;
"**Registered Title Event**"	The meaning given in "S*ummary of the Principal Documents*" on page 204;
"**Registrar" or "Registrars**"	The meaning given in "*Terms and Conditions of the Covered Bond*s" on page 93;
"**Registry**"	The meaning given on the cover page;
"**Regulation S**"	Regulation S under the Securities Act;
"**Regulation S Covered Bonds**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 286;

"**Regulation S Global Covered Bond**"	The meaning given in "*Form of the Covered Bonds*" on page 90;
"**Regulations**"	The meaning given in "*Taxation*" on page 265;
"**Related Loans**"	The meaning given in "*Summary of the Principal Documents*" on page 211;
"**Related Security**"	In relation to a Loan, the security for the repayment of that Loan including the relevant Mortgage, insurance (other than blanket insurance coverage maintained by the Seller) and any guarantees and any security relating to such guarantees and all other matters applicable thereto acquired as part of the Covered Bond Portfolio and all proceeds of the foregoing (including proceeds of title insurance and indemnity insurance maintained by the Seller relating to such Loan), provided that, in relation to any such Mortgage, insurance, guarantees and security securing one or more Multiproduct Loans, the Guarantor's ownership interest in such Mortgage, insurance, guarantees, security and the related Property shall be to the extent of the amount of indebtedness owing under all Loans secured by such Mortgage and owned by the Guarantor, and will not extend to the Seller's and/or applicable Multiproduct Purchaser's retained interest in such Mortgage, insurance, guarantees, security and the related Property to the extent of any amounts of indebtedness owing under any Loans which are owned by such Seller or Multiproduct Purchaser and outstanding under the related Multiproduct Account from time to time, and the respective interests of the Guarantor, the Seller and any Multiproduct Purchaser in such Mortgage, insurance, guarantees, security and the related Property shall be subject, in all respects, to the terms of the Security Sharing Agreement;
"**Relevant Account Holder**"	The meaning given in Condition 1.02 on page 95;
"**Relevant Banking Day**"	The meaning given in Condition 2.08 on page 99;
"**Relevant Date**"	The meaning given in Condition 8.02 on page 129;
"**Relevant Governmental Body**"	The meaning given in Condition 13.02(c)(ii) on page 143;
"**Relevant ISDA Definitions**"	The meaning given in Condition 13.02(c)(ii) on page 143;
"**Relevant Jurisdiction**"	The meaning given in Condition 18.03 on page 151;
"**Relevant Screen Page**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**Relevant Time**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**Replacement Agent**"	The meaning given in Condition 12 on page 135;
"**Replacement Servicer**"	The meaning given in "*Summary of the Principal Documents*" on page 212;
"**Requesting Party**"	The meaning given in Condition 20.04 on page 152;
"**Required Redemption Amount**"	The meaning given in "*Summary of the Principal Documents*" on page 210;
"**Required True Balance Amount**"	The meaning given in "*Summary of the Principal Documents*" on page 227;

"**Reserve Fund**"	The reserve fund that the Guarantor will be required to establish in the GDA Account which may be credited with the proceeds of Available Principal Receipts and the proceeds of Available Revenue Receipts up to an amount equal to the Reserve Fund Required Amount;
"**Reserve Fund Required Amount**"	Nil, unless the Issuer's short-term counterparty risk assessment falls below the Reserve Fund Required Amount Ratings, as applicable and then an amount equal to the Canadian Dollar Equivalent of scheduled interest due on all outstanding Series of Covered Bonds over the next three months together with an amount equal to three-twelfths of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (c) and, if applicable, (d) of the Pre-Acceleration Revenue Priority of Payments;
"**Reserve Ledger**"	The ledger on the GDA Account of such name maintained by the Cash Manager pursuant to the Cash Management Agreement, to record the crediting of Principal Receipts and Revenue Receipts to the Reserve Fund and the debiting of such Reserve Fund in accordance with the terms of the Guarantor Agreement;
"**Reset Date**"	The meaning given in the ISDA Definitions;
"**Retained Loans**"	The meaning given in "*Summary of the Principal Documents*" on page 211;
"**Reuters Screen Page**"	The meaning given in Condition 5.09 on page 120;
"**Revenue Ledger**"	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record credits and debits of Revenue Receipts held by the Cash Manager for and on behalf of the Guarantor Accounts;
"**Revenue Receipts**"	(a) payments of interest (including Accrued Interest and Arrears of Interest as at the relevant Transfer Date of a Loan) and fees due from time to time under the Loans and other amounts received by the Guarantor in respect of the Loans other than the Principal Receipts including payments pursuant to any insurance policy (that is not a mortgage insurance policy provided by a Prohibited Insurer) in respect of interest amounts; (b) recoveries of interest from defaulting Borrowers under Loans being enforced; and (c) recoveries of interest from defaulting Borrowers under Loans in respect of which enforcement procedures have been completed;
"**Rule 144A**"	Rule 144A under the Securities Act;
"**Rule 144A Global Covered Bond**"	The meaning given in Condition 2.08 on page 99;
"**SARON**"	Swiss Average Rate Overnight;
"**Scheduled Interest**"	An amount equal to the amount in respect of interest which would have been due and payable under the Covered Bonds on each Interest Payment Date as specified in Condition 5.03 (but excluding any additional amounts relating to premiums, default interest or interest upon interest ("**Excluded Scheduled Interest Amounts**")

	payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Guarantor Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date and, if the Final Terms or Pricing Supplement specified that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date (but taking into account any principal repaid in respect of such Covered Bonds or any Guaranteed Amounts paid in respect of such principal prior to the Extended Due for Payment Date), less any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 8.01;
"**Scheduled Payment Date**"	In relation to payments under the Covered Bond Guarantee, each Interest Payment Date or the Final Maturity Date as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date;
"**Scheduled Principal**"	An amount equal to the amount in respect of principal which would have been due and repayable under the Covered Bonds on each Interest Payment Date or the Final Maturity Date (as the case may be) as specified in the applicable Final Terms or Pricing Supplement (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest ("**Excluded Scheduled Principal Amounts**") payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Guarantor Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date and, if the Final Terms or Pricing Supplement specify that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date;
"**Screen Rate Determination**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**SEC**"	U.S. Securities and Exchange Commission;
"**Second Quarter 2024 Report**"	The meaning given to it in "*Documents Incorporated by Reference*" on page 86;
"**Secured Creditors**"	The Bond Trustee (in its own capacity and on behalf of the holders of the Covered Bonds), the holders of the Covered Bonds, the Receiptholders, the Couponholders, the Issuer, the Seller, the Servicer, the Account Bank, the GDA Provider, the Standby Account Bank, the Standby GDA Provider, the Cash Manager, the Swap Providers, the Corporate Services Provider, the Agents and any other person which becomes a Secured Creditor pursuant to the Security Agreement except, pursuant to the terms of the Guarantor Agreement, to the extent and for so long as such person is a Limited Partner;
"**Secured Overnight Financing Rate**"	The meaning given in Condition 5.03 on page 106;

"**Securities Act**"	*U.S. Securities Act of 1933*, as amended;
"**Securities and Futures Ordinance**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions"* on page 290;
"**Security**"	The meaning given in "*Summary of the Principal Documents*" on page 240;
"**Security Agreement**"	The Security Agreement dated the Programme Date and made between the Guarantor, the Bond Trustee, certain other Secured Creditors (as amended and/or restated and/or supplemented from time to time);
"**Security Sharing Agreement**"	The Security Sharing Agreement dated the Programme Date and made between the Seller, the Servicer, the Guarantor, the Bond Trustee and the Custodian (as amended and/or restated and/or supplemented from time to time);
"**Seller**"	The Toronto-Dominion Bank, any New Seller, or other party for whom Rating Agency Condition has been satisfied, who may from time to time accede to, and sell Loans and their Related Security or New Loans and their Related Security to the Guarantor;
"**Seller Arranged Policy**"	Any property insurance policy arranged by the Seller for the purposes of the Borrower insuring the Property for an amount equal to the full rebuilding cost of the Property;
"**Seller's Underwriting Policy**"	The underwriting policy applied from time to time by the Seller in the ordinary course of the Seller's business to loans and their related security which are beneficially owned solely by the Seller;
"**Series**"	A Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
"**Series Reserved Matter**"	The meaning given to it in Condition 13 on page 149;
"**Servicer**"	The Toronto-Dominion Bank, in its capacity as servicer under the Servicing Agreement together with any successor servicer appointed from time to time;
"**Servicer Event of Default**"	The meaning given in "*Summary of the Principal Documents*" on page 217;
"**Servicer Termination Event**"	The meaning given in "*Summary of the Principal Documents*" on page 217;
"**Servicing Agreement**"	The servicing agreement entered into on the Programme Date, as amended by a first amending agreement dated 30 September 2021 and a second amending agreement dated 30 June 2023, between the Bank, as Seller, Servicer and Cash Manager, the Guarantor and the Bond Trustee (as amended and/or restated and/or supplemented from time to time);
"**SFA**"	Securities and Futures Act 2001 of Singapore, as modified or amended from time to time;
"**short-term Covered Bond**"	The meaning given in "*Taxation*" on page 271;

"**SOFR**"	The meaning given on the cover page;
"**SOFR Administrator**"	The meaning given in Condition 5.03 on page 108;
"**SOFR Administrator's Website**"	The meaning given in Condition 5.03 on page 108;
"**SOFR Index**"	The meaning given in Condition 5.03 on page 107;
"**SOFR Index Observation Period**"	The meaning given in Condition 5.03 on page 107;
"**SONIA**"	Sterling Overnight Index Average;
"**SONIA reference rate**"	The meaning given in Condition 5.03 on page 104;
"**Specified Currency**"	Subject to any applicable legal or regulatory restrictions, euro, Sterling, U.S. dollars, Canadian dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Issuing and Paying Agent and the Bond Trustee and specified in the applicable Final Terms or Pricing Supplement;
"**Specified Denomination**"	In respect of a Series of Covered Bonds, the denomination or denominations of such Covered Bonds specified in the applicable Final Terms or Pricing Supplement;
"**Specified Interest Payment Date**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**Specified Period**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**SRR**"	The meaning given in "*Risk Factors*" on page 77;
"**Standardised Approach**"	Annex VI (Standardised Approach) to the Capital Requirements Directive (or, after any amendment, variation, enactment or implementation of such Directive, the corresponding Annex);
"**Standby Account Bank**"	Bank of Montreal, in its capacity as Standby Account Bank under the Standby Bank Account Agreement, together with any successor Standby Account Bank;
"**Standby Account Bank Notice**"	The meaning given in "*Summary of the Principal Documents*" on page 238;
"**Standby Bank Account Agreement**"	The meaning given in "*Summary of the Principal Documents*" on page 238;
"Standby GDA Account"	The meaning given in "*Summary of the Principal Documents*" on page 238;
"**Standby GDA Provider**"	Bank of Montreal, in its capacity as Standby GDA Provider under the Standby Guaranteed Deposit Account Contract, together with any successor Standby GDA Provider;
"**Standby Guaranteed Deposit Account Contract**"	The meaning given in "*Summary of the Principal Documents*" on page 239;
"**Standby Transaction Account**"	The meaning given in "*Summary of the Principal Documents*" on page 238;
"**stated redemption price at maturity**"	The meaning given in "*Taxation*" on page 270;
"**Subsidiary**"	Any company which is for the time being a subsidiary (within the meaning of the Bank Act);
"**Substitute Assets**"	The classes and types of assets from time to time eligible under the Covered Bond Legislative Framework and the CMHC Guide to collateralise covered bonds which, as of

	the date of this Prospectus, include the following: (a) securities issued by the Government of Canada, and (b) repos of Government of Canada securities having terms acceptable to CMHC; provided that the total exposure to Substitute Assets shall not exceed the limit prescribed by the CMHC Guide (currently, 10 per cent of the aggregate value of (x) the Loans and their Related Security; (y) any Substitute Assets; and (z) all cash held by the Guarantor (subject to the Prescribed Cash Limitation)); in each case, provided that: (i) such exposures will have certain minimum long-term and short-term ratings from the Rating Agencies, as specified by such Rating Agencies from time to time; (ii) the maximum aggregate total exposures in general to classes of assets with certain ratings by the Ratings Agencies will, if specified by the Rating Agencies, be limited to the maximum percentages specified by such Rating Agencies; and (iii) in respect of investments of Available Revenue Receipts in such classes and types of assets, the Interest Rate Swap Provider has given its consent to investments in such classes and types of assets;
"**Superintendent**"	The meaning given in "*Risk Factors*" on page 78;
"**Swap Agreements**"	The Covered Bond Swap Agreement together with the Interest Rate Swap Agreement, and each a "**Swap Agreement**";
"**Swap Collateral**"	At any time, any asset (including, without limitation, cash and/or securities) which is paid or transferred by a Swap Provider to the Guarantor (and not transferred back to the Swap Provider) as credit support to support the performance by such Swap Provider of its obligations under the relevant Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed;
"**Swap Collateral Excluded Amounts**"	At any time, the amount of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement at that time in satisfaction of the relevant Swap Provider's obligations to the Guarantor including Swap Collateral, which is to be returned to the relevant Swap Provider from time to time in accordance with the terms of the Swap Agreements and ultimately upon termination of the relevant Swap Agreement;
"**Swap Provider Default**"	The occurrence of an Event of Default or Termination Event (each as defined in each of the Swap Agreements) where the relevant Swap Provider is the Defaulting Party or the sole Affected Party (each as defined in relevant Swap Agreement), as applicable, other than a Swap Provider Downgrade Event;
"**Swap Provider Downgrade Event**"	The occurrence of an Additional Termination Event or an Event of Default (each as defined in the relevant Swap Agreement) following a failure by the Swap Provider to

	comply with the requirements of the ratings downgrade provisions set out in the relevant Swap Agreement;
"**Swap Providers**"	Covered Bond Swap Provider and Interest Rate Swap Provider, and each a "**Swap Provider**";
"**S&P**"	Standard & Poor's Financial Services LLC, a subsidiary of S&P Global Inc.;
"**T2 Business Day**" or "**TBD**"	The meaning given in Condition 5.09 on page 120;
"**T2**"	Real time gross settlement system operated by Eurosystem which was launched in March 2023 or any successor thereto;
"**Talon**"	The meaning given in Condition 1.06 on page 96;
"**taxes**"	The meaning given in Condition 18 on page 151;
"**TCA**"	The meaning given in "*Risk Factors*" on page 84;
"**TD Product Loan**"	The meaning given in "*Loan Origination and Lending Criteria*" on page 193;
"**TD Securities**"	The Toronto-Dominion Bank, acting through its London Branch;
"**Term Loan**"	The meaning given in "*Risk Factors*" on page 56;
"**TEFRA**"	The U.S. *Tax Equity and Fiscal Responsibility Act of 1982*;
"**TEFRA C Rules**"	U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010);
"**TEFRA D Rules**"	U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010);
"**Temporary Global Covered Bond**"	The meaning given in "*Form of the Covered Bonds*" on page 88;
"**third country entity**"	The meaning given in "*Risk Factors*" on page 77;
"**third country resolution action**"	The meaning given in "*Risk Factors*" on page 77;
"**Third Party Amounts**"	Each of: (a) payments of insurance premiums, if any, due to the Seller in respect of any Seller Arranged Policy to the extent not paid or payable by the Seller (or to the extent such insurance premiums have been paid by the Seller in respect of any Further Advance which is not purchased by the Seller to reimburse the Seller); (b) amounts under an unpaid direct debit which are repaid by the Seller to the bank making such payment if such bank is unable to recoup that amount itself from its customer's account;

(c) payments by the Borrower of any fees (including early repayment fees) and other charges which are due to the Seller;

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

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

"**Title VII**" The meaning given in "*Risk Factors*" on page 83;

"**TLAC Guideline**" The meaning given in "*Risk Factors*" on page 84;

"**Toronto Business Day**" The meaning given in Condition 5.09 on page 120;

"**Total Credit Commitment"** The combined aggregate amount available to be drawn by the Guarantor under the terms of Intercompany Loan Agreement, subject to increase and decrease in accordance with the terms of the Intercompany Loan Agreement, which amount is C$125 billion as of the date of this Prospectus;

"**Trading Value**" The value determined with reference to one of the methods set forth in (a) through (f) below which can reasonably be considered the most accurate indicator of institutional market value in the circumstances:

(a) the last selling price;

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

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

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

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

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

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

"**Tranche**" or "**Tranches**" The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 94;

"**Transaction Account**" The account (to the extent maintained) designated as such in the name of the Guarantor held with the Account Bank and maintained subject to the terms of the Bank Account Agreement and the Security Agreement or such other

account as may for the time being be in place with the prior consent of the Bond Trustee and designated as such;

"**Transaction Documents**"

(a) Mortgage Sale Agreement;

(b) Servicing Agreement;

(c) Security Sharing Agreement (and any release of security entered into pursuant to the Security Sharing Agreement);

(d) Asset Monitor Agreement;

(e) Intercompany Loan Agreement;

(f) Guarantor Agreement;

(g) Cash Management Agreement;

(h) Interest Rate Swap Agreement;

(i) Covered Bond Swap Agreement;

(j) Guaranteed Deposit Account Contract;

(k) Standby Guaranteed Deposit Account Contract;

(l) Bank Account Agreement;

(m) Standby Bank Account Agreement;

(n) Corporate Services Agreement;

(o) Custodial Agreement

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

(q) Trust Deed (including supplements thereto and applicable deed polls supplements thereto);

(r) Agency Agreement (including supplements thereto);

(s) Dealership Agreement;

(t) each set of Final Terms or Pricing Supplement (as applicable in the case of each Tranche of listed Covered Bonds subscribed pursuant to a subscription agreement);

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

(v) Master Definitions and Construction Agreement;

"**Transfer Agent**" Collectively, Citibank, N.A. and Citibank, N.A., acting through its London Branch, together with any successors;

"**Transfer Certificate**" The meaning given in Condition 2.11 on page 99;

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

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

(a) the original principal amount advanced to the relevant Borrower and any further amount

	advanced on or before the given date to the relevant Borrower secured or intended to be secured by the related Mortgage; and (b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been properly capitalized in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent and added to the amounts secured or intended to be secured by that Loan; and (c) any other amount (including, for the avoidance of doubt, Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalized in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent but which is secured or intended to be secured by that Loan, as at the end of the Toronto Business Day immediately preceding that given date *minus* (d) any repayment or payment of any of the foregoing made on or before the end of the Toronto Business Day immediately preceding that given date and excluding (i) any retentions made but not released and (ii) any Additional Loan Advances committed to be made but not made by the end of the Toronto Business Day immediately preceding that given date;
"**Trust Deed**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 93;
"**Trust Indenture Act**"	The meaning given in "*Summary of the Principal Documents*" on page 198;
"**TSA**"	The meaning given in "*Risk Factors"* on page 33;
"**UK Act**"	The meaning given in "*Taxation*" on page 267;
"**UK Banking Act**"	The meaning given on page 77;
"**UK BMR**"	The meaning given on page 1;
"**UK CRA Regulation**"	The meaning given on page 2;
"**UK distributor**"	The meaning given on page 6;
"**UK MiFIR**"	The meaning given on page 1;
"**UK MiFIR Product Governance Rules**"	The meaning given on page 6;
"**UK Prospectus Regulation**"	The meaning given on page 1;
"**Unadjusted Benchmark Replacement**"	The meaning given in Condition 13.02(c)(ii) on page 143
"**United Kingdom" or the "UK**	The meaning given on the cover page;
"**USD Benchmark**"	The meaning given in Condition 13.02(c)(ii) on page 140;
"**USD Benchmark Base Rate Modification Certificate**"	The meaning given in Condition 13.02(c)(ii) on page 140;
"**U.S. Government Securities Business Day**"	The meaning given in Condition 5.03 on page 108;

"**U.S. holder**"	The meaning given in "*Taxation – United States Federal Income Taxation*" on page 269;
"**U.S. Registered Covered Bond**"	The meaning given in Condition 5.09 on page 120;
"**U.S. Registrar**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 93;
"**U.S. Paying Agent**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 93;
"**Valuation Calculation**"	The meaning given in "*Description of the Canadian Registered Covered Bond Programs Framework*" on page 258;
"**Volcker Rule**"	The meaning given in "*Certain Volcker Rule Considerations*" on page 280;
"**Voluntary Overcollateralization**"	The meaning given in "*Credit Structure*" on page 247;
"**WURA**"	The meaning given in "*Risk Factors*" on page 78;
"**Zero Coupon Covered Bonds**"	Covered Bonds which will be offered and sold at a discount to their nominal amount and which will not bear interest.

THE TORONTO-DOMINION BANK

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TD COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP

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