IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S. EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED BELOW).

IMPORTANT: You must read the following before continuing. The following applies to the prospectus (the "**Prospectus**") attached to this electronic transmission, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access. You acknowledge that you will not forward this electronic form of the Prospectus to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER. THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF *THE UNITED STATES SECURITIES ACT OF 1933*, AS AMENDED (THE "***SECURITIES ACT***") OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the Prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the Prospectus by electronic transmission, and (c) you are either (i) not a U.S. person (within the meaning of Regulation S under the *Securities Act*) nor acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia or (ii) a qualified institutional buyer as defined in Rule 144A under the *Securities Act*. This Prospectus is not a prospectus for the purposes of Section 12(a)(2) or any other provision or order under the *Securities Act*.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Royal Bank of Canada, RBC Covered Bond Guarantor Limited Partnership (nor any partner, director, officer or employee or agent of any of them or any affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from RBC Capital Markets.

Each investor confirms its express wish that all documents evidencing or relating to the sale of the securities and all other contracts and related documents be drafted in the English language. *Chaque investisseur confirme sa volonté expresse que tous les documents attestant de la vente des titres ou s'y rapportant ainsi que tous les autres contrats et documents s'y rattachant soient rédigés en langue anglaise*.

PROSPECTUS

ROYAL BANK OF CANADA
(a Canadian chartered bank)

€75,000,000,000
Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by

RBC COVERED BOND GUARANTOR LIMITED PARTNERSHIP
(a limited partnership formed under the laws of Ontario)

*This Prospectus constitutes a base prospectus (the "**Base Prospectus**") for the purpose of Article 8 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law of the United Kingdom (the "**UK**") by virtue of the European Union (Withdrawal) Act 2018 as amended (the " **EUWA**") (the "**UK** **Prospectus Regulation**") in respect of all covered bonds ("**Covered Bonds**") other than Exempt Covered Bonds (as defined below)) issued under the Programme. Investors are advised to read the Base Prospectus in full. Under this €75,000,000,000 global Covered Bond programme (the "**Programme**"), Royal Bank of Canada (the "**Issuer**" or the "**Bank**") may from time to time issue Covered Bonds denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined elsewhere in this document). This Prospectus is not a prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**").*

*RBC Covered Bond Guarantor Limited Partnership (the "**Guarantor LP**") 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 document), unconditional and irrevocable guarantee (the "**Covered Bond Guarantee**") which is secured by the assets of the Guarantor LP, including the Covered Bond Portfolio (as defined elsewhere in this document). Recourse against the Guarantor LP under the Covered Bond Guarantee is limited to the aforementioned assets and the Guarantor LP 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 under the Programme will not exceed €75,000,000,000 (or its equivalent in other currencies calculated as described in the Dealership Agreement described herein) subject to 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(s) 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 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 Bank will issue Covered Bonds whose Branch of Account for purposes of the Bank Act is the main branch in Toronto. 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 Programme. The determination by the Bank of the Branch of Account for Covered Bonds will be based on various considerations, including those relating to: (i) the market or jurisdiction into which the Covered Bonds are being issued based on factors including investors' preferences in a specific market or jurisdiction; (ii) specific regulatory requirements, such as a regulator requiring that a branch increase its liquidity through locally sourced funding; or (iii) 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 or a separate legal entity from the Bank.

*The Bank is a registered issuer and this Programme is a registered program under Part I.1 of the National Housing Act (Canada) and the Canadian Registered Covered Bond Programs Guide (the "**Guide**") published by Canada Mortgage and Housing Corporation ("**CMHC**"). CMHC is the administrator of the Canadian covered bond legal framework under Part I.1 of the National Housing Act (Canada). The Covered Bonds will be registered covered bonds under Part I.1 of the National Housing Act (Canada) and the Guide.*

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

*Covered Bonds issued pursuant to this Prospectus have not been approved or disapproved by the United States Securities and Exchange Commission (the "**SEC**") or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is unlawful.*

*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 "U.S. Information").*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 and such an approval should not be considered as an endorsement of the Issuer, the Guarantor LP or the quality of any Covered Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Covered Bonds. This Base Prospectus is valid for a period of 12 months from the date of approval. Applications have

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been made for Covered Bonds (other than Exempt Covered Bonds) to be admitted during the period of 12 months from the date of approval of this Base Prospectus to listing on 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 regulated market for the purposes of Regulation No. 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA ("**UK MiFIR**").

Additionally, application has been made for Exempt Covered Bonds to be admitted to trading on the International Securities Market of the London Stock Exchange (the "**ISM**"). The relevant Final Terms (or Pricing Supplement, as the case may be) (each as defined below) will state on which market(s) the relevant Covered Bonds will be admitted to trading, if any.

The ISM is not a regulated market for the purposes of UK MiFIR. The ISM is a market designated for professional investors. Exempt Covered Bonds which are designated in the relevant Pricing Supplement as being admitted to trading on the ISM ("ISM Covered Bonds") are not admitted to listing on the Official List. Such Covered Bonds do not form part of this Base Prospectus and in relation to such Covered Bonds neither the FCA nor the London Stock Exchange has approved, reviewed or verified the contents of this Prospectus.

*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 (a "**Member State**") or the UK in circumstances which would otherwise require the publication of a prospectus under the UK Prospectus Regulation or EU Prospectus Regulation, or which are to be admitted to trading on the ISM, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Covered Bonds)*.

*The Covered Bonds 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**"). The Covered Bonds may not be offered or sold 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 are being offered only (i) outside of the U.S. 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 ("**Rule 144A**"). 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.*

*Covered Bonds issued under the Programme are expected on issue to be assigned a rating by Moody's Investors Service Inc. ("**Moody's USA**"), Fitch Ratings, Inc. ("**Fitch Ratings, Inc**") and DBRS Limited ("**DBRS Canada**"). In addition, each of Standard & Poor's Financial Services LLC ("**S&P USA**"), Moody's USA, Fitch Ratings, Inc, and DBRS Canada has provided issuer and other ratings and assessments for the Issuer as specified herein and in certain documents incorporated by reference herein.*

*None of Moody's USA, S&P USA, Fitch Ratings, Inc or DBRS Canada is established in the European Union or registered under Regulation (EC) No. 1060/2009, as amended (the "**EU CRA Regulation**"). However,* Moody's Deutschland GmbH *S&P Global Ratings Europe Limited ("**S&P Europe**"), DBRS Ratings GmbH and Fitch Ratings Ireland Limited, which are established and registered in the European Union, have endorsed the ratings of their affiliates. See "Important Notices – Credit Ratings". Reference in this Base Prospectus to Moody's USA, Fitch Ratings, Inc and/or DBRS Canada shall be construed accordingly, save for reference to Moody's USA, Fitch Ratings, Inc and/or DBRS Canada in the context of ratings triggers applicable to parties other than the Bank which shall be read as referring to the relevant Moody's, Fitch and/or DBRS entity (if applicable) at the relevant time.*

*None of S&P USA, Moody's USA, DBRS Canada or Fitch Ratings, Inc. is established in the UK. However, the S&P Europe Issuer ratings have been endorsed by S&P Global Ratings UK Limited, the Moody's USA Issuer ratings have been endorsed by Moody's Investors Service Limited, the DBRS Canada Ratings have been endorsed by DBRS Ratings Limited and the Fitch Ratings, Inc. Issuer ratings have been endorsed by Fitch Ratings Limited, in each case in accordance with Regulation (EC) No. 1060/2009 (as amended) as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**") before the end of the transition period and have not been withdrawn. Moody's USA, DBRS Canada or Fitch Ratings, Inc ratings of any Covered Bonds will also be endorsed by Moody's Investors Service Limited, DBRS Ratings Limited and Fitch Ratings Limited, respectively, each of which is established and registered under the UK CRA Regulation. As such, the ratings issued by S&P USA, Moody's USA, DBRS Canada and Fitch Ratings, Inc. may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation.*

*The Programme provides that the 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 LP, the Bond Trustee and the relevant Dealer(s). The Issuer may also issue unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any regulated market in the UK (including the N Covered Bonds). All Covered Bonds will have the benefit of the Covered Bond Guarantee and the Security granted by the Guarantor LP in respect of the Charged Property (as such terms are defined elsewhere in this document). For the avoidance of doubt, unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any regulated market (including N Covered Bonds), including 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. Exempt Covered Bonds do not form part of the Base Prospectus and the FCA has neither approved nor reviewed information contained in this Prospectus in connection with the Exempt Covered Bonds.*

*Amounts payable under the Covered Bonds may be calculated by reference to the Euro Interbank Offered Rate ("**EURIBOR**"), the Sterling Overnight Index Average ("**SONIA**"), the Secured Overnight Financing Rate ("**SOFR**"), the Euro Short-term Rate ("**€STR**") or 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 or Norske Finansielle Referanser AS ("**NORE**"), respectively. As at the date of this Base 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) of the European Parliament and of the Council of June 8, 2016 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK BMR**"). As at the date of this Base Prospectus, none of the Bank of England, the FRBNY, the European Central Bank, the SIX Index AG and NORE 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, as administrator of SARON, and NORE, as administrator of NIBOR, are not currently required to be registered and the Bank of England, as administrator of SONIA, the 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.*

Arranger and Dealer for the Programme
RBC CAPITAL MARKETS

July 16, 2024

U.S. INFORMATION

This document 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 ("**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. This Prospectus is not a prospectus for the purposes of Section 12(a)(2) or any other provision or order under the *Securities Act*.

Registered Covered Bonds 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 Registered Covered Bonds is hereby notified that the offer and sale of any Registered Covered Bonds to it may be being made in reliance upon the exemption from the registration requirements of the *Securities Act* provided by Rule 144A of the *Securities Act*. Each purchaser or holder of Registered Covered Bonds (whether represented by a Rule 144A Global Covered Bond or issued in registered form in exchange or substitution therefor) 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*".

Neither the Issuer nor the Guarantor LP is a "covered fund" under the U.S. Volcker Rule. The Issuer is entitled to rely on Rule 3a-6 under the U.S. *Investment Company Act of 1940*, as amended (the "**Investment Company Act**") for an exemption from registration under the Investment Company Act and the Guarantor LP is entitled to rely on Section 3(c)(5)(C) for an exemption from registration under the Investment Company Act. Accordingly, an investment in the Covered Bonds is not restricted or limited under the U.S. Volcker Rule.

This document does not constitute an offer to sell or a solicitation of an offer to buy any Covered Bonds to investors or any person in any jurisdiction where it is unlawful to make such an offer or solicitation.

IMPORTANT NOTICES

This Prospectus supersedes the prospectus of the Issuer dated July 27, 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.

Investors should rely only on the information contained or incorporated by reference in this document. We have not authorized anyone to provide investors with different information. The Issuer is not, and none of the Arranger or Dealer(s) are, making an offer of these Covered Bonds in any state or jurisdiction where such offer is not permitted.

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 96 to 169 (the "Conditions"), in each case as completed by the applicable Final Terms (the "Final Terms") or, in the case of Exempt Covered Bonds only, as amended, supplemented and/or replaced by a pricing supplement (the "Pricing Supplement") or as amended, supplemented and/or replaced by the terms set out in a separate prospectus specific to such Tranche (the "Drawdown Prospectus") as described under "*Final Terms, Pricing Supplement*

or Drawdown Prospectus for Covered Bonds" on page 90. In the case of a Tranche of Covered Bonds which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Drawdown Prospectus unless the context otherwise requires.

Copies of Final Terms, Pricing Supplements for ISM Covered Bonds or Drawdown Prospectuses for Covered Bonds (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 Investor Relations, Royal Bank of Canada, 200 Bay Street, South Tower, Toronto, Ontario, M5J 2J5, Canada and the specified office of each Paying Agent set out at the end of this document, see "_Terms and Conditions of the Covered Bonds_", and (iii) can be viewed on the Issuer's website at https://www.rbc.com/investor-relations/covered-bonds.html. 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 LP accept responsibility for the information in this Prospectus and in any applicable Final Terms or Pricing Supplement. To the best of the knowledge of the Issuer and the Guarantor LP, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

This document 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 document. Any reference in this document to Base Prospectus means this document together with the documents incorporated by reference herein. In relation to any Tranche or Series (as such terms are defined herein) of Covered Bonds, this document shall also be read and construed together with the applicable Final Terms(s) or Pricing Supplement.

No person has been authorized by the Issuer, the Guarantor LP, the Bond Trustee, the Arranger or any Dealers to give any information or to make any representation not contained in or not consistent with this document 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 LP 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 LP, the Bond Trustee, the Arranger or any Dealers.

No representation or warranty is made or implied by the Arranger or any Dealers or any of their respective affiliates, (except the Issuer and the Guarantor LP in the case of the Arranger or any Dealers affiliated therewith) and neither the Arranger nor any 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 document or the Transaction Documents and any other information provided by the Issuer and the Guarantor LP 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 document or any other information provided by the Issuer and the Guarantor LP in connection with the Programme. Neither the delivery of this document or any Final Terms or any 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 document 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 LP 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 document 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 document, any Final Terms, any Pricing Supplement, any financial statements or 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 LP, the Arranger, the Dealers, the Bond Trustee or any of them that any recipient of this document, 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 document, 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 LP and should consult its own legal and financial advisors prior to subscribing for or purchasing any of the Covered Bonds. Each investor 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 LP 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 document 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, the Guarantor LP, the Arranger or the Dealers which would permit a public offering of the Covered Bonds or distribution of this document 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 document 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 EU 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 document or any Final Terms or Pricing Supplement comes are required by the Issuer, the Guarantor LP, 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 this document or any Final Terms or Pricing Supplement and other offering material relating to the Covered Bonds in Canada, the United States of America, the EEA (including the Republic of France, the Republic of Italy and the Netherlands), the UK, Hong Kong, Singapore, Switzerland and Japan, see "*Subscription and Sale and Transfer and Selling Restrictions*", below. Neither this document 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 the UK will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly, any person making or intending to make an offer in the UK of Covered Bonds which are the subject of an offering contemplated in this Base 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 section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA"), or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer. None of the Issuer, the Guarantor LP, the Bond Trustee, the Arranger or any Dealers has authorized, nor do they authorize, the making of any offer of Covered Bonds in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

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 Directive 2014/65/EU (as amended, "**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 Commission Delegated Directive (EU) 2017/593 (the "**MiFID II Product Governance Rules**"), any Dealer subscribing for a Tranche of Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise none of 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 "**distributor**") should take into consideration the target market assessment; however, a 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 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 UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - If the Final Terms in respect of any Covered Bonds (or Pricing Supplement, in the case of Exempt 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 European Economic Area ("**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 EU 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.

PROHIBITION OF SALES TO UK RETAIL INVESTORS - If the Final Terms in respect of any Covered Bonds (or Pricing Supplement, in the case of Exempt 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 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 of the UK 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 amended) as it forms part of domestic law of the UK 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.

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, in the case of Exempt Covered Bonds) 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 (the "**CMP Regulations 2018**")) and 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).

Other than in relation to information incorporated by reference, any website included in this Prospectus is for information purposes only and does not form part of this Prospectus, nor have the contents of any such website 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 marches financiers in France.

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

All references in this document to "U.S.$", "U.S. dollars", "USD" or "United States dollars" are to the currency of the United States of America, to "$", "C$", "CAD" or "Canadian dollars" are to the currency of Canada, to "Euro", "euro" and "€" are to the lawful currency of the member states of the EEA that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended and to "GBP", "pound sterling", "sterling", "£" are to the currency of the UK and to "NOK" are to Norwegian Krone. In the documents incorporated by reference in this Prospectus, unless otherwise specified herein or the context otherwise requires, references to "$" 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 relevant Member State.

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

All references in this document to the "EEA", unless stated otherwise, are to the member states of the European Union (the "EU") together with Iceland, Norway and Liechtenstein.

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

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF COVERED BONDS UNDER THE PROGRAMME, THE DEALER OR DEALERS (IF ANY) APPOINTED AS STABILISATION MANAGER(S) (THE "STABILISATION MANAGERS") (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) MAY OVER-ALLOT COVERED BONDS (PROVIDED THAT, IN THE CASE OF ANY TRANCHE OF COVERED BONDS TO BE ADMITTED TO TRADING ON THE MARKET OR ANY OTHER REGULATED MARKET IN THE UK, THE AGGREGATE PRINCIPAL AMOUNT OF COVERED BONDS ALLOTTED DOES NOT EXCEED 105 PER CENT. OF THE AGGREGATE PRINCIPAL AMOUNT OF THE RELEVANT TRANCHE) 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 OR OVER-ALLOTMENT MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF 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.

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

THE PURCHASE OF COVERED BONDS MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE COVERED BONDS. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS DOCUMENT AND IN THE DOCUMENTS INCORPORATED BY REFERENCE HEREIN AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS OR PRICING SUPPLEMENT. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER OR ANY DEALER.

Each potential investor in the Covered Bonds must determine the suitability of that investment in light of his or her own circumstances. In particular, each potential investor, either on its own or with the help of its financial or other professional advisers, 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 document 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; and

(e) be able to evaluate at the time of initial investment and on an ongoing basis economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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.

CERTAIN ISSUES OF COVERED BONDS INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

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 legal 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.

CREDIT RATINGS

Covered Bonds issued under the Programme are expected on issue to be assigned an "Aaa" rating by Moody's USA, an "AAA" rating by Fitch Ratings, Inc and an "AAA" rating by DBRS Canada 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 and each rating should be evaluated independently of any other.

In general, EEA regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such credit ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended). 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 EEA registered credit rating agency or the relevant third country 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 superseded).

The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**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. ESMA's website address is https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation.

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. 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 credit rating agency; 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 the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended.

The list of registered and certified rating agencies published by the Financial Conduct Authority ("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. The FCA's website address is https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras.

Each of Moody's USA, S&P USA, Fitch Ratings, Inc and DBRS Canada has provided issuer and other ratings and assessments for the Issuer.

In accordance with Article 4.1 of the UK CRA Regulation and the EU CRA Regulation, please note that the following documents (as defined in the section entitled "Documents Incorporated by Reference") incorporated by reference in this Base Prospectus also contain references to credit ratings from the same rating agencies:

(a) the 2023 Annual Information Form dated November 29, 2023 (the "**2023 AIF**") (pages 14 to 16 and 29 to 31);

(b) the 2023 Annual Report (page 93);

(c) the Second Quarter 2024 Report to Shareholders (page 35); and

(d) the Investor Report having a Calculation Date of May 31, 2024.

None of Moody's USA, S&P USA, Fitch Ratings, Inc or DBRS Canada (the "**non-EU CRAs**") is established in the European Union or has applied for registration under the EU CRA Regulation. However, S&P Global Ratings Europe Limited, Moody's Deutschland GmbH, Fitch Ratings Ireland Limited and DBRS Ratings GmBH, which are affiliates of Moody's USA, Fitch Ratings, Inc and DBRS Canada, respectively, are established in the European Union and registered under the EU CRA Regulation and each has endorsed the ratings and assessments, as applicable, of their affiliated non-EU CRAs.

None of the non-EU CRAs is established in the UK. However, the S&P Europe Issuer ratings have been endorsed by S&P Global Ratings UK Limited, the Moody's USA Issuer ratings have been endorsed by Moody's Investors Service Limited, the DBRS Canada ratings have been endorsed by DBRS Ratings Limited and the Fitch Ratings, Inc Issuer ratings have been endorsed by Fitch Ratings Limited, in each case in accordance with the UK CRA Regulation before the end of the transition period, and have not been withdrawn. Moody's USA, DBRS Canada or Fitch Ratings, Inc ratings of any Covered Bonds will

also be endorsed by Moody's Investors Service Limited, DBRS Ratings Limited and Fitch Ratings Limited, respectively, each of which is established and registered under the UK CRA Regulation. As such, the ratings issued by the non-EU CRAs may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation.

AVAILABLE INFORMATION

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 LP 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 LP, the Dealers or their respective representatives and a prospective investor regarding the transactions contemplated herein.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, the Issuer and/or the Guarantor LP make written or oral forward-looking statements within the meaning of certain securities laws, including in the case of the Issuer the "safe harbour" provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. The Issuer may make forward-looking statements in this Prospectus and in the documents incorporated by reference herein, in filings with Canadian regulators, the SEC or other securities regulators or, in reports to shareholders, and in other communications. In addition, representatives of the Issuer may communicate forward-looking statements orally to analysts, investors, the media and others. Forward-looking statements in this Prospectus and in the documents incorporated by reference herein include, but are not limited to, statements relating to the Issuer's financial performance objectives, vision and strategic goals, the economic, market, and regulatory review and outlook for Canadian, U.S., UK, European and global economies, the regulatory environment in which the Issuer or the Guarantor LP operate, the expected impacts of the HSBC Bank Canada transaction, including transaction and integration costs, the risk environment including the Issuer's credit risk, market risk, liquidity and funding risk, as well as the effectiveness of the Issuer's risk monitoring, and includes statements made by the Issuer's President and Chief Executive Officer and other members of management.

The forward-looking statements contained in this Prospectus and in the documents incorporated by reference herein represent the views of the Issuer's management and are presented for the purpose of assisting the holders and potential purchasers of the Covered Bonds issued by the Issuer and financial analysts in understanding the Issuer's financial position and results of operations as at and for the periods ended on the dates presented, as well as the Issuer's financial performance objectives, vision, strategic goals and priorities and anticipated financial performance, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "believe", "expect", "suggest", "seek", "foresee", "forecast", "schedule", "anticipate", "intend", "estimate", "goal", "commit", "target", "objective", "plan", "outlook", "timeline" and "project" and similar expressions of future or conditional verbs such as "will", "may", "might", "should", "could", "can", "would" or negative or grammatical variations thereof.

By their very nature, forward-looking statements require the Issuer and/or the Guarantor LP to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature, which give rise to the possibility that the Issuer's and/or the Guarantor LP's predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that the Issuer's and/or the Guarantor LP's assumptions may not be correct, that the Issuer's financial performance, environmental &

social or other objectives, vision and strategic goals will not be achieved and that the Issuer's actual results may differ materially from such predictions, forecasts, projections, expectations or conclusions. The Issuer cautions readers not to place undue reliance on the Issuer's forward-looking statements as a number of risk factors could cause the Issuer's and the Guarantor LP's actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond the Issuer's and the Guarantor LP's control and the effects of which can be difficult to predict – include, but are not limited to: credit, market, liquidity and funding, insurance, operational, regulatory compliance (which could lead to the Issuer or the Guarantor LP being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties and fines), strategic, reputation, legal and regulatory environment, competitive, model, systemic risks and other risks discussed in the risk sections in the Issuer's 2023 Annual Report and the Risk management section of the Issuer's Second Quarter 2024 MD&A (as defined in the section entitled "*Documents Incorporated by Reference*") contained in the Issuer's Second Quarter 2024 Report to Shareholders and incorporated by reference herein, including business and economic conditions in the geographic regions in which the Issuer operates, Canadian housing and household indebtedness, information technology, cyber and third-party risks, geopolitical uncertainty, environmental and social risk (including climate change), digital disruption and innovation, privacy and data related risks, regulatory changes, culture and conduct risks, the effects of changes in government fiscal, monetary and other policies, tax risk and transparency, and the Issuer's and Guarantor LP's ability to anticipate and successfully manage risks arising from all of the foregoing factors. Additional factors that could cause actual results to differ materially from the expectations in such forward-looking statements can be found in the risk sections of the Issuer's 2023 MD&A contained in the Issuer's 2023 Annual Report and the Risk management section of the Issuer's Second Quarter 2024 MD&A contained in the Issuer's Second Quarter 2024 Report to Shareholders and incorporated by reference herein, as may be updated by the Issuer's subsequent quarterly reports.

The Issuer and Guarantor LP caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect the Issuer's and the Guarantor LP's results. When relying on the Issuer's and Guarantor LP's forward-looking statements to make decisions with respect to the Issuer and the Guarantor LP, investors and others should carefully consider the foregoing factors and other uncertainties and potential events, as well as the inherent uncertainty of forward-looking statements. Material economic assumptions underlying the forward-looking statements contained in this Prospectus and in the documents incorporated by reference herein are set out in the Economic, market and regulatory review and outlook section and for each business segment under the Strategic priorities and Outlook sections of the Issuer's 2023 MD&A contained in its 2023 Annual Report, as updated by the Economic, market and regulatory review and outlook section of the Issuer's Second Quarter 2024 MD&A contained in its Second Quarter 2024 Report to Shareholders, which sections are incorporated by reference herein and may be updated by the Issuer's subsequent quarterly reports. Assumptions about the duration and complexity of technological builds, and estimates of costs required for post-close synergy impacts were considered in the estimation of transaction and integration costs. Except as required by law, none of the Issuer, the Guarantor LP, any dealer appointed in relation to any issue of Covered Bonds by the Issuer or any other person undertakes to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Issuer or the Guarantor LP.

Additional information about these and other factors can be found in the risk sections of the Issuer's 2023 MD&A contained in its 2023 Annual Report and the Risk management section of the Issuer's Second Quarter 2024 MD&A contained in its Second Quarter 2024 Report to Shareholders, which sections are incorporated by reference herein, as may be updated by the Issuer's subsequent quarterly reports.

Information contained in or otherwise accessible through the websites mentioned herein do not form part of this document. Any references in this document to websites are inactive textual references and are for information only.

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

The Issuer is a Canadian chartered bank. The Guarantor LP is an Ontario limited partnership. Many of the Issuer's and Guarantor LP'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 Guarantor LP's assets and all or a substantial portion of the assets of such persons 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 Issuer and the Guarantor LP have been advised by their Canadian counsel, Norton Rose Fulbright Canada 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 a court of competent jurisdiction in the Province of Ontario for such purposes and if all other substantive and procedural requirements for enforcement of a foreign judgment in Ontario were more generally satisfied. The Issuer and the Guarantor LP have also been advised by such counsel, however, that there is substantial doubt whether an original action could be brought successfully in the Province of Ontario predicated solely upon such civil liabilities.

FURTHER INFORMATION

Information about the Issuer, the Programme and the Covered Bonds can be found at the Bank's general website in respect of the Issuer at http://www.rbc.com, the Programme website at https://www.rbc.com/investor-relations/covered-bonds.html and through CMHC's covered bond registry at http://www.cmhc-schl.gc.ca/coveredbonds. All Internet references in this Prospectus are inactive textual references and the Issuer does not incorporate website contents into this Prospectus.

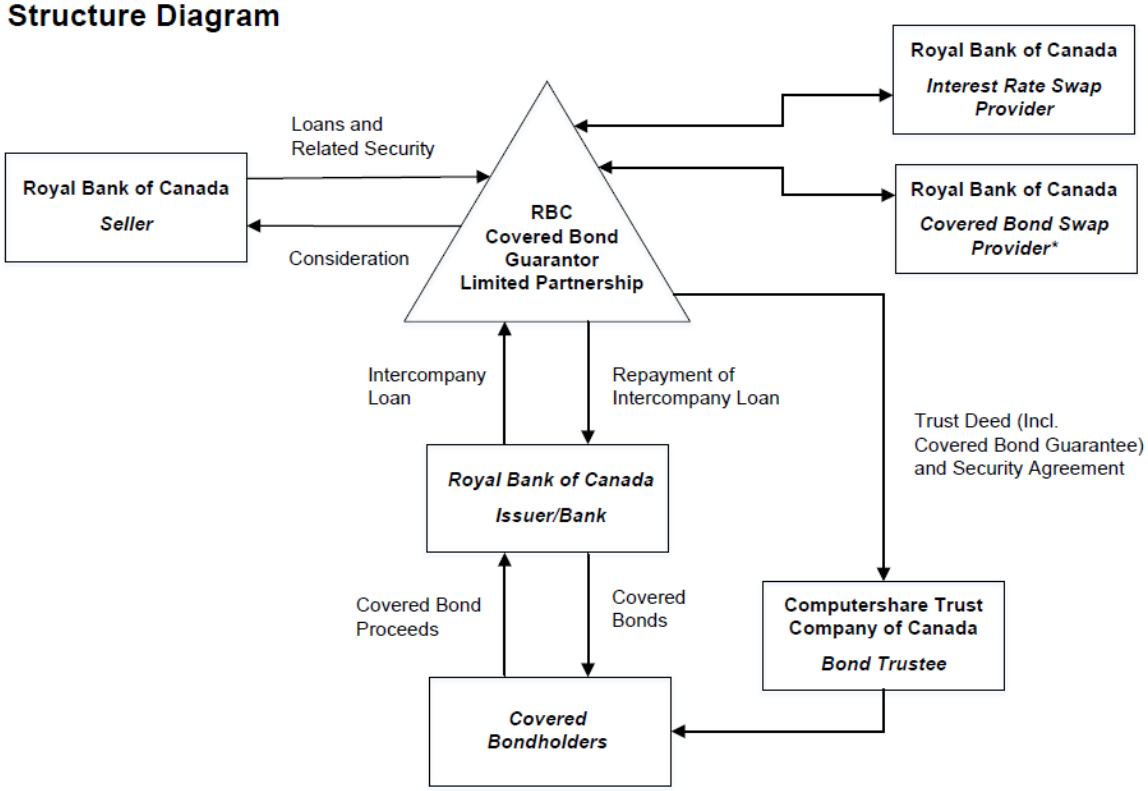
TABLE OF CONTENTS

STRUCTURE OVERVIEW 15
OVERVIEW OF THE PROGRAMME 23
PRINCIPAL CHARACTERISTICS OF THE PROGRAMME 39
RISK FACTORS 40
DOCUMENTS INCORPORATED BY REFERENCE 86
FINAL TERMS, PRICING SUPPLEMENT OR DRAWDOWN PROSPECTUS FOR COVERED BONDS 90
FORM OF THE COVERED BONDS 91
TERMS AND CONDITIONS OF THE COVERED BONDS 96
USE OF PROCEEDS 170
PRO FORMA FINAL TERMS 171
PRO FORMA PRICING SUPPLEMENT 187
RBC COVERED BOND GUARANTOR LIMITED PARTNERSHIP 205
LOAN ORIGINATION AND LENDING CRITERIA 210
THE SERVICER 215
SUMMARY OF THE PRINCIPAL DOCUMENTS 219
CREDIT STRUCTURE 271
CASHFLOWS 274
COVERED BOND PORTFOLIO 284
DESCRIPTION OF THE CANADIAN REGULATED COVERED BOND REGIME 286
BOOK-ENTRY CLEARANCE SYSTEMS 289
TAXATION 294
CERTAIN CONSIDERATIONS FOR ERISA AND OTHER EMPLOYEE BENEFIT PLANS 309
SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS 311
GENERAL INFORMATION 324
GLOSSARY 328

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 document. A glossary of certain defined terms used in this document is contained at the end of this document.

Structure Diagram



*Cashflows under the Covered Bond Swap Agreement will be exchanged only after the occurrence of a Covered Bond Guarantee Activation Event.

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 will not be deposits insured under the *Canada Deposit Insurance Corporation Act* (Canada) or any other governmental insurance scheme of any other country. The Covered Bonds will be registered covered bonds under Part I.1 of the *National Housing Act* (Canada) and the Guide.

- *Covered Bond Guarantee*: The Guarantor LP 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. Upon a Covered Bond Guarantee Activation Event that includes service of a Guarantor LP Acceleration Notice on the Guarantor LP, the Guarantor LP's obligations under the Covered Bond Guarantee will be accelerated. Payments by the Guarantor

LP under the Covered Bond Guarantee will be made subject to, and in accordance with, the Priorities of Payments.

- *Security*: The Guarantor LP'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 LP (which consist principally of the Guarantor LP'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 LP by its service providers and funds in the Guarantor LP Accounts) in favour of the Bond Trustee (for itself and on behalf of the Secured Creditors) pursuant to the Security Agreement.

- *Intercompany Loan*: Under the terms of the Intercompany Loan Agreement, the Bank has made available to the Guarantor LP, on an unsecured basis, a revolving interest-bearing Intercompany Loan, comprised of a Guarantee Loan and a Demand Loan in a combined aggregate amount equal to the Total Credit Commitment. 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 LP. 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 in an amount equal to the balance of outstanding Covered Bonds at any relevant time plus that portion of the Covered Bond Portfolio required as security for the Covered Bonds in excess of the amount of then outstanding Covered Bonds to ensure that the Asset Coverage Test is met at all times (see "*Summary of the Principal Documents – Guarantor LP Agreement – Asset Coverage Test*"). The outstanding Demand Loan balance 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, the Guarantor LP may borrow any withdrawn or committed amount or re-borrow any amount repaid by the Guarantor LP 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 LP Event of Default has occurred and is continuing.

  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 LP 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 LP, subject to a Demand Loan Repayment Event having occurred 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 LP will be required to repay any amount of the Demand Loan that exceeds the Demand Loan Contingent Amount on the first Guarantor LP Payment Date following 60 days after such Demand Loan Repayment Event, except in connection with a calculation of the Asset Percentage (see "*Summary of the Principal Documents – Guarantor LP Agreement – Asset Coverage Test*"), in which case the full amount of the then outstanding Demand Loan will be repayable on the date of such calculation. 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 LP may repay the principal on the Demand Loan in accordance with the Priorities of Payment and the terms of the Intercompany Loan Agreement, using (i) funds being held for the account of the Guarantor LP by its service providers and/or funds in the Guarantor LP Accounts; and/or (ii) proceeds from the sale of Substitute Assets; (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 and/or (iv) by selling, transferring and assigning to the Seller all of the Guarantor LP's right, title and interest in and to Loans and their Related Security, and any collections in respect of such Loans and their Related Security ("**Payment in Kind**"), or any combination thereof. The Guarantor LP is restricted from paying the Demand Loan with amounts received from the sale of Loans for less than their True Balance. Except for Non-Performing Loans, upon a Payment in Kind, the outstanding amount of the Demand Loan will be reduced by the fair market value of such Loans, provided that following a Covered Bond Guarantee Activation Event, the Demand Loan will be reduced by the True Balance of such Loans. For Non-Performing Loans, such reduction will always be based on the fair market value. The fair market value of such Loans will be determined at the relevant time based on the amount expressed in terms of money or monies' worth, a willing, prudent and informed buyer would pay in an open and unrestricted market to a willing, prudent and informed seller, each acting at arms' length, where neither party is under any compulsion to enter into the transaction, as part of the acquisition of such Loans at the relevant time.

If the Demand Loan is reduced by the True Balance of the Loans which are the subject of the Payment in Kind, then a portfolio adjustment under the Interest Rate Swap Agreement will occur and breakage fees may become payable to or from the Bank or the Guarantor LP. If the Bank, or an affiliate of the Bank is the Interest Rate Swap Provider, no breakage fees shall be payable in respect of such portfolio adjustment. If the Bank or an affiliate of the Bank is not the Interest Rate Swap Provider, breakage fees (if any) will be paid by, or to, the Bank, as applicable.

The Guarantor LP will be entitled to set off amounts paid by the Guarantor LP under the Covered Bond Guarantee against amounts owing under the Intercompany Loan Agreement.

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 LP has used advances under the Intercompany Loan to purchase Loans and their Related Security for the Covered Bond Portfolio 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; 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 LP Accounts (including, without limitation, to fund the Reserve Fund to an amount not exceeding the prescribed limit).

- *Consideration:* Under the terms of the Mortgage Sale Agreement, the Seller has sold Loans and their Related Security to the Guarantor LP for the Covered Bond Portfolio and may, from time to time, sell New Loans and their Related Security to the Guarantor LP 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 LP.

- *Cashflows:* At any time there is no Asset Coverage Test Breach Notice outstanding and no Covered Bond Guarantee Activation Event has occurred, the Guarantor LP 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) pay principal amounts outstanding on the Intercompany Loan; (ii) acquire New Loans and their Related Security; and (iii) 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 LP 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 LP 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 (see "*Cashflows*", below).

Following service of a Notice to Pay on the Guarantor LP (but prior to service of a Guarantor LP Acceleration Notice on the Guarantor LP) the Guarantor LP 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 LP (including the obligations of the Guarantor LP to make repayment on the Demand Loan, as described above) in accordance with the Priorities of Payments.

Following service of a Guarantor LP Acceleration Notice on the Guarantor LP, 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 LP 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).

- *Asset Coverage Test:* The Programme provides that the assets of the Guarantor LP are subject to an Asset Coverage Test in respect of the Covered Bonds. Accordingly, for so long as Covered Bonds remain outstanding, the Guarantor LP must ensure that monthly, on each Calculation Date, the Adjusted Aggregate Asset Amount will be in an amount equal to or in excess of the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on that Calculation Date. The Bank will use all reasonable efforts to ensure that the Asset Coverage Test will be met. 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. A breach of the Asset Coverage Test on a Calculation Date, if not remedied so that the breach no longer exists on the immediately succeeding Calculation Date, will require the Guarantor LP (or the Cash Manager on its behalf) to

serve an Asset Coverage Test Breach Notice on the Partners, the Bond Trustee and the Guarantor LP. 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 LP 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; 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 LP 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 LP (which shall constitute a Covered Bond Guarantee Activation Event).

- *Regulatory OC Minimum Calculation:* In respect of each Calculation Date, the Guarantor LP will perform the Regulatory OC Minimum Calculation to confirm whether the Regulatory OC Minimum is met as described further under "*Summary of the Principal Documents – Guarantor LP Agreement – Regulatory OC Minimum Calculation"*.

- *Valuation Calculation:* The Guarantor LP is required to perform the Valuation Calculation as described further under "*Summary of the Principal Documents – Guarantor LP Agreement – 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. However, there is no obligation on the part of the Issuer or the Guarantor LP 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 LP 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 credit support transferred pursuant to the Covered Bond Swap Agreement.

- *Amortization Test:* Following an Issuer Event of Default (but prior to service of a Guarantor LP Acceleration Notice) and, for so long as Covered Bonds remain outstanding, the Guarantor LP shall use all reasonable efforts to ensure that as at each Calculation Date the Guarantor LP is in compliance with the Amortization Test. The Amortization Test as described further under "*Summary of the Principal Documents – Guarantor LP Agreement -- Amortization Test"* will be tested by the Cash Manager and will be verified by the Asset Monitor. A breach of the Amortization Test will constitute a Guarantor LP Event of Default, which will entitle the Bond Trustee to serve a Guarantor LP Acceleration Notice declaring the Covered Bonds immediately due and repayable and entitle the Bond Trustee to enforce on the Security granted under the Security Agreement.

- *Indexation Methodology:* In calculating the Asset Coverage Test, the Valuation Calculation and the Amortization Test, to adjust for subsequent price developments with respect to the value of the Property subject to the Related Security in respect of each Loan, the Market Value for each such Property is adjusted at least quarterly, by a rate of change determined by the Index. The Index is an independently developed representation of monthly average home price changes in

eleven Canadian metropolitan areas, which are then combined using a weighted average to form a national composite index. See "*Summary of the Principal Documents – Guarantor LP Agreement – Indexation Methodology*".

- *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 LP, the Guarantor LP 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 LP 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) even where the relevant Covered Bonds are Fixed Rate Covered Bonds. To the extent that a Notice to Pay has been served on the Guarantor LP and the Guarantor LP 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 LP 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).

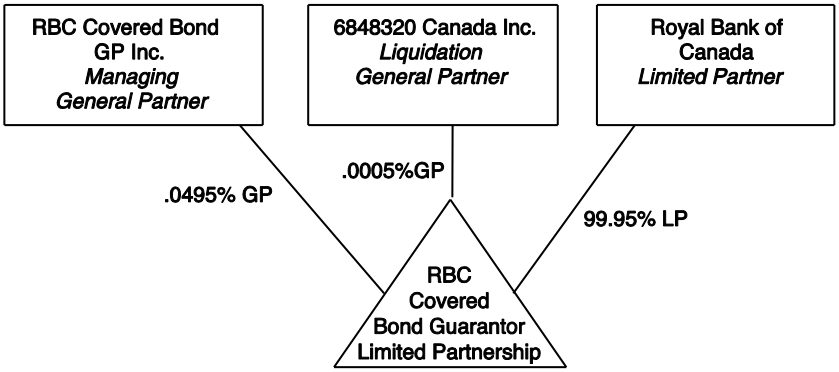
- *Servicing:* The Bank, as Servicer, has agreed to provide administrative services to the Guarantor LP in respect of the Covered Bond Portfolio. In certain circumstances, the Bank may be required to assign the role of Servicer to a third party acceptable to the Bond Trustee and qualified to service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

- *Canadian Regulated Covered Bond Regime:* On July 3, 2013, the Bank was accepted as a registered issuer under Part I.1 of the *National Housing Act* (Canada) and the Guide by CMHC and on July 3, 2013, the Programme was registered as a registered program under Part I.1 of the *National Housing Act* (Canada) and the Guide. All previously issued and outstanding covered bonds and future covered bonds issued under the Programme are and will be, as applicable, registered covered bonds under Part I.1 of the *National Housing Act* (Canada) and the Guide.

- *Further Information:* For a more detailed description of the transactions summarized above relating to the Covered Bonds see, amongst other relevant sections of this document, "*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 LP

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



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

- 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 LP and will have all the rights, power and authority to act at all times for and on behalf of the Guarantor LP (provided that a voluntary liquidation of the Guarantor LP would require the consent of the Liquidation GP).

- Under certain circumstances, including the occurrence of 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.

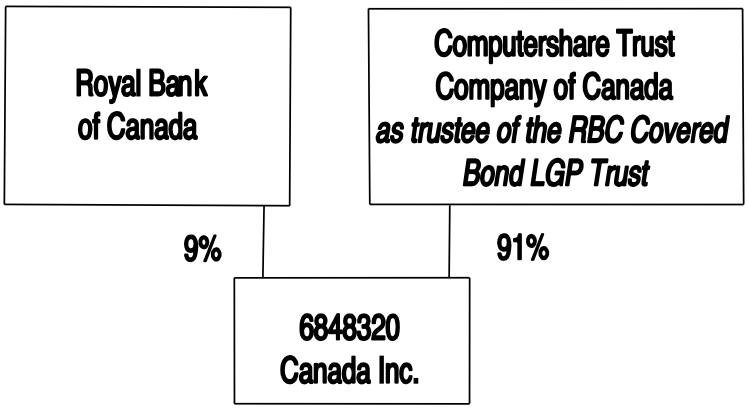
Ownership Structure of the Managing GP

- 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 document, 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 RBC Covered Bond LGP Trust (the "**LGP Trust**") and nine 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 nominee attend meetings on the board of the Liquidation GP who is an officer or employee of the Bank.

- The beneficiary of the LGP Trust is one or more charities registered under the *Income Tax Act* (Canada).



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 document 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 document.

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

Issuer:	Royal Bank of Canada
Issuer LEI:	ES7IP3U3RHIGC71XBU11
Branch of Account:	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*"). Covered Bonds, irrespective of the Branch of Account specified in the applicable Final Terms or Pricing Supplement, are obligations of the Bank.
Guarantor LP:	RBC Covered Bond Guarantor Limited Partnership
Risk Factors:	There are risks related to any issue of Covered Bonds under the Programme, which investors should ensure they fully understand. A description of such risks is set out under "*Risk Factors*" from page 40 of this document. Investors should consult their own financial and legal advisors about risks associated with an investment in a particular Tranche of Covered Bonds and the suitability of investing in the Covered Bonds in light of their particular circumstances.
Arranger:	RBC Europe Limited and RBC Capital Markets, LLC (each also known by its business name, "**RBC Capital Markets**")
Dealers:	RBC Europe Limited, RBC Capital Markets, LLC 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, any New Seller, or any 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 LP.
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.

Calculation Agent:	In relation to any Series of Covered Bonds, the person specified as calculation agent in the applicable Final Terms or Pricing Supplement or, if applicable, any successor to such person in its capacity as such.
Issuing and Paying Agent and Transfer Agent:	The Bank of New York Mellon, London Branch, acting through its offices at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom.
European Registrar and Transfer Agent:	The Bank of New York Mellon SA/NV, Luxembourg Branch, acting through its offices at Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453, Luxembourg.
Canadian Registrar and Transfer Agent:	BNY Trust Company of Canada, acting through its offices located at 1 York Street, 6th Floor, Toronto, Ontario, Canada M5J 0B6.
U.S. Registrar, Paying Agent, Transfer Agent and Exchange Agent:	The Bank of New York Mellon acting through its offices located at 240 Greenwich Street, Floor 7E, New York, NY 10286, USA.
Australian Registrar, Issuing and Paying Agent	BTA Institutional Services Australia Limited, acting through its offices located at Level 2, 35 Clarence Street, Sydney NSW 2000, Australia.
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:	PricewaterhouseCoopers LLP, acting through its offices located at PwC Tower, 18 York Street, Suite 2500, Toronto, Ontario, M5J 0B2.
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 Toronto branch located at 100 King Street West, 1 First Canadian Place, Toronto, Ontario, Canada M5J 2Y1.
Standby GDA Provider:	Bank of Montreal, acting through its Toronto branch located at 100 King Street West, 1 First Canadian Place, Toronto, Ontario, Canada M5J 2Y1.
Custodian:	Computershare Trust Company of Canada, acting through its offices located at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1.

Description:	Global Covered Bond Programme
Covered Bond Legislative Framework:	The Bank is a registered issuer, this Global Global Covered Bond Programme is a registered program under and the Covered Bonds will be registered covered bonds under Part I.1 of the *National Housing Act* (Canada) and the Guide.
Certain Restrictions:	Each 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 €75,000,000,000 (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 euros shall be translated into euros at the date of the agreement to issue such Covered Bonds using (a) the spot rate of exchange for the purchase of such currency against payment of euros 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 or (b) such other rate as the Issuer and the relevant Dealer may agree, such rate being indicated in the applicable Final Terms or Pricing Supplement.
N Covered Bonds:	The Issuer may issue N Covered Bonds *(Namensschuldverschreibungen;* German registered bonds*)* from time to time. For the avoidance of doubt, such N Covered Bonds will not be issued pursuant to this Prospectus. The N Covered Bonds will be governed by German law and will rank *pari passu* with all other Covered Bonds issued pursuant to the Programme from time to time.
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 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:	Either (i) Final Terms, (ii) a Pricing Supplement or (iii) a drawdown prospectus (a "**Drawdown Prospectus**") 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 supplemented, modified or replaced by applicable Pricing Supplement or the Drawdown Prospectus, as the case may be. In the case of a Tranche of Covered Bonds which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being set out, specified, stated, shown, indicated or otherwise provided for in the applicable Final Terms shall be read and construed as a reference to such information being set out, specified, stated, shown, indicated or otherwise provided for in the relevant Drawdown Prospectus and, as applicable, each other reference to Final Terms in the Prospectus shall be read and construed as a reference to such Drawdown Prospectus. An N Covered Bond Agreement will be prepared in respect of each Series of N Covered Bonds and, together with the N Covered Bond Conditions, will constitute the Pricing Supplement in respect of such Series of N Covered Bonds. In the case of N Covered Bonds, each reference in this document to information being set out, specified, stated, shown, indicated or otherwise provided for in the applicable Pricing Supplement shall be read and construed as a reference to such information being set out, specified, stated, shown, indicated or otherwise provided in the relevant N Covered Bond Agreement, the N Covered Bond and the N Covered Bond Conditions attached thereto and, as applicable, each other reference to Pricing Supplement in the document shall be construed and read as a reference to such N Covered Bond Agreement and N Covered Bond and the N Covered Bond Conditions attached thereto.
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) or Covered Bondholder, as the case may be, 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 "authorised 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) or Covered Bondholder, as the case may be, 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 circumstances which would otherwise require a prospectus under the EU Prospectus Regulation or the UK Prospectus Regulation, or that will be admitted or listed for trading on the ISM, will be at least €100,000 (or, if the Covered Bonds are denominated in a currency other than euro, 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) or Covered Bondholders, as the case may be, 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 or in such other form as shall be agreed upon by the Issuer, the Guarantor LP, the relevant Dealer(s) or Covered Bondholder(s), as the case may be, and the Bond Trustee, 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 (in the case of Bearer Covered Bonds intended to be issued in NGCB form) or otherwise with a Common Depositary for Euroclear and Clearstream, 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 the limited circumstances 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 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 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; and (ii) if not held under the NSS, either be deposited with a custodian for, and registered in the name of a nominee for, DTC, CDS or Euroclear and Clearstream, as specified in the applicable Final Terms or Pricing Supplement. Unless otherwise specified in the applicable Final Terms or Pricing Supplement, Registered Covered Bonds will be exchangeable for Registered Definitive Covered Bonds in the limited circumstances 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*". N Covered Bonds will be issued in the form of the N Covered Bond set out in the Trust Deed with the N Covered Bond Conditions attached thereto and together with the execution of the related N Covered Bond Agreement in the form set out in the Trust Deed (each, an "**N Covered Bond Agreement**"). 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 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 • Zero Coupon Covered Bonds • Covered Bonds with a Change in Interest Basis.
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 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 term reference rate appearing on the agreed screen page of a commercial quotation service or a backward looking compounded daily rate over a relevant period as calculated in accordance with a specified formula; or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s) or Covered Bondholder(s), as the case may be, 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 of Floating Rate Covered Bonds as set out in the applicable Final Terms or Pricing Supplement.
Change in Interest Basis:	Covered Bonds may switch from one interest basis to another if so provided 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 unless otherwise specified in the applicable Final Terms or Pricing Supplement.
Exempt Covered Bonds:	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 Confirmation:	Any issuance of new Covered Bonds will be conditional upon obtaining Rating Agency Confirmation 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 USA, an "AAA" by Fitch Ratings, Inc and an "AAA" by DBRS Canada 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 Base Prospectus to the Official List and to admit the Covered Bonds to trading on the Main Market. The Final Terms or Pricing Supplement relating to each Tranche of the Covered Bonds will state whether 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 may not be listed and/or admitted to trading. Additionally, application has been made for Exempt Covered Bonds to be admitted to trading on the International Securities Market of the London Stock Exchange (the "**ISM**"). The ISM is not a regulated market for the purposes of UK MiFIR. The ISM is a market designated for professional investors. Exempt Covered Bonds which are designated in the relevant Pricing Supplement as being admitted to trading on the ISM are not admitted to listing on the Official List. The Programme provides that 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 LP, the Bond Trustee and the relevant Dealer(s) or Covered Bondholders as the case may be. The Issuer may also issue unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any regulated market in the UK. 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 in the UK do not form part of the Base Prospectus and the FCA has neither approved nor reviewed information contained in this Base 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 following an Issuer Event of Default or a Guarantor LP 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 and on such other terms as may be agreed between the Issuer and the

	relevant Dealer(s) (as 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 – Redemption and Purchase – Early Redemption for Taxation Reasons*" and "*– Redemption due to Illegality*", but will otherwise be permitted only to the extent specified in the applicable Final Terms or Pricing Supplement.
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 LP) the Guarantor LP'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 LP by the Extension Determination Date (for example, because the Guarantor LP 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 LP and the Guarantor LP has sufficient time and sufficient moneys to pay in part the Final Redemption Amount, such partial payment will be made by the Guarantor LP on any Interest Payment Date up to and including the relevant Extended Due for Payment Date. See "*Terms and Conditions of the Covered Bonds – Redemption and Purchase – Redemption at Maturity*". 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) even where the relevant Covered Bonds are Fixed Rate Covered Bonds. The Guarantor LP 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. See "*Terms and Conditions of the Covered Bonds – Interest*".
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 or any province or territory thereof or political subdivision thereof or any authority or agency thereof or therein 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 as described in "*Terms and Conditions of the Covered Bonds – Taxation*") 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 – Taxation*"). Under the Covered Bond Guarantee, the Guarantor LP 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 would have become payable by the Issuer. See "*Terms and Conditions of the Covered Bonds – Taxation*". 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 a corporation; (ii) the recipient of interest payable on a Covered Bond does not deal at arm's length with the Issuer or the Guarantor LP for purposes of the *Income Tax Act* (Canada); or (iii) interest in respect of a Covered Bond owned by a person with whom the Issuer or the Guarantor LP does not deal at arm's length for purposes of the *Income Tax Act* (Canada) is paid or payable to a person (other than the owner), such interest may be subject to Canadian non-resident withholding tax. Additional opinions from Canadian tax counsel may be required. See the discussion under the caption "*Taxation – Canada*".
U.S. Taxation:	See the discussion under the caption "*Taxation – United States Federal Income Taxation*".
UK Taxation:	See the discussion under the caption "*Taxation – United Kingdom*".
ERISA:	In general, a Covered Bond may be purchased by U.S. benefit plan investors subject to the *U.S. Employee Retirement Income Security Act of 1974*, as amended ("**ERISA**"), or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, subject to certain conditions. See "*Certain Considerations for ERISA and Other Employee Benefit Plans*".
Cross Default:	If a Guarantor LP Acceleration Notice is served in respect of any one Series of Covered Bonds, then the obligation of the Guarantor LP to pay Guaranteed Amounts in respect of all Tranches of Covered Bonds outstanding will be accelerated.
Set Off in respect of N Covered	If the Covered Bondholder is an insurance company and the

Bonds:	claims under the N Covered Bond belong to the security assets (*Sicherungsvermögen*) within the meaning of Sections 124 to 131 of the German Insurance Supervision Act (*Versicherungsaufsichtsgesetz - VAG*) (or any equivalent provisions in the laws of any other jurisdiction), the Issuer hereby waives any right of set-off against the claims arising from the N Covered Bond as well as the exercise of any pledge, right of retention or other rights through which the claims of the Covered Bondholder could be prejudiced even in the event of insolvency, administration (whether voluntary or involuntary) or similar proceedings to the extent permitted pursuant to applicable law. The same applies if the Covered Bondholder is a German mortgage bank (*Pfandbriefbank*) and the claims under the N Covered Bond belong to cover assets (*Deckungswerte*) of a German mortgage bank within the meaning of the German Pfandbrief Act (*Pfandbriefgesetz*).
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) or any other governmental insurance scheme by any other country. The Issuer has been granted an authority to carry on banking business in Australia pursuant to section 9 of the *Banking Act 1959* of the Commonwealth of Australia ("**Banking Act**") and is an authorised deposit-taking institution ("**ADI**") within the meaning of the Banking Act. Covered Bonds issued by the Bank are not covered by the depositor protection provisions contained in section 13A of the Banking Act, and will not entitle holders of Covered Bonds to claim under Division 2AA – Financial claims scheme for account-holders with insolvent ADIs in the Banking Act. The Covered Bonds are not treated as bail-inable instruments under Canada's Bank Recapitalization (Bail-in) Conversion Regulations, the Bank Recapitalization (Bail-in) Issuance Regulations and the Compensation Regulations and therefore are not subject to conversion under the Canadian bail-in regime for domestic systemically important banks.
Governing Law and Jurisdiction:	The Covered Bonds and all Transaction Documents (other than the Swap Agreements and the Australian Deed Poll) are or will be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein. The Swap Agreements are governed by the laws of England. The Australian Deed Poll is governed by the law of New South Wales.

	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 judgments in respect of agreements governed by foreign laws. N Covered Bonds shall be governed by, and construed in accordance with, the laws of the Federal Republic of Germany. Ontario courts shall have exclusive jurisdiction in the event of litigation in respect of the N Covered Bonds.
Clearing Systems:	DTC, CDS, Euroclear, Clearstream and/or, in relation to any Covered Bonds, any other clearing system as may be specified in the applicable Final Terms or Pricing Supplement. N Covered Bonds will not be settled in a clearing system.
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, Hong Kong, Singapore, Japan, the UK and the EEA (including, the Republic of France, the Republic of Italy and the Netherlands), 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. 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 Rule 144A and Regulation S restrictions on the transfer of certain Registered Covered Bonds. See "*Subscription and Sale and Transfer and Selling Restrictions – United States of America – Rule 144A / Regulation S Transfer Restrictions*". A transfer of N Covered Bonds is not effective until the transferee has agreed in the duly executed copy of the N Covered Bond Assignment Agreement relating to such N Covered Bond and delivered to the Registrar to be bound by the terms of the N Covered Bond Agreement.
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 LP. The obligations of the Guarantor LP 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 LP under the Covered Bond Guarantee will accelerate against the Guarantor LP upon the service of a Guarantor LP Acceleration Notice. The obligations of the Guarantor LP under the Covered Bond Guarantee constitute direct obligations of the Guarantor LP secured against the assets of the Guarantor LP, including the Covered Bond Portfolio. Payments made by the Guarantor LP 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 LP 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 of Loans originated by the Bank and secured by a first mortgage on the residential property in Canada to which they relate. Subject to receipt of Rating Agency Confirmation and compliance with the Covered Bond Legislative Framework and the Guide, the Covered Bond Portfolio may also contain New Loan Types. Covered Bond Portfolio statistical information 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 include, performance information about the Loans, information on proceeds received on assets in the Covered Bond Portfolio and the application of such proceeds, the results of the Asset Coverage Test, the Regulatory OC Minimum Calculation, the Valuation Calculation and the Amortization Test, as applicable, and other information prescribed by the requirements of the Guide.

Intercompany Loan:	Under the terms of the Intercompany Loan Agreement the Bank has made available to the Guarantor LP, on an unsecured basis, a revolving interest-bearing Intercompany Loan, comprised of a Guarantee Loan and a Demand Loan, in a combined aggregate amount equal to the Total Credit Commitment, 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 LP. 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. 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 LP to acquire 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 LP Agreement – Asset Coverage Test*").
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, the Guarantor LP may borrow any withdrawn or committed amount or re-borrow any amount repaid by the Guarantor LP 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 LP Event of Default has occurred and is continuing.
The Proceeds of the Intercompany Loan:	The Guarantor LP has used advances from the Intercompany Loan to purchase Loans and their Related Security for the Covered Bond Portfolio 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; 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 LP Accounts (including, without limitation, to fund the Reserve Fund to an amount not exceeding the prescribed limit) and make investments in Substitute Assets.
Capital Contribution:	The Limited Partner may from time to time make Capital Contributions to the Guarantor LP including Capital Contributions of New Loans and their Related Security. Each of the Managing GP and the Liquidation GP respectively hold 99 per cent. and one per cent. of the 0.05 per cent. general partner interest in the Guarantor LP. The Limited Partner holds the substantial economic interest in the Guarantor LP (approximately 99.95 per cent.).
Consideration:	Under the terms of the Mortgage Sale Agreement, the Seller has sold Loans and their Related Security to the Guarantor LP for the Covered Bond Portfolio on a fully-serviced basis for cash consideration and may, from time to time, sell New Loans and their Related Security to the Guarantor LP on a fully-serviced basis in exchange for cash consideration equal to the fair market value of such Loans on their Transfer Date. The Limited Partner may also make Capital Contributions of New Loans and their Related Security to the Guarantor LP in exchange for additional interests in the capital of the Guarantor LP.
Interest Rate Swap Agreement:	To provide a hedge against possible variances in the rates of interest payable on the Loans in the Covered Bond Portfolio (which may, for instance, include variable rates of interest or fixed rates of interest) and the amounts payable on the Intercompany Loan and (following the occurrence of a Covered Bond Guarantee Activation Event) the Covered Bond Swap Agreement, the Guarantor LP has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider. Cashflows will be exchanged under the Covered Bond Swap Agreement no later than the occurrence of a Covered Bond Guarantee Activation Event. See "*Summary of the Principal Documents - Interest Rate Swap Agreement*".
Covered Bond Swap Agreement:	To provide a hedge against currency risks, interest rate risks and timing risks arising in respect of amounts received by the Guarantor LP under the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, the Guarantor LP has entered into the Covered Bond Swap Agreement (which may include a new schedule and confirmation(s) for each Tranche and/or Series of Covered Bonds) with the Covered Bond Swap Provider. See "*Summary of the Principal Documents-Covered Bond Swap Agreement*".
Index Methodology:	The Market Value of the Properties which are used in calculating the Asset Coverage Test, the Valuation Calculation and the Amortization Test is adjusted, at least quarterly, for subsequent price developments with respect to the Property subject to the Related Security in respect of each such Loan by adjusting the Latest Valuation for such Property by a rate of change determined by the Index. The Index is an

	independently developed representation of monthly average home price changes in eleven Canadian metropolitan areas, which are then combined using a weighted average to form a national composite index. See "*Summary of the Principal Documents – Guarantor LP Agreement – Indexation Methodology*".
Bank Executive Offices:	The Bank's corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, Canada M5J 2J5 and the head office is located at 1 Place Ville Marie, Montréal, Québec, Canada H3C 3A9. The telephone number is (416) 974-0117.
Guarantor LP Executive Offices:	The Guarantor LP's address is Royal Bank Plaza, South Tower, 200 Bay Street, 9th Floor, Toronto, Ontario, Canada M5J 2J5. The telephone number is (416) 974-4751.

PRINCIPAL CHARACTERISTICS OF THE PROGRAMME

The following synopsis does not purport to be complete and is taken from and is qualified in its entirety by, the remainder of this document. For further information, please see "Summary of the Principal Documents".

Issuer:	Royal Bank of Canada
Guarantor:	RBC Covered Bond Guarantor Limited Partnership
Bond Trustee:	Computershare Trust Company of Canada
Asset Monitor:	PricewaterhouseCoopers LLP
Covered Bond Legislative Framework:	The Covered Bonds will be registered Covered Bonds under Part I.1 of the *National Housing Act* (Canada) and the Guide. However, as the Issuer is not a European Union or UK credit institution, the Covered Bonds will not fall within the scope of the EU Directive (2019/2162) or EU Regulation (2019/2160) on the Issue of Covered Bonds and Covered Bond Public Supervision (including as it forms part of domestic law of the UK by virtue of the EUWA).
Nature of eligible property:	Residential mortgage loans, Substitute Assets up to the prescribed limit.
Location of eligible residential property underlying Mortgages:	Provinces and territories of Canada
Maximum loan to value ratio given credit under the Asset Coverage Test:	80 per cent.
Maximum Asset Percentage:	93 per cent. unless increased in accordance with the Trust Deed
Minimum Asset Percentage:	80 per cent. unless otherwise agreed by the Issuer
Regulatory OC Minimum:	103 per cent.
Asset Coverage Test:	As set out on pages 245-249
Amortization Test:	As set out on pages 249-250
Reserve Fund:	As set out on page 273
Hard Bullet:	Not available
Extendable Maturities:	Available
***Namensschuldverschreibung* Option:**	Applicable

RISK FACTORS

In purchasing Covered Bonds, investors assume the risk that the Issuer and the Guarantor LP may become insolvent or otherwise be unable to satisfy their obligations in respect of the Covered Bonds. The Issuer and the Guarantor LP believe that the following factors, which are specific to the Issuer and the Guarantor LP, may affect its ability to fulfil its obligations under the Covered Bonds.

In addition, material risk factors which are specific to the Covered Bonds issued under the Programme are also described below.

The Issuer and Guarantor LP believe that the factors described below represent the material risks inherent in investing in Covered Bonds issued by it at the date of this Prospectus. If any or a combination of these risks actually occurs, the business, results of *operation, financial condition and/or prospects of the Issuer could be materially and adversely affected, which could result in the Issuer or Guarantor LP being unable to pay interest, principal or other amounts on or in connection with any Covered Bonds issued by it or materially and adversely affect the trading price of any such Covered Bonds.*

Prospective investors should note that the risks relating to the Issuer and Guarantor LP summarised in this section are risks that the Issuer and Guarantor LP believe to be essential to an assessment by the prospective investor of whether to make an investment *in the Covered Bonds and the Issuer and Guarantor LP do not represent that the statements below regarding the risks of investing in the Covered Bonds are exhaustive. Additional risks and uncertainties not presently known to the Issuer or Guarantor LP or that they currently believe to be immaterial could also have a material impact on their results of operations or financial condition or affect the ability of the Issuer or Guarantor LP to pay interest, principal or other amounts on or in connection with the Covered Bonds. As the risks which the Issuer and Guarantor LP face relate to events and depend on circumstances that may or may not occur, prospective investors should also read the detailed information set out elsewhere in this document (including information incorporated by reference) 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.*

Contents of the Risk Factors

1. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING RISKS ASSOCIATED WITH THE ISSUER

2. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING RISKS ASSOCIATED WITH THE GUARANTOR LP

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

4. FACTORS WHICH ARE MATERIAL FOR THE PURPOSES OF ASSESSING RISKS RELATING TO THE COVERED BONDS

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

1. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING RISKS ASSOCIATED WITH THE ISSUER

The "Risk Factors" at pages 1 to 21 in the Registration Document as referred to in, and incorporated by reference into, this Prospectus as set out in "*Documents Incorporated by Reference*" on page 86 of this Prospectus are hereby incorporated by reference.

2. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING RISKS ASSOCIATED WITH THE GUARANTOR LP

(a) The Guarantor LP has finite resources with which to meet its obligations under the Covered Bond Guarantee

The Guarantor LP's ability to meet its obligations under the Covered Bond Guarantee will depend on: (i) the realizable value of the assets of the Guarantor LP, 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 LP by its service providers and of credit balances and interest on credit balances from the Guarantor LP Accounts. The Guarantor LP will not have any other source of funds available to meet its obligations under the Covered Bond Guarantee.

The Asset Coverage Test has been structured (including with quarterly adjustments based on the Index for price developments with respect to the value of Property subject to the Related Security) to ensure that the Adjusted Aggregate Asset 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. This is intended to 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 LP, 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 LP must ensure that following the service of a Notice to Pay, the Amortization Test is met on each Calculation Date. A breach of the Amortization Test will constitute a Guarantor LP Event of Default and will entitle the Bond Trustee to serve a Guarantor LP Acceleration Notice on the Guarantor LP (see "*Summary of the Principal Documents – Guarantor LP Agreement – Asset Coverage Test*" and "*Credit Structure – Asset Coverage Test*"). The Bank will use all reasonable efforts to ensure that the Guarantor LP 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 LP 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.

If a Guarantor LP Event of Default occurs, as discussed further in Condition 7.02 "*Guarantor LP Events of Default*" on page 140 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.

(b) Reliance of the Guarantor LP on Affiliates and Third Parties poses the risk that a failure of such persons to perform their obligations could adversely affect the Guarantor LP's ability to meet its obligations

The Guarantor LP has entered into agreements with the Issuer and with a number of third parties pursuant to which the Issuer or such third parties, as applicable, have agreed to perform services for the Guarantor LP and to provide the Guarantor LP hedges against interest rate, currency and other risks.

a. Service Providers

The Guarantor LP relies on the Issuer and other third parties to perform services for the Guarantor LP. In particular, but without limitation, the Servicer has been appointed to service Loans and their Related Security in the Covered Bond Portfolio, and the Cash Manager has been appointed to calculate and monitor compliance with the Asset Coverage Test, the Regulatory OC Minimum Calculation, the Valuation Calculation and the Amortization Test and to provide cash management services to the Guarantor LP and the GDA Account and Transaction Account (to the extent maintained) will be held with the Account Bank.

These service providers may further sub-contract or delegate the performance of such services, and in particular, but without limitation, the Servicer has so delegated performance of certain services to be provided by the Servicer to sub-contractors in accordance with the terms of the Servicing Agreement.

The Issuer is currently performing serveral of these roles, including, but without limitation, the roles of Servicer, Cash Manager and Account Bank. The Issuer may, and in some circumstances will be required to, be terminated as a service provider if its ratings or assessments by one or more of the Rating Agencies have been downgraded below a specified rating or assessment, if 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 that is willing to and able to provide such services.

In the event that any such service provider fails or ceases to perform its obligations under the relevant agreement and a suitable and timely replacement cannot be found who is willing to and able to provide such services, 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 LP to meet its obligations under the Covered Bond Guarantee may be adversely affected.

For instance, if the Loans are not adequately administered, this may lead to higher incidences of non-payment or default by Borrowers. See risk factor entitled "*Factors that may affect the realizable value of the Covered Bond Portfolio or any part thereof or the ability of the Guarantor LP to meet its obligations under the Covered Bond Guarantee*".

If a suitable and timely replacement can be found, the terms and conditions, including the fees charged for such services, may differ materially from those currently applicable to such services and as noted above, the Guarantor LP has finite resources.

i. Servicing

If a Servicer Event of Default occurs pursuant to the terms of the Servicing Agreement as a result of actions of or events affecting the Servicer or a sub-contractor of the Servicer, then the Guarantor LP and/or the Bond Trustee will be entitled and in some circumstances required in accordance with the terms of the Guide to terminate the appointment of the Servicer. There can be no assurance that a substitute servicer with sufficient experience in administering 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 LP. If found, a substitute servicer may not have ratings or assessments from the Rating Agencies, as applicable, above the level specified in the Servicing Agreement and a Rating Agency Confirmation may not be delivered for such substitute servicer. A

substitute servicer may charge higher servicing fees that it agrees to with the Guarantor LP, which servicing fees would be entitled to priority over payments to holders of the Covered Bonds.

The ability of a substitute servicer to fully perform the required services would depend, in particular, 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 LP to meet its obligations under the Covered Bond Guarantee.

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.

ii. Account Bank

Similarly, if the Account Bank fails to perform its obligations in respect of the GDA Account and Transaction Accounts there may not be sufficient funds available to the Guarantor LP to make payments on the Covered Bonds when the same shall become Due for Payment.

iii. Indexation Methodology

The Issuer and the Guarantor LP have received written permission from the Index providers to use the Index. The data in the Index is provided on an "as is" basis and without any warranty as to the accuracy, completeness, non-infringement, originality, timeliness or any other characteristics of the data and the Index providers disclaim any and all liability with respect to such data. Neither the Issuer nor the Guarantor LP makes any representation or warranty, express or implied, in relation to the accuracy, completeness or reliability of such information or assumes any liability for any errors or reliance placed on such information. As a result, there will not be any recourse for investors, the Issuer or the Guarantor LP for any errors in the data in the Index relied upon to determine the Market Value in respect of any Property subject to the Related Security.

b. Swap Providers

To provide a hedge against possible variances in the rates of interest payable on the Loans in the Covered Bond Portfolio (which may, for instance, include variable rates of interest, fixed rates of interest or rates of interest that track a base rate) and amounts payable in respect of the Intercompany Loan and the Covered Bond Swap Agreement (upon cashflows being exchanged thereunder), the Guarantor LP has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider and may from time to time, including in connection with the purchase of additional Loans enter into the additional confirmations and schedules under the Interest Rate Swap Agreement. See "*Summary of the Principal Documents – Interest Rate Swap Agreement*" on page 260 of this Prospectus.

To provide a hedge against currency (if applicable) and/or other risks arising, in respect of amounts received by the Guarantor LP under the Loans in the Covered Bond Portfolio and the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, the Guarantor LP has entered into the Covered Bond Swap Agreement and has and will continue from time to time, including in connection with the issuance of additional Covered Bonds, enter into the confirmations and schedules under the Covered Bond Swap Agreement with the Covered Bond Swap Provider. Cashflows will be exchanged under the Covered Bond Swap Agreement no later than the occurrence of a Covered Bond Guarantee Activation Event. See "*Summary of the Principal Documents – Covered Bond Swap Agreement*" on page 262 of this Prospectus.

If the Guarantor LP 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 LP on a Due for Payment Date being insufficient to satisfy such payment obligations), then it will have defaulted under that Swap Agreement and such Swap Agreement may be, and in certain circumstances will be required to be,

terminated. Further, a Swap Provider is only obliged to make payments to the Guarantor LP as long as and to the extent that the Guarantor LP has not defaulted under that 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 in the relevant currency equal to the full amount to be paid to the Guarantor LP on the payment date under the relevant Swap Agreement, the Guarantor LP will be exposed to changes in the relevant currency exchange rates to Canadian dollars and to any changes in the relevant rates of interest.

The Bank serves initially as swap counterparty to the Swap Agreements. The Bank may, and in certain circumstances will be required to, be replaced by a third party under the Interest Rate Swap Agreement and the Covered Bond Swap Agreement if its ratings or assessments by the Rating Agencies have been downgraded below a specified rating, upon an event of default under the relevant Swap Agreement or upon an Issuer Event of Default.

Unless a replacement Swap Agreement is entered into, the Guarantor LP may have insufficient funds to meet its obligations under the Covered Bond Guarantee.

If a Swap Agreement terminates, then the Guarantor LP may be obliged to make a termination payment to the relevant Swap Provider. There can be no assurance that the Guarantor LP will have sufficient funds available to make a termination payment under the relevant Swap Agreement, nor can there be any assurance that the Guarantor LP 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 or assessments to prevent a downgrade of the then current ratings of the Covered Bonds by the Rating Agencies.

The Guarantor LP 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 and the Bank has agreed to pay and will receive, as applicable, the breakage fees resulting under the Interest Rate Swap Agreement from a portfolio adjustment resulting from a Payment in Kind.

If the Guarantor LP is obliged to pay a termination payment under any Swap Agreement, such termination payment will rank in priority to principal amounts due on the Covered Bonds and *pari passu* with interest amounts due on the Covered Bonds. Under the Guide, if the Liquidation GP is the managing general partner of the Guarantor LP, the Guarantor LP will be permitted to give payments to Swap Providers priority over interest amounts due on the Covered Bonds, provided that pursuant to the terms of the Guarantor LP Agreement any such grant of priority will require the consent of the Bond Trustee and Rating Agency Confirmation. The obligation to pay a termination payment may adversely affect the ability of the Guarantor LP to meet its obligations under the Covered Bond Guarantee. Additionally, the failure of the Guarantor LP to receive a termination payment from the relevant Swap Provider may adversely affect the ability of the Guarantor LP to meet its obligations under the Covered Bond Guarantee.

(c) Differences in timing of obligations of the Guarantor LP and the Covered Bond Swap Provider under the Covered Bond Swap Agreement and other hedging mismatches in certain circumstances

With respect to the Covered Bond Swap Agreement, cashflows will be exchanged under the Covered Bond Swap Agreement no later than the occurrence of a Covered Bond Guarantee Activation Event. Upon cashflows being exchanged under the Covered Bond Swap Agreement, the Guarantor LP will make payments to the Covered Bond Swap Provider on each Guarantor LP Payment Date from the amounts received by the Guarantor LP under the Interest Rate Swap Agreement. The Covered Bond Swap Provider may not be obliged to make payments to the Guarantor LP under the Covered Bond Swap Agreement until amounts are Due for Payment on the Covered Bonds, which may be up to twelve months after payments have been made by the Guarantor LP 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 LP 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 LP, the

Guarantor LP 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 LP's payment obligations under the Covered Bond Guarantee. As a result, the difference in timing between the obligations of the Guarantor LP 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 LP's ability to meet its obligations under the Covered Bond Guarantee.

(d) Risks of 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 LP 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 LP pursuant to the Covered Bond Guarantee are not exempt, such payments will be made subject to any applicable withholding or deduction and the Guarantor LP 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 the payment on the Covered Bonds to be received by the applicable Covered Bondholders at the time of such payment.

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

(a) The Covered Bond Portfolio will change frequently including as a result of existing Loans in the Covered Bond Portfolio being replaced by New Loans and New Loan Types with different characteristics

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 such Loans by Borrowers from time to time and the need to replace such Loans with New Loans in the Covered Bond Portfolio, repurchases of Loans and their Related Security by the Seller 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.

Covered Bondholders will receive only limited detailed statistics or information in relation to the Loans in the Covered Bond Portfolio. This information will be set out in the relevant Investor Report and will relate to the Covered Bond Portfolio at the end of the immediately preceding month and will not reflect any subsequent changes to the Covered Bond Portfolio since such date.

There is no assurance that the characteristics of New Loans assigned to the Guarantor LP in the future will be the same as those in the current Covered Bond Portfolio at the date of this Prospectus, which may result in 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. Each New Loan will be required to meet the Eligibility Criteria and satisfy the Representations and Warranties set out in the Mortgage Sale Agreement although the Eligibility Criteria and 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*".

If a New Loan constitutes a New Loan Type, the Representations and Warranties in the Mortgage Loan Sale Agreement may be modified as required to accommodate the New Loan Type, but the

Representations and Warranties would not change for a New Loan that was not a New Loan Type or in respect of Loans currently in the Covered Bond Portfolio. While the New Loan will be required to comply with the eligibility requirements under Part I.1 of the *National Housing Act* (Canada) and the Guide, the prior consent of the holders of the Covered Bonds to the requisite amendments will not be required. Part I.1 of the *National Housing Act* (Canada) and the Guide prescribe certain requirements which prohibit loans which do not meet certain requirements from forming part of the Covered Bond Portfolio. A New Loan Type is a new type of mortgage loan originated or acquired by the Seller, which the Seller transfers or intends to transfer to the Guarantor LP, the terms and conditions of which are materially different (in the opinion of the Seller, acting reasonably) from the Loans. For the avoidance of doubt, a mortgage loan will not constitute a New Loan 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. 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 Asset 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 will prepare and provide monthly Investor Reports to the Issuer, the Guarantor LP, the Bond Trustee and the Rating Agencies that will set out certain information in relation to Covered Bond Portfolio, the calculation of the Asset Coverage Test, the Regulatory OC Minimum Calculation, the Valuation Calculation, if applicable the Amortization Test, statistical information about the Loans in the Covered Bond Portfolio and performance information about the Loans and other information prescribed by the requirements of the Guide. The Issuer will make such Investor Reports available to Covered Bondholders (see "*General Information*").

(b) There is no assurance that the proceeds from the Covered Bond Portfolio will be sufficient to make all payments due on the Covered Bonds

The Asset Coverage Test, the Regulatory OC Minimum Calculation, the Valuation Calculation, the Amortization Test and the Index Methodology are intended to monitor and ensure that the assets and cashflows of the Guarantor LP, including the Loans and their Related Security in the Covered Bond Portfolio and cashflows in respect thereof, will be adequate to enable the Guarantor LP to meet its obligations under the Covered Bond Guarantee. See "*Summary of the Principal Documents—Guarantor LP Agreement—Asset Coverage Test*" and "*Amortization Test*" on pages 245 to 249 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 generate sufficient cash, together with the other assets of the Guarantor LP, to enable the Guarantor LP to meet its obligations under the Covered Bond Guarantee.

Asset Coverage Test: The value of a Loan for purposes of the Asset Coverage Test is adjusted in accordance with the formula described under "*Summary of the Principal Documents – Guarantor LP Agreement – Asset Coverage Test".* The Asset Coverage Test is met if the aggregate adjusted value of the Loans exceeds the Canadian Dollar Equivalent of aggregate Outstanding Principal Amount of Covered Bonds.

If a breach of the Asset Coverage Test occurs which is not cured on the next Calculation Date following a notice by the Managing GP (or the Cash Manager on its behalf) to the Guarantor LP, the Partners, and the Bond Trustee that such breach has occurred, the Managing GP (or the Cash Manager on its behalf) will provide an Asset Coverage Test Breach Notice to the Guarantor LP, the Partners and the Bond Trustee. Failure to meet the Asset Coverage Test as of the Calculation Date following the service of such Asset Coverage Test Breach Notice will result in an Issuer Event of Default.

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 LP Agreement and in accordance with the Rating Agency methodologies. Pursuant to the terms of the Asset Coverage Test, there is a limit to the degree to which the minimum Asset Percentage

may be decreased without the consent of the Bank. In addition, the maximum Asset Percentage may not be increased without the consent of (i) the Bond Trustee (without the consent of the holders of the Covered Bonds of any series) or (ii) the holders of the Covered Bonds by Extraordinary Resolution (without the consent of the Bond Trustee) in accordance with Condition 13 of the Trust Deed. As a result, there are limits on the amount of credit enhancement required to be maintained to meet the Asset Coverage Test.

If the various 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), the Rating Agencies may reduce, remove, suspend or place on credit watch, the rating of the Covered Bonds and the assets of the Guarantor LP may be seen to be insufficient to ensure that, in the scenarios employed in the cashflow models, the assets and cashflows of the Guarantor LP 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.

Regulatory OC Minimum Calculation: in respect of each Calculation Date, the Guarantor LP will calculate whether the Regulatory OC Minimum is met as described further under "*Summary of the Principal Documents – Guarantor LP Agreement – Regulatory OC Minimum Calculation"*. It is expected that if the Asset Coverage Test is not met, the Regulatory OC Minimum may also not be met.

Valuation Calculation: The Guarantor LP is required to perform the Valuation Calculation as described further under "*Summary of the Principal Documents – Guarantor LP Agreement – 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 Bank or the Guarantor LP 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 LP 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 LP 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.

Amortization Test: Pursuant to the Guarantor LP Agreement, following service of a Notice to Pay on the Guarantor LP, the Managing GP must use all reasonable efforts to ensure that, on each Calculation Date following service of such Notice to Pay, the Guarantor LP is in compliance with the Amortization Test as described further under "*Summary of the Principal Documents – Guarantor LP Agreement – Amortization Test"*. The Amortization Test is met if the Amortization Test Aggregate Asset Amount is in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds. The Amortization Test is intended to ensure that the assets of the Guarantor LP do not fall below a certain threshold to ensure that the assets of the Guarantor LP 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 or the Amortization Test, this may affect the realizable value of the Covered Bond Portfolio or any part thereof (both before and after the occurrence of a Guarantor LP Event of Default) and/or the ability of the Guarantor LP to meet its obligations under the Covered Bond

Guarantee. Failure to satisfy the Amortization Test on any Calculation Date following the service of a Notice to Pay will constitute a Guarantor LP Event of Default, thereby entitling the Bond Trustee to accelerate the Covered Bonds against the Issuer and the Guarantor LP's obligations under the Covered Bond Guarantee against the Guarantor LP subject to and in accordance with the Conditions.

Indexation Methodology: Valuations or assessments in respect of a Property subject to the Related Security in respect of each Loan are obtained when a Loan is originated but generally not subsequent to origination. In calculating the Asset Coverage Test, the Valuation Calculation and the Amortization Test, to adjust for subsequent price developments with respect to the value of the Property subject to the Related Security in respect of each Loan, the Market Value for each such Property is adjusted at least quarterly, by a rate of change determined by the Index. This indexation methodology as described further under "*Summary of the Principal Documents – Guarantor LP Agreement – Indexation Methodology"* is subject to certain limitations as described in this document under "*Risk Factors – Factors which are material for the purpose of assessing risks associated with the Guarantor LP – Reliance of the Guarantor LP on Affiliates and Third Parties poses the risk that a failure of such persons to perform their obligations could adversely affect the Guarantor LP's ability to meet its obligations – Indexation Methodology*".

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

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 and Valuation Calculation annually, in respect of the Calculation Period immediately preceding a proposed Issue Date, and more frequently in certain circumstances. 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 and annually in respect of the Asset Coverage Test as required by the Guide. See further "*Summary of the Principal Documents – Asset Monitor Agreement*".

(c) The actual rate of change in the value of a Property may differ from the rate of change used to adjust the Latest Valuation for such Property in determining the Market Value

The Index does not include a representation of changes in average home prices outside of the Canadian metropolitan areas that it covers and was developed as a representation of monthly average home price changes in the Canadian metropolitan areas that it does cover. While the Index uses data from single family properties, including detached, semi-detached, townhouse/row homes and condominium properties, it is being used to determine the Market Value of all Properties included as Related Security for Loans in the Covered Bond Portfolio, which may not correspond in every case to the categories included in the Index. The actual value of a Property may change at a rate that is greater than or less than the rate of change used to determine the Market Value for such Property. This discrepancy may be magnified when the Index is used to determine the Market Value for a Property outside of the Canadian metropolitan areas covered by the Index given factors that affect housing prices may vary significantly regionally from a national average or where the Index is used to determine Market Value for a Property in a category not covered by the Index and whose value is affected by factors that are different from those that affect the value of properties in the categories used by the Index. In addition, the methodology applied to produce the Index makes certain fundamental assumptions that impose difficulties in selecting or filtering the properties that are used to produce the Index due to a lack of information about the properties, which may result in such properties being excluded and may impact the accuracy of the representation of the rate of change in the Index.

(d) The Index may not always be available in its current form or a different Index may be used to determine Market Value

The Index providers may make a change to the method used to calculate the Index, the frequency with which the Index is published may change (such that the Index no longer meets the requirements in the Guide), or the Index may cease to be available to the Issuer and the Guarantor LP for determining Market Value. In such circumstances, the Issuer and the Guarantor LP may or will need to select one or more new indices for determining Market Value. The Issuer and the Guarantor LP may also determine at any time to use a different index or indices to adjust the Latest Valuation for subsequent price developments to determine Market Value for example, or to obtain rates of changes in home prices for metropolitan or geographic areas not covered by the Index, or to use an index or indices that the Issuer and Guarantor LP believe will produce better or more reliable Market Value results or that is more cost effective. The use of any such new index or indices to adjust Latest Valuation could result in a significant change in the Market Value of the Property subject to the Related Security in respect of each Loan. Any change in the Index or Index Methodology used to determine Market Value will be disclosed to Covered Bondholders in accordance with the definition of "Market Value" in the Master Definitions and Construction Agreement and be required to meet the requirements in the Guide. In addition, the Issuer is required, pursuant to the Guide, to provide CMHC notice upon becoming aware of any change or proposed change in the method used to calculate the Index and prior notice of any change in the index or indices used to adjust the Latest Valuation in determining Market Value of the Property subject to the Related Security in respect of each Loan.

(e) Waiver, variance or modification of loans may affect payments on the Covered Bonds

Under the Servicing Agreement, so long as the Servicer is acting in accordance with the Seller's policies and with the same level of skill, care and diligence as would reasonable and prudent institutional mortgage lenders in the Seller's market, the Servicer is not restricted from waiving, varying, or modifying any term of any Loan or consenting to the postponement of strict compliance with any such term or in any manner grant indulgence to any Borrower. See "*Summary of the Principal Documents — Servicing Agreement*" on pages 238 to 243 of this Prospectus. Although the Servicer is required to take all reasonable steps to collect sums due on a Loan using the discretion of a reasonable and prudent institutional mortgage lender in the Seller's market, in the interest of maximizing recovery on a Loan the Servicer, for example, could decide to waive one or more interest payments due on a Loan to grant relief to a troubled Borrower. Such changes, consents or indulgences could adversely affect the cash flow on such Loans and, if a Guarantor LP Acceleration Notice is served on the Guarantor LP, could adversely affect payments to the holders of Covered Bonds.

(f) The Covered Bond Portfolio consists of Loans with renewal risk due to Short Maturities

Canadian mortgage loans generally provide for the renewal of the loans periodically (e.g., every five years), but the amortization period of the loans is generally much longer (e.g., 25 years). See "*Covered Bond Portfolio – Characteristics of the Loans*". The Borrower may face 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. Accordingly, if prevailing interest rates have risen significantly, an existing lender may need to renew the loan at below market rates in order to avoid a default on a loan up for renewal.

If the Bank renews Loans at below market rates, it may adversely affect the market value of such Loans in the Covered Bond Portfolio and in the event that the Guarantor LP 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 LP is required to liquidate a large number of Loans that have interest rates significantly below prevailing interest rates, the Guarantor LP may not realize sufficient proceeds to pay the Covered Bonds in full.

(g) The real property securing the Loans in the Covered Bond Portfolio is concentrated in Canada

All real property securing the Loans in the Covered Bond Portfolio is located in Canada. The performance of the Loans will therefore be affected by general economic conditions in Canada and the condition of the residential housing market in Canada.

(h) If the Guarantor LP needs to sell Loans and their Related Security to meet its obligations under the Covered Bond Guarantee there is no assurance that a purchaser will be found or that, if found, the price that will be paid for the sale of the Loans and their Related Security will be sufficient for the Guarantor LP to meet its obligations under the Covered Bond Guarantee

If a Covered Bond Guarantee Activation Event occurs, the Guarantor LP may need to sell Loans and their Related Security to meet its obligations to creditors and under the Covered Bond Guarantee. 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.

Following a Covered Bond Guarantee Activation Event, the Loans and their Related Security may not be sold by the Guarantor LP 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 an Extended Due for Payment Date is specified as applicable in the applicable Final Terms or Pricing Supplement, which will be the case unless amendments are made to the Guarantor LP Agreement, 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 LP will 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. Where the Guarantor LP determines it is necessary to sell Loans and their Related Security by a particular date, this may have an adverse effect on their sale price. The Seller that assigned the relevant Loans and their Related Security to the Guarantor LP will have a right of pre-emption to purchase such Loans and their Related Security in the event the Guarantor LP determines to sell such Loans and their Related Security. The Guarantor LP may also use Loans and their Related Security to repay the Demand Loan and will following a Covered Bond Guarantee Activation Event receive credit for such repayment equal to the True Balance on such Loans and their Related Security (see "*Summary of the Principal Documents – Mortgage Sale Agreement – Right of pre-emption*").

(i) Factors that may affect the realizable value of the Covered Bond Portfolio or any part thereof or the ability of the Guarantor LP to meet its obligations under the Covered Bond Guarantee

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 LP to meet its obligations under the Covered Bond Guarantee) by:

- representations or warranties not being given by the Guarantor LP or the Seller, as the case may be (unless otherwise agreed with the Seller);
- default by Borrowers of amounts due on the Loans (see "*Default by Borrowers in paying amounts due on their Loans may adversely affect the value of the Covered Bond Portfolio and, in turn, the ability of the Guarantor LP to meet its obligations under the Covered Bond Guarantee*", below);

- changes to the lending criteria of the Seller assigning the Loans and their Related Security;
- the Guarantor LP 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;
- recourse to the Seller being limited under the terms of the Mortgage Sale Agreement;
- inadequate loan documentation;
- breaches of the Loan Representations and Warranties;
- an insolvency of the Seller;
- possible regulatory changes by the Office of the Superintendent of Financial Institutions ("**OSFI**") and other regulatory authorities;
- regulations that could lead to some terms of the Loans being unenforceable;
- changes in the then prevailing market interest rates; and
- a disruption in the mortgage or debt capital markets at the time the Loans are being sold by the Guarantor LP to obtain liquidity.

Certain of these factors are considered in further detail below.

In the event the Bank 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 Bank by the Guarantor LP. Any such increase in fees for the services currently provided by the Bank could have an adverse impact on the ability of the Guarantor LP to meet its obligations under the Covered Bonds. Additionally, there can be no assurance that any third party service provider will have the same level of operational experience as the Bank and operational issues may arise in connection with appointing one or more third party service providers.

a. The lack of representations or warranties from the Guarantor LP or the Seller when Loans and their Related Security are to be sold could reduce the value a potential purchaser is willing to pay for the Covered Bond Portfolio if the Guarantor LP needs to sell the Covered Bond Portfolio to meet its obligations under the Covered Bond Guarantee

Following the occurrence of a Covered Bond Guarantee Activation Event, the Guarantor LP may need to sell Loans and their Related Security to third party purchasers, subject to a right of pre-emption enjoyed by the Seller that assigned such Loans and their Related Security to the Guarantor LP (see "*Summary of the Principal Documents – Guarantor LP Agreement – Method of sale of Selected Loans*"). In respect of any sale of Loans and their Related Security to third parties, however, the Guarantor LP will not be permitted to give any representations or warranties in respect of those Loans and their Related Security (unless expressly permitted to do so by the Bond Trustee). Although a Seller will provide Representations and Warranties in respect of the Loans at the time of sale of the Loans to the Guarantor LP, there is no assurance that any Seller would give any representations or warranties in respect of the Loans and their Related Security at the time of sale of the Loans by the Guarantor LP to third parties. Any Representations or Warranties previously given by the Seller in respect of Loans in the Covered Bond Portfolio may not have value for a third party purchaser if such 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 LP to meet its obligations under the Covered Bond Guarantee.

b. Default by Borrowers in paying amounts due on their Loans may adversely affect the value of the Covered Bond Portfolio and, in turn, the ability of the Guarantor LP to meet its obligations under the Covered Bond Guarantee

Borrowers may default on their obligations due under the Loans. Defaults may occur for a variety of reasons. The Loans are affected by credit, 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 national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans including failing to obtain or maintain property insurance in accordance with the terms of the relevant loan agreement or otherwise. 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 the availability of buyers for that property, the value of that property and property values in general at the time. Although Non-Performing Loans in the Covered Bond Portfolio will be given no weighting for the purposes of the Asset Coverage Test, the Regulatory OC Minimum Calculation and the Amortization Test, delinquencies and defaults by Borrowers would adversely affect the realizable value of those Loans and their Related Security and in the event that the Guarantor LP needs to sell such Loans and their Related Security to third party purchasers (subject to a right of pre-emption enjoyed by the Seller that assigned such Loans and their Related Security to the Guarantor LP (see "*Summary of the Principal Documents – Guarantor LP Agreement – Method of sale of Selected Loans*")) such impact could adversely affect the ability of the Guarantor LP to meet its obligations under the Covered Bond Guarantee. See "*Summary of the Principal Documents – Guarantor LP Agreement*" on page 244 of this Prospectus for additional information on those tests.

c. Changes to the Lending Criteria of the Seller may adversely affect the creditworthiness of New Loans acquired by the Guarantor LP

Each of the Loans originated by the Seller will have been originated in accordance with such Seller's Lending Criteria at the time of origination. See "*Loan Origination and Lending Criteria"* on page 210 of this Prospectus for additional information. It is expected that the Seller's Lending Criteria will generally consider type of property, term of loan, age of applicant, the loan-to-value ratio, status of applicant and credit history. In the event of the sale of any Loans and their Related Security to the Guarantor LP, 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 its Lending Criteria from time to time. If the Lending Criteria change in a manner that affects the creditworthiness of the Loans, that 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 LP 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 weighting for the purposes of the Asset Coverage Test, the Regulatory OC Minimum Calculation, the Valuation Calculation and the Amortization Test.

d. Notice and registration of the sale, transfer and assignment of the Loans and their Related Security in the Covered Bond Portfolio may not be made or given, as the case may be, on the relevant Transfer Dates

The sale, transfer and assignment by the Seller to the Guarantor LP of the Loans and their Related Security will be effected in accordance with the terms of the Mortgage Sale Agreement, with such revisions as may be necessary for a Capital Contribution in Kind.

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 LP effected by the Mortgage Sale Agreement, 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 LP, 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 (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 LP 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.

Notice of the sale, transfer and assignment of the Loans will not be given to Borrowers 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 made 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 LP'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 LP 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 LP, to another person and that person acted in good faith and did not have notice of the interests of the Guarantor LP 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 LP. If this occurred then the Guarantor LP 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 LP 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 LP or their respective personnel or agents;

- *second*, the rights of the Guarantor LP may be subject to the rights of the Borrowers against the Seller, to the extent not waived by the Borrowers, such as rights of legal set-off or equitable set-off which may be granted by a court, 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; and

- *third*, unless the Guarantor LP 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 LP 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 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 LP 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 the 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 Borrower may adversely affect the realizable value of the Covered Bond Portfolio and/or the ability of the Guarantor LP to meet its obligations under the Covered Bond Guarantee and/or the ability of the Bond Trustee (for itself and on behalf of the other Secured Creditors) to realize on the Covered Bond Portfolio under the Security Agreement, all of the Loans in the Covered Bond Portfolio include express waivers on the part of the Borrowers in respect of any right of set-off. In addition, Canadian dollar deposits of Borrowers with the Bank are currently insured up to $100,000, subject to certain exceptions, by CDIC, limiting the amount in respect of which a Borrower might be expected to claim set-off rights in the event of a failure of the Issuer under the *Canada Deposit Insurance Corporation Act* (Canada).

Once notice has been given to the Borrowers of the sale, transfer and assignment of the Loans and their Related Security to the Guarantor LP and of the interest of the Bond Trustee (for itself and on behalf of the other Secured Creditors), legal set-off rights which a Borrower may have against the Seller, as applicable (such as, for example, set-off rights associated with Borrowers holding deposits with the Seller), will crystallise 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 LP, the Seller will undertake for the benefit of the Guarantor LP and the Secured Creditors that it will lend its name to, and take such other steps as may be reasonably required by the Guarantor LP and/or the Bond Trustee in relation to, any legal proceedings in respect of the Loans and their Related Security. The details of the Loans and their Related Security will be provided to and held by the Custodian pursuant to the terms of the Custodial Agreement.

e. Limitations on recourse to the Seller may adversely affect the value of the Covered Bond Portfolio

A review of the Loans is required to be undertaken periodically by a third party on behalf of the Bank. Material negative findings and conclusions of such review, including material issues raised by externally prepared reports and opinions authorized or contracted for by the Bank, or any of its affiliates or the Guarantor LP relating to the Covered Bond Portfolio, the Covered Bonds or the Programme and exceptions identified in the report of such third party which the Bank considers material are required to be disclosed in the relevant Final Terms or Pricing Supplement in connection with each offering of Covered Bonds. However, the Guarantor LP and the Bond Trustee have not undertaken and will not undertake any investigations, searches or other actions on any Loan or its Related Security and have relied on and will continue to rely instead on the Representations and Warranties given in the Mortgage Sale Agreement by the Seller in respect of the Loans sold by it to the Guarantor LP.

If the Seller receives a notice from the Guarantor LP (or the Cash Manager on its behalf) that any Loan and its Related Security assigned by the Seller to the Guarantor LP does not comply with any of the Representations and Warranties made by the Seller as at the Transfer Date of that Loan and that such non-compliance materially and adversely affects the interest in or value of the Loan, then the Seller will be required to notify the Guarantor LP and the Bond Trustee as soon as reasonably practical after being notified of the fact by the Cash Manager and, upon receipt of a request to do the same from the Guarantor LP, remedy the breach within 28 Business Days of receipt by it of the request. There is no further recourse to the Seller in respect of a breach of a Representation or Warranty.

If the Seller fails to remedy the breach of a Representation and Warranty within 28 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 LP and the Seller) the relevant Loan and its Related Security and any other Loans secured or intended to be secured by the Related Security that are included in the Covered Bond Portfolio, at the purchase price paid by the Guarantor LP 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 and the Related Security.

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.

Unless an Issuer Event of Default has occurred, the Guarantor LP will be managed by the Managing GP and the Managing GP and Cash Manager will be affiliates of the Seller. Subject to the obligation of the Bank to repurchase a Loan that does not meet the eligibility requirements under Part I.1 of the *National Housing Act* (Canada) and the Guide, there can be no assurance that the Managing GP and Cash Manager will require the Seller to repurchase a Loan for breach of a Representation or Warranty. Any failure by the Seller to do so when required could have a negative impact on the realizable value of the Covered Bond Portfolio.

If, in such circumstances, the Seller fails to repurchase a Loan or Loans and its or their Related Security, or the Guarantor LP and Cash Manager do not require a Loan or Loans and its or their Related Security to be repurchased, the Guarantor LP will not benefit from the proceeds from the repurchase and the circumstances giving rise to the right of the Guarantor LP and Cash Manager to require such repurchase may adversely affect the realizable value of the subject Loan or Loans and its or their Related Security which, in each case, could adversely affect the ability of the Guarantor LP to fulfill its obligations under the Covered Bond Guarantee. See "*The Guarantor LP has finite resources with which to meet its obligations under the Covered Bond Guarantee*" on page 41.

f. Loan documents may not provide for an express right to share client information

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 210 to 214 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 client information. As a result, limited information may be available to parties other than the Issuer and its related entities (which would include the Guarantor LP). This could limit the ability of a potential third party purchaser to diligence the Loans and their Related Security and as such could limit the number of potential purchasers or the price such potential purchasers would be willing to pay for Loans and their Related Security, in particular, at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor LP, as described in the section entitled "*Summary of the Principal Documents - Guarantor LP Agreement - Sale of Loans and their Related Security at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor LP*" in this Prospectus, which could adversely affected the realizable value of the

Loans and their Related Security and as a result the ability of the Guarantor LP to meet its obligations under the Covered Bond Guarantee.

4. FACTORS WHICH ARE MATERIAL FOR THE PURPOSES OF ASSESSING THE RISKS RELATING TO THE COVERED BONDS

(a) Risks related to all Covered Bonds

a. Covered Bonds are the obligation solely of the Issuer, and after a Covered Bond Guarantee Activation Event, the Guarantor LP

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 LP. 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 LP in their corporate capacity and the Limited Partner of the Guarantor LP will be liable in its corporate capacity solely to the extent of its interests in the Guarantor LP, 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. In the event the Issuer and the Guarantor LP are unable to fulfill such obligations, Covered Bondholders will be exposed to the risk that there will be no other Person responsible for fulfilling the obligations of the Issuer or the Guarantor LP in respect of the Covered Bonds and the Covered Bond Guarantee resulting in loss to the Covered Bondholders.

b. 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) 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 LP 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 LP Event of Default. However, failure by the Guarantor LP to pay amounts when Due for Payment under the Covered Bond Guarantee would constitute a Guarantor LP Event of Default which would entitle the Bond Trustee to accelerate the obligations of the Issuer under the Covered Bonds (if they have not already become due and payable) and the obligations of the Guarantor LP under the Covered Bond Guarantee and entitle the Bond Trustee to enforce the Security.

c. The Guarantor LP 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 LP (which would constitute a Covered Bond Guarantee Activation Event) (see Condition 4 on page 106 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. The Bond Trustee may

determine that it is in the best interests of holders of the Covered Bonds not to serve an Issuer Acceleration Notice on the Issuer and Notice to Pay on the Guarantor LP (which would constitute a Covered Bond Guarantee Activation Event) if, for example, the Bond Trustee concluded that the Issuer Event of Default was the result of a system breakdown and was unlikely to occur again. See *"The exercise or non-exercise of the Bond Trustee's powers may be contrary to the preferences of certain holders of Covered Bonds as to how the powers, trusts, authorities or discretions should be exercised by the Bond Trustee"* below.

Because Covered Bonds have been and will be issued as Global Covered Bonds through DTC, CDS, Euroclear, Clearstream and/or other clearing systems or financial institutions, it may be more difficult to obtain an Extraordinary Resolution of all holders of the Covered Bonds in the event that the Bond Trustee determines not to issue an Issuer Acceleration Notice on the Bank and Notice to Pay on the Guarantor LP (which would constitute a Covered Bond Guarantee Activation Event).

The Guarantor LP 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. Following a Covered Bond Guarantee Activation Event, the Guarantor LP will be obliged to pay Guaranteed Amounts as and when the same are Due for Payment.

Payments by the Guarantor LP will be made subject to any applicable withholding or deduction and the Guarantor LP will not be obliged to pay any additional amounts as a consequence. Prior to service on the Guarantor LP of a Guarantor LP Acceleration Notice, the Guarantor LP will not be obliged to make any payments 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 LP will not be obliged at any time to make any payments in respect of additional amounts which would otherwise have been payable by the Issuer.

Subject to any grace period, if the Guarantor LP fails to make a payment when Due for Payment under the Covered Bond Guarantee or any other Guarantor LP Event of Default occurs, then the Bond Trustee may accelerate the obligations of the Guarantor LP under the Covered Bond Guarantee by service of a Guarantor LP 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 (Taxation)). In such circumstances, the Guarantor LP 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 LP 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 LP (if any) on an accelerated basis.

d. 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 LP for the account of the Guarantor LP and will be held by the Guarantor LP in the Guarantor LP Accounts (as discussed further in Condition 7.01 on pages 138 to 140 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 LP in the same manner as all other moneys from time to time standing to the credit of the Guarantor LP Accounts. Any Excess Proceeds received by the Bond Trustee will discharge *pro tanto* (or to the extent of the amount of the Excess Proceeds so received) 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 LP). However, the obligations of the Guarantor LP 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. Distribution of the Excess Proceeds to Covered Bondholders will be subject to the applicable Priority of Payments and, as a result, there may be delays in Covered Bondholders receiving any such Excess Proceeds and the Covered Bondholders may not receive some or all of the Excess Proceeds, but in any event there will be no further recourse to the Issuer in respect of any such amounts.

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 LP in the manner as described above.

e. The Issuer has issued and will issue other Covered Bonds that rank pari passu and are subject to cross default with the Covered Bonds

Covered Bonds issued under the Programme will either be fungible with an existing Series of Covered Bonds issued under the Programme 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, including Exempt Covered Bonds, will rank *pari passu* with each other in all respects and will share in the security granted by the Guarantor LP 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 LP 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 obtain Rating Agency Confirmation.

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.

f. The exercise or non-exercise of the Bond Trustee's powers may be contrary to the preferences of certain holders of Covered Bonds as to how the powers, trusts, authorities or discretions should be exercised by the Bond Trustee

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 LP*" on page 168 of this Prospectus.

In the event the Bond Trustee does not exercise its powers, trusts, authorities and discretions, in such circumstances, Covered Bondholders that approve or would benefit from the exercise of such powers, trusts, authorities and discretions may be adversely affected. See "*Certain decisions of holders of the Covered Bonds taken at the Programme level could affect the ability of any particular Series of Covered Bonds to control the vote and could result in actions being taken that are contrary to the preferences of holders of a particular Series of Covered Bonds*" on page 62.

g. Extendable obligations under the Covered Bond Guarantee may delay payment of principal on the Covered Bonds

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 the service of a Notice to Pay on the Guarantor LP (by no later than the date which falls one Business Day prior to the Extension Determination Date), the Guarantor LP has insufficient moneys available in accordance with the Guarantee Priority of Payments for the payment of the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such Series of the Covered Bonds 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, which will be the case unless amendments are made to the Guarantor LP Agreement) 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) even where the relevant Covered Bonds are Fixed Rate Covered Bonds. To the extent that a Notice to Pay has been served on the Guarantor LP and the Guarantor LP 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 LP 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 Payment and the Guarantor LP 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 LP 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 which, as noted above, will be the case unless amendments are made to the Guarantor LP Agreement.

Where an Extended Due for Payment Date is specified in the Final Terms or Pricing Supplement, the Extended Due for Payment Date (unless otherwise specified in such Final Terms or Pricing Supplement) will fall one year after the Final Maturity Date and the Guarantor LP 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 LP has failed to apply money in accordance with the Priorities of Payment, failure by the Guarantor LP 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 LP Event of Default. However, failure by the Guarantor LP 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 LP Event of Default.

h. 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; Rating Agency Confirmation

The Conditions of the Covered Bonds contain provisions for calling meetings (including at a physical location or by means of an electronic platform (such as a conference call or videoconference) or a combination thereof) of holders of Covered Bonds to consider, and for passing written resolutions on,

matters affecting their interests generally. These provisions permit defined majorities to bind (and to modify or waive certain Conditions of the Covered Bonds or covenants and agreements made by the Issuer) all holders of Covered Bonds including holders of Covered Bonds who do not attend and vote at the relevant meeting (or do not sign the written resolutions) 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 Euros shall be converted into Euros at the applicable Euro Conversion Rate (see Condition 7 on page 138 of this Prospectus) for the purposes of determining voting rights. An individual Covered Bondholder may not be in a position to affect the outcome of resolutions adopted by meetings of Covered Bondholders (see "*Summary of the Principal Documents – Trust Deed*").

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 the Guarantor LP and the Issuer 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.

Pursuant to the terms of the Transaction Documents certain conditions, actions and steps under or with respect to the Transaction Documents require Rating Agency Confirmation. Certain Rating Agencies have issued policies or commented that such Rating Agencies do not provide consent to or approval of changes or amendments to the transaction documents or structure and that such Rating Agencies are not bound by the provisions of transaction documents in programmes for which they provide ratings or assessments. As a result of such policies and comments, a formal written or published response from the Rating Agencies with respect to the granting of Rating Agency Confirmation or confirming that such Rating Agencies do not consider such confirmation or response necessary in the circumstances (which would also satisfy such requirement) may not be forthcoming despite such condition, action or step being in the best interest of Covered Bondholders. In these circumstances, the Issuer may in the future be restricted from taking such conditions, actions or steps in a timely manner.

Notwithstanding any other provision of the Trust Deed, the right of any holder of a Covered Bond to receive payment of principal and interest on the Covered Bond, on or after the respective due dates expressed in the Covered Bond, or to bring suit for the enforcement of any such payment on or after such respective due dates, shall not be impaired or affected without the consent of the holder.

i. 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) to the extent there has been or there is reasonably expected to be a material disruption or cessation to EURIBOR, €STR or any other relevant benchmark (other than in respect of SOFR or 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 "*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; Rating Agency Confirmation*".

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 its designee 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 or the Secured Creditors (except for those party to the relevant Transaction Document being amended or whose ranking in any Priorities of Payments is affected), to concur with the Issuer or its designee, in making any modification to the Conditions or any of the Transaction Documents that the Issuer or its 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 "*Risks relating to Covered Bonds that have a Rate of Interest determined by reference to SARON – ii. If the daily Swiss Average Rate Overnight is discontinued, is no longer representative or may no longer be used, this may adversely affect the value of and return on SARON-referenced 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.

j. Issuer's potential conflict of interest could adversely affect holders of the Covered Bonds

The Bank 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 219 to 270 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.

k. Certain decisions of holders of the Covered Bonds taken at the Programme level could affect the ability of any particular Series of Covered Bonds to control the vote and could result in actions being taken that are contrary to the preferences of holders of a particular Series of Covered Bonds.

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 LP Acceleration Notice following a Guarantor LP 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.

In the event holders of Covered Bonds do not wish to have the Bond Trustee serve an Issuer Acceleration Notice or Guarantor Acceleration Notice, as applicable, or *vice versa* and do not have sufficient votes to control the matter at a single meeting of the holders of all Covered Bonds of all Series outstanding, holders of Covered Bonds of other Series could approve the delivery or non-delivery, as applicable, of such Issuer Acceleration Notice or Guarantor Acceleration Notice notwithstanding the preference of holders of another Series of Covered Bonds.

l. Changes in law could adversely affect the ability of the Issuer and the Guarantor LP to meet their respective obligations

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, and in the case of the Swap Agreements the laws of England, including federal banking, bankruptcy and income tax laws in effect as at the date of this document. No assurance can be given as to the impact of any judicial decision or change to such laws or administrative practice, including the applicable laws, regulations and policies with respect to the issuance of covered bonds, the Covered Bonds themselves or the bankruptcy and receivership of the Issuer or the Guarantor LP after the date of this document and before or after the date on which the Covered Bonds are issued, 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 LP to meet its obligations under the Covered Bond Guarantee. Any such change could materially adversely impact the value of any Covered Bonds affected by it.

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 issuance 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) and 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 covered bond directive and regulation are incorporated into UK domestic law by virtue of the EUWA. The FCA confirmed in 2019 that it intended to implement the EU covered bonds reform in the UK. 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 effect of the UK's covered bonds regime on the Covered Bonds in the future or whether the new regime will affect the Covered Bonds or the Issuer as a foreign issuer.

In addition, Basel III and related future changes approved by the Basel Committee and which may be approved and implemented in the future may have an impact on the capital requirements in respect of the Covered Bonds and/or on incentives to hold the Covered Bonds for investors that are subject to such requirements and, as a result, they may affect the liquidity and/or value of the Covered Bonds. See the risk factor entitled "*Factors which are material for the purposes of assessing the risks relating to the Issuer's and the Guarantor LP's legal and regulatory situation — Implementation of and/or changes to the Basel frameworks may affect the capital requirements for certain **investors** holding the Covered Bonds and as a result may affect any liquidity relating to or the value of the Covered Bonds* " below.

m. Change of Tax Law

Statements in this Prospectus concerning the taxation of investors (see the section entitled "*Taxation*" on page 294 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.

n. Credit ratings assigned to the Covered Bonds might not reflect all potential issues and any Rating Agency may lower its rating, withdraw its rating or place the rating on negative watch

With respect to Fitch, the ratings assigned to the Covered Bonds address the probability of default and recoveries given default.

With respect to Moody's USA, the ratings assigned to the Covered Bonds, reflect both the likelihood of default and any financial loss suffered in the event of default.

With respect to DBRS Canada, the ratings assigned to the Covered Bonds provide DBRS Canada's oinion on the risk that investors may not be repaid in accordance with the terms under which the Covered Bonds are issued.

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. Investors may suffer losses if the credit rating assigned to the Covered Bonds does not reflect the then creditworthiness of such Covered Bonds.

In general, EEA regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such credit ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended). 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 EEA-registered credit rating agency or the relevant non-EEA third country 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 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 credit rating agency established in the UK and registered under the UK CRA Regulation. 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 credit rating agency; 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 the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended. The list of registered and certified 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 UK CRA Regulation changes, EU or 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 EU or UK regulated investors selling the Covered Bonds, which may impact the value of the Covered Bonds in any secondary market.

Certain information with respect to the credit rating agencies and credit ratings is disclosed on the cover hereof and on page 9 of this Prospectus under "*Credit Ratings*".

o. Rating Agency Confirmation

The terms of certain of the Transaction Documents provide that, in certain circumstances, the Issuer and/or the Guarantor LP 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 LP, the Seller, the

Servicer, the Cash Manager, the Bond Trustee or any other party to a Transaction Document will not result in the then current ratings of the Covered Bonds by that Rating Agency being adversely affected by or withdrawn as a result of the occurrence 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 LP and/or the Bond Trustee, as applicable, and the Rating Agency indicates that it does not consider such confirmation or response necessary in the circumstances, the Issuer, the Guarantor LP and/or the Bond Trustee, as applicable, will be entitled to treat such indication as Rating Agency Confirmation by the Rating Agency and proceed on the basis that such confirmation or response is not necessary in the 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.

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 provide the Rating Agency Confirmation.

p. An active secondary market in respect of the Covered Bonds may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Covered Bonds

Covered Bonds may have no established trading market when issued, and one may never develop and the Issuer may, but is not obliged to, list the Covered Bonds on a stock exchange. If a market does develop, it may not be very liquid and may be sensitive to changes in financial markets and it is very difficult to predict the price at which Covered Bondswill trade in any secondary market or whether such market will be liquid or illiquid. Therefore, investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a return comparable to similar investments that have a developed liquid secondary market. This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Covered Bonds having to be at a substantial discount to their principal amount or inherent value absent the Issuer's financial distress or for Covered Bonds that are especially sensitive to interest rate, 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 related 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. Accordingly, investors must be prepared to hold the Covered Bonds to maturity. 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.

The Covered Bonds have not been, and will not be, registered under the Securities Act or any other applicable securities laws and are subject to certain restrictions on the resale and other transfer thereof as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*" at pages 311 to 323 of this Prospectus. To the extent that an issue of Covered Bonds is or becomes illiquid, an investor may have to exercise or wait until redemption of such Covered Bonds, as applicable, to realise greater value than their trading value.

q. No obligation to maintain a listing

The Issuer is not under any obligation to holders of the Covered Bonds to maintain any listing of Covered Bonds and may, in its sole discretion, determine that it is 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 that it reasonably determines (including a market which is not a regulated market for the purposes of UK MiFIR or a market outside the UK) 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. However, if such alternative listing is not available or, in the opinion of the Issuer is impractical or unduly burdensome, an alternative listing may not be obtained. See "*Overview of the Programme*" on page 23 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 listing on a regulated market for the purposes of the UK MiFIR or any other market, de-listing such Covered Bonds may have a material effect on an investor's ability to (i) continue to hold such Securities or (ii) resell the Covered Bonds in the secondary market.

(b) Risks related to the structure of a particular issue of Covered Bonds

A 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. More than one risk factor may have simultaneous effects with regard to the Covered Bonds such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect, which may not be predictable. Any such combination of risk factors may have an adverse effect on the value of the Covered Bonds. Set out below is a description of such risks:

a. 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. dollar denominated Covered Bonds, (ii) German law governed 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, (v) Swiss Franc denominated Covered Bonds, and (vi) covered bonds in other markets. The N Covered Bonds do not constitute transferable securities within the meaning of Article 2(a) of the EU Prospectus Regulation or the UK Prospectus Regulation or Article 2 no. 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) 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 LP 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 LP as the holders of Covered Bonds issued pursuant to this Prospectus, which may dilute the ability of the Issuer or the Guarantor LP 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.

b. 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 91 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.

c. Covered Bonds subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the 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 Tranche or 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 134 of this Prospectus for additional information. At those times, an investor may 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.

d. Fixed Rate Covered Bonds

Investments in Fixed Rate Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Covered Bonds.

e. Covered Bonds with a rate of interest that may change

If the interest rate on the Covered Bonds can convert from one interest rate basis to another during the life of the Covered Bonds, including where such conversion is at the option of the Issuer, such a feature and any such conversion may affect the secondary market in, and the market value of, the Covered Bonds concerned, as change of interest basis may result in a lower interest return for the holder of the Covered Bonds.

If the Issuer has the ability to convert the interest rate, the Issuer will be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. Where the Covered Bonds convert from a fixed rate to a floating rate, the spread on the Covered Bonds may be less favourable than the then prevailing spreads on comparable floating rate Covered Bonds tied to the same reference rate(s). In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. Where the Covered Bonds convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing market rates on its Covered Bonds and could affect the market value of an investment in the relevant Covered Bonds.

f. The regulation and reform of "benchmarks" may adversely affect the value of and return on Covered Bonds linked to or referencing such "benchmarks"

Reference rates (such as EURIBOR, NIBOR and other types of rates or indices which are deemed to be "benchmarks" (each, a "**Benchmark**" and together the "**Benchmarks**") are, and have been, the subject of regulatory scrutiny and national and international regulatory reform and review, with further changes anticipated. This has resulted in regulatory reform and changes to existing Benchmarks.

International reform of Benchmarks includes Regulation (EU) 2016/1011 (the "**EU BMR**") which applies to "contributors", "administrators" and "users" of "benchmarks" in the EEA. Among other things, it: (i) requires benchmark administrators to be authorised or registered (or, if located outside the EEA 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) prevents certain uses by EEA supervised entities of benchmarks of administrators that are not authorised/registered (or, if located outside the EEA, deemed equivalent or recognised or endorsed). Similarly the UK BMR (as defined on

page 2) applies to “contributors”, “administrators” and “users” of “benchmarks” in the UK. Among other things, it: (i) requires benchmark administrators to be authorised or registered (or, if located outside the UK, 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) prevents certain uses by UK supervised entities of benchmarks or administrators that are not authorised/registered (or, if located outside the UK, deemed equivalent or recognised or endorsed).

The EU BMR and/or the UK BMR could have a material impact on any Covered Bonds linked to or referencing a Benchmark, including, in particular, if certain regulatory approvals with respect to the administrator for the Benchmark or the Benchmark are not obtained and/or maintained which may restrict certain uses by a supervised entity, or if the methodology or other terms of the Benchmark are changed in order to comply with the requirements of the EU BMR and/or the UK BMR. Changes to the methodology or other terms of a Benchmark or any announcement by a regulator pursuant to the EU BMR or UK BMR that a Benchmark is no longer representative (or risks becoming unrepresentative) could, among other things, have the effect of reducing or otherwise affecting the volatility of the published rate of the relevant Benchmark.

The working group on euro risk-free rates has recommended €STR as the new risk free rate for the euro area. €STR was first published on October 2, 2019. Although EURIBOR has been reformed in order to comply with the terms of the EU BMR, 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. In addition, on January 21, 2021, the working group published a paper indicating, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallbacks) may increase the risk to the euro area financial system and setting out a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). On May 11, 2021, the working group published recommendations relating to fallback trigger events and fallback rates for contracts and financial instruments referring to EURIBOR which follow the guiding principles. On December 4, 2023, the group issued its final statement, announcing completion of its mandate.

It is not possible to predict whether, and to what extent, EURIBOR, NIBOR and other Benchmarks will continue to be supported and/or available for use by reference to the same or an alternative calculation methodology going forward. This may cause these Benchmarks to perform differently than they have done in the past and may have other consequences which cannot be predicted. More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks may have (without limitation) the following effects on certain Benchmarks: (i) discouraging market participants from continuing to administer or contribute to a Benchmark; (ii) triggering changes in the rules of methodologies used in the Benchmark; or (iii) leading to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value or liquidity of, and return on, any Covered Bonds linked to, referencing, or otherwise dependent (in whole or in part) on, a Benchmark.

g. The market continues to develop in relation to SONIA as a reference rate for Covered Bonds

Where the applicable Final Terms or Pricing Supplement for a Series of Floating Rate Covered Bonds specifies that the interest rate for such Floating Rate Covered Bonds will be determined by reference to SONIA, interest will be determined on the basis of Compounded Daily SONIA or, if the *Compounded Daily SONIA Observation Convention is specified a being the “SONIA Index Convention”, by reference to the SONIA Compounded Index*. 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 are 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 the Floating Rate Covered Bonds. The use of SONIA as a reference rate 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 SONIA. 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.

Accordingly, prospective investors in any Floating Rate 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 SONIA Compounded Index has also not been published prior to August 3, 2020 and, accordingly, the Compounded Daily SONIA derived from the SONIA Compounded Index is not a rate commonly used in the market for calculating interest rates on securities such as Floating Rate Covered Bonds (including, pre-August 2020, Floating Rate Covered Bonds that reference SONIA). Market participants and relevant working groups (including ICE Benchmark Administration Limited, Refinitiv and FTSE Russell) have also developed or are developing forward-looking '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 GBP swap rates or other composite rates transferring from sterling LIBOR or another reference rate to SONIA.

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions as applicable to Floating Rate Covered Bonds referencing a SONIA rate that are issued under this Prospectus. Furthermore, the Issuer may in the future issue Floating Rate Covered Bonds referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA referenced Floating Rate Covered Bonds issued by it under the Programme. Equally, in such circumstances, it may be difficult for the Guarantor LP 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 Provider. The development of Compounded Daily SONIA as an interest reference rate for the covered bond market, as well as continued development of the SONIA-based rate for such markets and the market infrastructure for adopting such rate, could result in reduced liquidity or increased volatility or could otherwise affect the marketability or market price of any SONIA-referenced Floating Rate Covered Bonds issued under the Programme from time to time.

Furthermore, interest on Floating Rate Covered Bonds which references Compounded Daily SONIA is will only be determined immediately or shortly prior to the relevant Interest Payment Date. It may be difficult for investors in Floating Rate Covered Bonds which reference Compounded Daily SONIA to estimate reliably the amount of interest which will be payable on such Floating Rate Covered Bonds, and some investors may be unable or unwilling to trade such Floating Rate Covered Bonds without changes to their information technology systems, both of which could adversely impact the liquidity of such Covered Bonds. Further, if Covered Bonds referencing Compounded Daily SONIA become due and payable as a result of an event of default under Condition 7, or are otherwise redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Floating Rate Covered Bonds shall only be determined immediately or shortly prior to the date on which the Floating Rate Covered Bonds become due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SONIA reference rates in the covered bond 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 Floating Rate Covered Bonds referencing Compounded Daily SONIA.

As SONIA and the SONIA Compounded Index are published by the Bank of England based on data from other sources, the Issuer has no control over their determination, calculation or publication.

There can be no guarantee that SONIA and 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 and/or the SONIA Compounded Index is calculated is changed, that change may result in a reduction of the amount of interest payable on the relevant Floating Rate Covered Bonds and the trading prices of such Covered Bonds.

Furthermore, to the extent a rate for Compounded Daily SONIA or SONIA Compounded Index is not published, the applicable rate to be used to calculate the Interest Rate on Floating Rate Covered Bonds referencing such rate will be determined using the fallback provisions set out in the Terms and Conditions of the Covered Bonds. Any of these fallback provisions 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 Floating Rate Covered Bonds if Compounded Daily SONIA or SONIA Compounded Index had been so published in its current form.

Accordingly, an investment in Floating Rate Covered Bonds that reference SONIA entails significant risks not associated with similar investments in conventional debt securities.

h. The market continues to develop in relation to SOFR as a reference rate for Covered Bonds

Where the applicable Final Terms or Pricing Supplement for a Series of Floating Rate Covered Bonds specifies that the interest rate for such Floating Rate Covered Bonds will be determined by reference to SOFR, interest will be determined on the basis of Compounded SOFR.

i. The Secured Overnight Financing Rate Is a Relatively New Reference Rate and its Composition and Characteristics Are Not the Same as LIBOR

On June 22, 2017, the Alternative Reference Rates Committee ("**ARRC**") convened by the Board of Governors of the Federal Reserve System and the FRBNY identified the Secured Overnight Financing Rate ("SOFR") as the rate that, in the consensus view of the ARRC, represented best practice for use in certain new U.S. dollar derivatives and other financial contracts. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by U.S. treasury securities, and has been published by the FRBNY since April 2018. The FRBNY has published historical indicative Secured Overnight Financing Rates from 2014. Investors should not rely on any historical changes or trends in SOFR as an indicator of future changes in SOFR (whether based on actual or indicative historical data). The future performance of SOFR cannot be predicted based on its past performance, and the level of SOFR during the term of the Covered Bonds may bear little or no relation to the historical performance of SOFR.

The composition and characteristics of SOFR are not the same as those of LIBOR, and SOFR is fundamentally different from LIBOR for two key reasons. First, SOFR is a secured rate, while LIBOR is an unsecured rate. Second, SOFR is an overnight rate, while LIBOR is a forward-looking rate that represents interbank funding over different maturities (e.g., three months). As a result, there can be no assurance that SOFR (including Compounded SOFR) will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, regulatory, judicial or other events.

ii. 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 during corresponding periods, such as LIBOR. 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, could be materially adverse to investors in the SOFR-referenced Floating Rate Covered Bonds and could adversely affect the price at which investors can sell SOFR-referenced Floating Rate Covered Bonds.

iii. 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 Floating Rate Covered Bonds issued under the Programme from time to time and the price at which investors can sell such Floating Rate Covered Bonds in the secondary market. Similarly, market terms for floating-rate debt securities linked to SOFR may evolve over time, and trading prices of securities based on SOFR may be lower than those of later-issued SOFR-based debt securities as a result. Investors in securities based on SOFR may not be able to sell such securities at all or may not be able to sell such securities 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.

iv. 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 Compounded 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.

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, then the market value of such Covered Bonds could be adversely affected.

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

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 the SOFR-referenced Covered Bonds without changes to their information technology systems, which could adversely impact the liquidity and trading price of the Covered Bonds.

vi. 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 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 will apply, which we refer to as a Benchmark Replacement as further described under Condition 13.02(c)) 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 determination of a Benchmark Replacement (as further described under Condition 13.02(c)), the calculation of the interest rate on the Covered Bonds by reference to a Benchmark Replacement (including the application of a Benchmark Replacement Adjustment), any implementation of Benchmark Replacement Conforming Changes and any other determinations, decisions or elections that may be made under the terms of the Covered Bonds in connection with a Benchmark Transition Event, which may potentially be subjective, could adversely affect the value of the Covered Bonds, the return on the Covered Bonds and the price at which you can sell the Covered Bonds.

vii. Compounded SOFR for an Interest Period During the Floating Period May Not Reflect Any Subsequently Published Corrections to SOFR

The FRBNY publishes SOFR each U.S. Government Securities Business Day at approximately 8:00 a.m. (New York time) for trades made on the immediately preceding U.S. Government Securities Business Day. After publication, if (i) the FRBNY discovers errors in the transaction data or calculation process or additional transaction data becomes available and (ii) such errors or additional data would change the published SOFR by at least one basis point (0.01%), subject to change based on periodic review by the FRBNY, then the FRBNY will republish SOFR at approximately 2:30 p.m. (New York time) on that same day. The FRBNY will not revise published SOFR on any U.S. Government Securities Business Day after the original date of publication and, even if the FRBNY's policy changed to permit revisions to SOFR after the initial publication date, such changes would not be reflected in the Calculation Agent's determination of Compounded SOFR on a U.S. Government Securities Business Day under the Covered Bonds because such determination is made as of 3:00 p.m. (New York time) on each U.S. Government Securities Business Day without regard to any subsequently published revisions.

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

Where the applicable Final Terms for a Series of Covered Bonds (or the applicable Pricing Supplement in the case of Exempt Covered Bonds) specifies that the interest rate for such Covered Bonds will be determined by reference to €STR, interest will be determined on the basis of €STR (as defined in the Terms and Conditions of the Covered Bonds). The interest rate 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 Terms and Conditions of the Covered Bonds), which is a backwards-looking, compounded near risk-free overnight 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 Terms and 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 interest rate for Covered Bonds with €STR as a Reference Rate is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. 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 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.

€STR is published by the European Central Bank, as administrator of €STR, 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. Furhtermore, 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 Terms and 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 5(d) ("**€STR Fallbacks**"), or if these do not enable the rate of interest to be determined, Condition 13.02 will apply (see "Benchmark discontinuation provisions under the Programme" below). Any of these €STR 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 €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.

j. Risks relating to Covered Bonds that have a Rate of Interest determined by reference to SARON

i. SARON-referenced Covered Bonds have a Rate of Interest that is determined by reference to SARON, which is a relatively new market index and the market continues to develop in relation to SARON as a reference rate.

Investors in SARON-referenced Covered Bonds should be aware that the market continues to develop in relation to the daily SARON as a reference rate in the lending and capital markets and its adoption as an alternative to CHF LIBOR. 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 used in relation to SARON-referenced Floating Rate Covered Bonds. 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 SARON-referenced Floating Rate Covered Bonds.

In addition, the Rate of Interest applicable to each Interest Period for SARON-referenced Covered Bonds will be determined on the basis of SARON Compounded, which means that the Rate of Interest applicable to each such Interest Period will only be capable of being determined shortly before the end of such Interest Period. Consequently, it may be difficult for investors in SARON-referenced Covered Bonds to estimate reliably the amount of interest that will be payable on such Floating Rate Covered Bonds on each Interest Payment Date, and some investors may be unable or unwilling to trade such Covered Bonds without changes to their information technology systems, both of which could adversely impact the liquidity of such Floating Rate Covered Bonds. Further, if any such Floating Rate Covered Bonds become due and payable on a date other than an Interest Payment Date (whether as a result of an Event of Default or redemption or otherwise), the Rate of Interest applicable to the final Interest Period will only be determined based on SARON for each Zurich Banking Day during the related Observation Period to the date on which such Floating Rate Covered Bonds become due and payable, rather than for the entire Observation Period. 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 SARON-referenced Floating Rate Covered Bonds.

Since SARON is a relatively new market index, SARON-referenced Covered Bonds 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 SARON, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such debt securities may be lower than those of later issued indexed debt securities as a result. Further, if SARON does not prove to be widely used in securities like SARON-referenced Floating Rate Covered Bonds, the trading price of such Floating Rate Covered Bonds may be lower than those of debt securities linked to indices that are more widely used. Investors in SARON-referenced Covered Bonds may not be able to sell such Floating Rate Covered Bonds at all or may not be able to sell such Floating Rate Covered Bonds at prices that will provide them with a return 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 SARON will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in SARON-referenced Floating Rate Covered Bonds. If the manner in which SARON is calculated is changed, that change may result in a reduction of the amount of interest payable on SARON-referenced Covered Bonds and the trading prices of such Floating Rate Covered Bonds.

ii. If the daily Swiss Average Rate Overnight is discontinued, is no longer representative or may no longer be used, this may adversely affect the value of and return on SARON-referenced Covered Bonds.

The Rate of Interest applicable to each Interest Period for SARON-referenced Covered Bonds will be determined on the basis of SARON Compounded, and SARON Compounded for each Interest Period will be based on the daily Swiss Average Rate Overnight during the related Observation Period, as more particularly described in the definition of "SARON Compounded" set out in Condition 5.03(iii)(e). However, to the extent the Swiss Average Rate Overnight is discontinued, is no longer representative or may no longer be used, for purposes of determining SARON Compounded, the Calculation Agent for such SARON-referenced Covered Bonds will be required to use the alternative methods described in Condition 13.02(c.1), which include using a replacement rate recommended by a Recommending Body or using the SNB Policy Rate (in each case including an adjustment spread, if any).

The above-described provisions may result in the use of a reference rate that is not the same as the Swiss Average Rate Overnight for the calculation of the interest rate on the relevant SARON-referenced Covered Bonds for the remainder of the term of such Floating Rate Covered Bonds and such rate may have different characteristics from that of the Swiss Average Rate Overnight as at the Issue Date. The use of a reference rate other than SARON (including an adjustment spread, if any) in the form it is in on the relevant Issue Date may result in interest payments that are lower than or that do not otherwise correlate over time with the payments of interest that would have been made if SARON remained available in the same form as it was in as at the relevant Issue Date. Any such consequences could have an adverse effect on the value and marketability of, and return on, such Floating Rate Covered Bonds.

k. Benchmark discontinuation provisions under the Programme

The Conditions provide for certain fallback arrangements in the event that a published benchmark such as EURIBOR (including any page on which such benchmark may be published (or any successor service)) 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 by the Issuer, either solely or, in the case of SOFR or SARON, in consultation with a designee (which may be an affiliate), or set by reference to an alternative base rate. In making such determinations and adjustments, the Issuer (or in the case of SARON, the Calculation Agent in respect of the adjustment spread) 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:

- any of these fallbacks may result in interest payments that are lower than or that do not otherwise correlate over time with the payments that would have been made on the Covered Bonds if the relevant benchmark were available in its current form;

- if any relevant benchmark is discontinued or is otherwise unavailable or unrepresentative, 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 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, SOFR, €STR or SARON, a reference rate, based at least in part, on a prior daily rate (or a prior alternative rate in the case of €STR) for days affected by the Benchmark Event, Benchmark Transition Event, €STR Index Cessation Event or SARON Index Cessation Event, as the case may be;

- while an amendment may be made under Condition 13.02(b) or Condition 13.02(c) or (c.1) 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, including in cases other than SOFR or SARON (where consent of Covered Bondholders is not required) partial consent of Covered Bondholders, 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 (see "*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*");

- if a relevant interest rate benchmark is discontinued or becomes unrepresentative of its underlying market, and whether or not an amendment is made under Condition 13.02 to change the base rate with respect to the Floating Rate Covered Bonds, 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 LP'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 LP pursuant to the Interest Rate Swap, less certain specified amounts);

- 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 the Issuer or its designee, the relevant fallback provisions may not operate as intended at the relevant time; and

- it is possible that an amendment under Condition 13.02 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.

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 LP to meet its payment obligations in respect of the Covered Bonds.

Any of the factors above could have a material adverse effect on the trading market for value of, and return on, the Covered Bonds.

l. Covered Bonds issued at a substantial discount or premium may experience significant price volatility in response to changes in interest rates

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 is 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 "*Taxation – United States Federal Income Taxation – Market Discount*" at page 302 and "*– Acquisition Premium and Amortizable Bond Premium"* at page 302 of this Prospectus for additional information. The market values of Covered Bonds issued at a substantial discount or premium to their principal amount also 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.

m. Canadian usury laws

The *Criminal Code* (Canada) prohibits the receipt of "interest" at a "criminal rate". 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 "criminal rate", currently being an effective annual rate of interest of 60 per cent. If any Covered Bonds are found not to be enforceable in whole or in part as a result of such prohibition, Covered Bondholders may not be able to collect some or all of the interest owed on the Covered Bonds. See Condition 5 "*Interest*" on page 106 of this Prospectus for additional information on how interest is calculated. In the *Budget Implementation Act, 2023 No. 1* (Canada), which was assented to on June 22, 2023, the *Criminal Code* (Canada) was amended to, among other things, lower the "criminal rate" of interest to an annual percentage rate of 35 per cent. These provisions will come into force on a day or days to be fixed by order of the Governor in Council. On October 5, 2023, the federal government launched additional consultations seeking feedback on whether the "criminal rate" of interest should be further reduced. On December 23, 2023 the federal government announced proposed regulations providing for exemptions for certain types of agreements or arrangements from provisions in the *Criminal Code* (Canada) relating to the "criminal rate" of interest. On April 16, 2024 as part of the presentation of the Canadian Government's 2024 budget the federal government reiterated its intention to move forward with these reforms on a priority basis. Related amendments to the *Criminal Code* (Canada) included in Bill C-69, the *Budget Implementation Act, 2024*, No. 1 received royal assent on June 20, 2024.

n. 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 94 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.

o. Bearer Covered Bonds in NGCB form and Registered Global Covered Bonds held under the NSS

Bearer Covered Bonds in NGCB form and Registered Global Covered Bonds held under the NSS allow for the possibility of Covered Bonds being issued and held in a manner which will permit them to be recognized as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. *See "Form of the Covered Bonds"* on page 91 of this Prospectus for additional information. However, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Recognition as to whether the Covered Bonds meet such Eurosystem eligibility criteria depends on the European Central Bank.

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

The principal risks related to the Issuer's and the Guarantor LP's legal and regulatory situation are described below. No assurance can be given that additional regulations or guidance from OSFI, CDIC, CMHC, or any other regulatory authority will not arise with regard to the mortgage market in Canada generally, the Seller's or Guarantor LP's particular sector in that market or specifically in relation to the Seller or the Guarantor LP. Any such action or developments may have a material adverse effect on the Seller, and/or the Guarantor LP and their respective businesses and operations. Such regulatory changes may adversely affect the ability of the Guarantor LP 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 LP, 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 LP.

(a) Suspension of the Bank's ability to issue covered bonds under Part I.1 of the National Housing Act (Canada) and the Guide could negatively impact the Covered Bonds

On July 3, 2013, the Bank was accepted as a registered issuer under Part I.1 of the National Housing Act (Canada) and the Guide by CMHC in accordance with their terms and on July 3, 2013, the Programme was registered as a registered program under Part I.1 of the National Housing Act (Canada) and the Guide. All outstanding covered bonds issued under the Programme are and these Covered Bonds will be registered Covered Bonds under Part I.1 of the National Housing Act (Canada) and the Guide.

Part I.1 of the National Housing Act (Canada) and the Guide impose certain ongoing obligations on both the Bank and the Guarantor LP and permit CMHC to take certain actions in respect of the Bank. There is a risk that suspending the right of the Bank to issue Covered Bonds under the Programme or any non-compliance with a direction from CMHC may negatively impact the Covered Bonds, including the performance of the Covered Bonds. However, pursuant to Condition 7.01(b), non-compliance by the Bank with Part I.1 of the National Housing Act (Canada) or the Guide will not constitute an Issuer Event of Default.

With respect to the risks referred to above, see also "*Description of the Canadian Regulated Covered Bond Regime*", below, for further details.

(b) Bankruptcy and Insolvency Risk

The assignments of the Loans and their Related Security from the Seller to the Guarantor LP pursuant to the terms of the Mortgage Sale Agreement are intended by the Seller and the Guarantor LP to be and have been documented as sales. For a description of the principal Mortgage Terms of the Mortgage Sale Agreement see pages 226 to 234 of this Prospectus. If the Seller or the Guarantor LP 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), or other stakeholders of the Seller, could attempt to re-characterize the sale of the Loans and their Related Security as a loan from the Guarantor LP to the Seller secured by the Loans and their Related Security or to consolidate the assets of the Seller with the assets of the Guarantor LP. In this regard, the Transaction Documents contain restrictions on the Seller and the Guarantor LP intended to reduce the possibility that a Canadian court would order consolidation of the assets and liabilities of the Seller and the Guarantor LP given, among other things, current jurisprudence on the matter. Further, Part I.1 of the *National Housing Act* (Canada) contains provisions relating to bankruptcy and insolvency protection which limit this risk, however, this legislative provision has yet to be tested in the courts. Nonetheless, any attempt to consolidate the assets of the Seller with the assets of the Guarantor LP, even if unsuccessful, could result in a delay or potential reduction of collections on the Loans and their Related Security available to the Guarantor LP to meet its obligations under the Covered Bond Guarantee.

The interests of the Guarantor LP 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 LP, which may reduce the amounts that may be available to the Guarantor LP and, consequently, the holders of the Covered Bonds. The Guarantor LP will not, at the time of sale, give notice to Borrowers of the transfer to the Guarantor LP 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 LP 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 LP 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 LP, 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 LP 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 LP 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 LP of any investment, the ability of the Guarantor LP to enforce its rights to any such investments and the ability of the Guarantor LP 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 LP), 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 LP Event of Default, the insolvency of the Issuer or the Guarantor LP 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.

If the Bank becomes insolvent, its governing legislation also provides that priorities among payments of its deposit liabilities and payments of all of its other liabilities (including payments in respect of Covered Bonds) are to be determined in accordance with the laws governing priorities and, where applicable, by the terms of the indebtedness and liabilities. However, the Bank also has banking and non-

banking subsidiaries in addition to the Guarantor LP. In the event of a dissolution, winding-up, liquidation or reorganization of any such subsidiaries, the Bank's, and indirectly a Covered Bond holder's, right to participate in or benefit from the distribution of the assets of such subsidiaries in such circumstances is subject to the prior claims of the subsidiary's creditors, except to the extent that the Bank is a creditor of such subsidiary and its claims are recognized. There are legal limitations on the extent to which some such subsidiaries may extend credit, pay dividends or otherwise supply funds to, or engage in transactions with, the Bank or some of the Bank's other subsidiaries. Accordingly, Covered Bonds will be structurally subordinated to existing and future liabilities of such subsidiaries and Covered Bonds may be able to look only to the assets of the Bank and not the assets of such subsidiaries in respect of payments owing on the Covered Bonds and may therefore be unable to obtain full payment on the Covered Bonds in the event of the Bank's insolvency.

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. Canadian jurisprudence makes it clear that both the BIA and the CCAA apply to limited partnerships. Further, it is a possibility that the Superintendent would take the view that it could appoint a receiver over the Guarantor LP pursuant to the *Bank Act* or that any winding-up of the Guarantor LP should take place under the *Winding-up and Restructuring Act* (Canada) ("**WURA**").

If the Guarantor LP or the Bank, including as Seller or 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 *Canadian Deposit Insurance Corporation Act* (Canada), or if a receiver is appointed over the Issuer pursuant to the *Bank Act*, it may delay or otherwise impair 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 LP 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 Bank, the right of the Guarantor LP to appoint a successor Servicer may be stayed or prevented. Part I.1 of the *National Housing Act* (Canada) contains provisions relating to bankruptcy and insolvency protection which limit this risk, however, such legislative provisions have yet to be tested in the courts.

(c) 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, the Issuer, or a person with respect to the Issuer, is committing, or is about to commit, an act that is an unsafe or unsound practice in conducting the business of the Issuer, 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 Issuer, to direct the person or the Issuer, 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, OSFI has approved the issuance of covered bonds by Canadian federal deposit taking institutions, provided certain conditions are met (see "*Description of the Canadian Regulated Covered Bond Regime*").

(d) Implementation of and/or changes to the Basel frameworks may affect the capital requirements for certain investors holding the Covered Bonds and as a result may affect any liquidity relating to or the value of the Covered Bonds

In Europe, Canada, 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 LP, the Dealers or the Arranger makes any representation to any prospective investor or purchaser of the Covered Bonds regarding the treatment of their investment on the closing date, each Issue Date or at any time in the future.

In particular, the Basel Committee on Banking Supervision (the "**Basel Committee**") has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as "**Basel III**"), which were published in December 2010, with the final capital guidance being issued on June 1, 2011. These capital and liquidity standards have subsequently been revised over time with further reforms to the Basel III framework being issued between December 2010 and December 2017.

The Basel III framework envisages a substantial strengthening of capital rules, including capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards and a minimum leverage ratio for financial institutions. In particular, the Basel III framework includes, amongst other things, requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions, the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio) and further capital requirements for systemically important institutions. Further substantive reforms to the Basel III framework were agreed in December 2017, which consisted of measures relating to the standardised and IRB approaches for credit risk, minimum requirements for market risk, amendments to the CVA risk framework, minimum capital requirements for operational risk, output floors for RWAs and revised standards for leverage ratios. These further reforms came into effect on 1 January 2022 (with the exception of the reforms on output floors, which are being phased in, and will only take full effect on 1 January 2028).

The Basel frameworks do not generally have the status of law and are therefore subject to implementation into national (or EU, in the case of EU member states) law. The status of implementation of the frameworks in relevant jurisdictions will therefore affect the risk-weighting of the Covered Bonds for investors who are or may become subject to capital adequacy requirements that follow the frameworks. The intention set out in the Basel III framework was that member countries were to have implemented the new capital standards from January 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The Bank for International Settlements ("**BIS**") monitors the implementation status for the Basel III framework through its Regulatory Consistency Assessment Programme ("**RCAP**"). Investors can access the outputs from the BIS's RCAP on the BIS website. As of the end of September 2023, most or all of the member jurisdictions had implemented the Basel III rules agreed prior to the announcement of the December 2017 reforms. However, it should be noted that the January 2013 target for implementing the new capital standards was not generally met, and aspects of the risk-based capital standards are still being implemented. Member jurisdictions are in various stages of implementation for the further reforms that came into effect from 1 January 2023.

No predictions can be made as to the precise effects of such matters on any investor or otherwise. 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 Covered

Bonds.

Further, Basel III and related future changes approved by the Basel Committee and which may be approved and implemented in the future may have an impact on the capital requirements in respect of the Covered Bonds and/or on incentives to hold the Covered Bonds for investors that are subject to such requirements and, as a result, they may affect the liquidity and/or value of the Covered Bonds.

(e) Impact of changes in Regulatory Guidelines on Residential Mortgage Underwriting Practices and Procedures may result in Loans in the Covered Bond Portfolio having different characteristics and may impact the number of Loans available to the Guarantor LP to be acquired for the Covered Bond Portfolio

OSFI Guideline B-20—Residential Mortgage Underwriting Practices and Procedures (as modified from time to time, "**Guideline B-20**"), published by OSFI in June 2012, updated in November 2014 and further updated on January 1, 2018 sets out OSFI's expectations for prudent residential mortgage underwriting by federally-regulated financial institutions, such as the Bank. Guideline B-20 calls for the Bank to maintain a Residential Mortgage Underwriting Policy, and sets out expectations with respect to borrower due diligence, collateral management and appraisal processes and credit and counterparty risk management practices and procedures. OSFI has from time to time implemented changes to Guideline B-20 to clarify or modify its expectations as set out in Guideline B-20.

OSFI indicates in Guideline B-20 that it expects federally-regulated financial institutions, such as the Bank, to limit the non-amortizing home equity line of credit 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 June 28, 2022 advisory that on combined loan plans all lending above the 65 percent loan-to-value limit will be both amortizing and non-re-advanceable and principal payments applied to the portion above 65 percent should be matched by a reduction in the overall authorized limit until the overall combined loan plan limit reduces to the 65 percent loan-to-value limit for all segments on a combined basis. Combined loan plans are those that have a single collateral dollar charge on the subject property that supports multiple segments or components and has authorized borrowing limits that are dependent on the balances of other loans and are underwritten on a combined basis, as a single credit under one overall limit. OSFI's expectation in connection with the advisory is that for those borrowers that owe more than the 65 percent loan-to-value limit, there will be a gradual period, typically commencing the next time such borrower renews its combined loan plan after the lender's fiscal 2023 year end (being October 31, 2023 in the case of the Issuer), where a portion of their principal payments will go towards reducing their overall mortgage amount until it is below the 65 percent combined loan-to-value limit and not be re-advanceable. See the section entitled "*Loan Origination and Lending Criteria*" on pages 210 to 214 of this Prospectus for further details regarding the loan-to-value ratio requirements as related to the Covered Bond Portfolio.

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.

Compliance with Guideline B-20 may impact the Seller's ability to generate new Loans for sale to the Guarantor LP under the Programme at the same rate, after changes are made to the Bank's Residential Mortgage Underwriting Policy to comply with Guideline B-20, as the rate at which such Loans were generated prior to such changes coming into effect. It may also result in Loans having different loss experience, delinquencies, revenue experience and monthly payment rates based on the Bank's

Residential Mortgage Underwriting Policy in place at the time of origination. For example, prior to October 1, 2012 the Bank did not require all income verification documentation for Loans to be retained and, as a result, the Asset Monitor may not be able to conduct the income verification procedure in connection with the procedures undertaken in performing its responsibilities under Section 7.3.1 of the Guide with respect to such Loans to the extent such Loans were originated outside of the Mobile Mortgage Specialists channel prior to the implementation of such policy. See "*Loan Origination and Lending Criteria". See also "The Covered Bond Portfolio will change frequently including as a result of existing Loans in the Covered Bond Portfolio being replaced by New Loans and New Loan Types with different characteristics"* on page 45.

Guideline B-20 also provides that where a federally-regulated financial institution, such as the Bank, acquires a residential mortgage loan 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. As a result in the event of a sale of such Loans and their Related Security to third party purchasers (subject to a right of pre-emption enjoyed by the Seller that assigned such Loans and their Related Security to the Guarantor LP (see "*Summary of the Principal Documents – Guarantor LP Agreement – Method of sale of Selected Loans*")), if any potential purchasers subject to Guideline B-20 determined that the purchase would not comply with Guideline B-20, it could limit the number of potential purchasers, which could adversely affect the realizable value of the Loans and their Related Security and, as a result, the ability of the Guarantor LP to meet its obligations under the Covered Bond Guarantee.

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

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. As a result, the complete scope of the Dodd-Frank remains uncertain. Statements made by the current administration add to the uncertainty about the complete scope of that Act. These regulations have or may have indirect implications on the Issuer's business and operations.

Certain rules under Dodd-Frank and other regulatory requirements that impact the Issuer include: the U.S. 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 requirements; and various "enhanced prudential standards" under Federal Reserve regulations. The Bank 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 are subject to certain additional long-term debt and "total loss-absorbing capacity" capital requirements.

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 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.

In particular, in addition to the regulations referred to above affecting the financial services industry generally, Title VII imposes a new regulatory framework on swap transactions, including interest rate and currency swaps of the type entered into by the Guarantor LP in connection with the issuance of the Covered Bonds. As such, the Guarantor LP may face certain regulatory requirements under the 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 the Securities Exchange Commission and other regulations relating to swaps may be issued by other U.S. regulatory agencies. 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. Once fully implemented, these new 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 LP in relation to the issuance of the Covered Bonds.

Such requirements may disrupt the Guarantor LP'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 260 to 264 of this Prospectus), including any obligations it may owe to investors under the Covered Bonds, and may materially and adversely impact a transaction's value or the value of the Covered Bonds. The Guarantor LP 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 LP may be subject to clearing, execution, capital, margin posting and collecting, reporting and recordkeeping requirements under the Dodd-Frank that could result in additional regulatory burdens, costs and expenses (including extraordinary, non-recurring expenses of the Guarantor LP).

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 the 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 LP. 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 LP.

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 the Dodd-Frank. 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.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published by the Issuer or are published simultaneously with this document and as at the date of this document have been approved by or filed with the Financial Conduct Authority (or its predecessor the Financial Services Authority) are hereby incorporated in, and form part of, this Prospectus:

(a) the following sections of the Registration Document of the Issuer dated July 15, 2024 (the "**Registration Document**") (available at: *https://www.rbc.com/investor-relations/_assets-custom/pdf/covered-bonds-Program/Registration-Document-dated-July-15-2024.pdf*) submitted to and filed with the FCA:

(i) Risk Factors on pages 1 to 23;

(ii) Description of Royal Bank of Canada:

- History and Development of the Issuer on page 27;
- RBC Group and its Principal Activities and Markets on pages 27 to 28;
- Competition on page 28;
- Organizational Structure on page 28;
- Issuer Ratings on page 29;
- Financial Summary on pages 30 to 31;
- Directors on pages 32 to 33;
- Major Shareholders on page 33; and
- Material Contracts on page 33;

(iii) General Information on pages 35 to 36.

The remainder of the Registration Document is either not relevant for investors or covered elsewhere in this document and is not incorporated by reference;

(b) the Issuer's 2023 AIF (available at: *https://www.rbc.com/investor-relations/_assets-custom/pdf/aif2023.pdf*), including, without limitation, the following sections:

(i) "Description of the Business – General Summary" on page 3;

(ii) "Description of the Business – Competition" on pages 3 and 4; and

(iii) "Appendix A – Principal Subsidiaries" on page 28.

(c) the following sections of the Issuer's 2023 Annual Report (the "**2023 Annual Report**") (available at: *https://www.rbc.com/investor-relations/_assets-custom/pdf/ar_2023_e.pdf*) for the year ended October 31, 2023:

(i) the audited annual consolidated financial statements, which comprise the consolidated balance sheets as of October 31, 2023 and 2022, and the related consolidated statements of income, comprehensive income, changes in equity,

and cash flows for the years then ended, including the related notes, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board on pages 140 through 234, together with Management's Report on Internal Control over Financial Reporting as of October 31, 2023 on page 134, the Independent Auditor's Report and the Report of Independent Registered Public Accounting Firm, each dated November 29, 2023, on pages 135 through 137 and 138 through 139, respectively, (the "**2023 Audited Consolidated Financial Statements**");

(ii) the entire Management's Discussion and Analysis for the year ended October 31, 2023 (the "**2023 MD&A**") on pages 22 through 131, including, without limitation, a description of risk factors related to the Issuer and its business, and the steps taken to manage such risks, under the risk sections on pages 63 to 109; and

(iii) the information about tax examinations and assessments and legal and regulatory matters to which the Issuer and its consolidated subsidiaries are or have been subject in Note 22 on pages 218 and Note 25 on pages 223 to 224, respectively; and

the remainder of the 2023 Annual Report is either not relevant for investors or covered elsewhere in this document and is not incorporated by reference;

(d) the following sections of the Issuer's Second Quarter 2024 Report to Shareholders (the "**Second Quarter 2024 Report to Shareholders**") (available at: *https://www.rbc.com/investor-relations/_assets-custom/pdf/2024q2_report.pdf*):

(i) the entire Management's Discussion and Analysis (the "**Second Quarter 2024 MD&A**") on pages 2 to 49;

(ii) the unaudited interim condensed consolidated financial statements, which comprise the unaudited interim condensed consolidated balance sheet of the Issuer as of April 30, 2024 and the related unaudited interim condensed consolidated statements of income, comprehensive income, changes in equity, and cash flows for the three and six months ended April 30, 2024 and April 30, 2023 and selected explanatory notes (the "**Second Quarter 2024 Unaudited Interim Condensed Consolidated Financial Statements**"), set out on pages 51 to 84 presented in compliance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* which have not been audited or reviewed by auditors pursuant to the International Standard on Review Engagements (UK and Ireland) 2410; and

(iii) the information about legal and regulatory matters to which the Issuer and its consolidated subsidiaries are or have been subject in Note 13 on page 81; and

the remainder of the Issuer's Second Quarter 2024 Report to Shareholders either is not relevant for investors or is covered elsewhere in this document and is not incorporated by reference;

(e) the Investor Report having a Calculation Date of May 31, 2024 (available at https://www.rbc.com/investor-relations/_assets-custom/pdf/cb_report_05312024.pdf); and

(f) the sections entitled "Terms and Conditions of the Covered Bonds" set out on pages 62 to 97 of the prospectus dated August 1, 2014 (available at https://www.rbc.com/investor-relations/_assets-custom/pdf/covered-bonds-Program/UKLA_Dated_01-Aug-2014.pdf), pages 76 to 122 of the prospectus dated July 31, 2015 (available at

https://www.rbc.com/investor-relations/_assets-custom/pdf/covered-bonds-Program/UKLA_Dated_31-Jul-2015.pdf), pages 78-124 of the prospectus dated September 8, 2017 (available at https://www.rbc.com/investor-relations/_assets-custom/pdf/covered-bonds-Program/2017%20UKLA%20Prospectus.PDF), pages 80 to 132 of the prospectus dated September 21, 2018 (available at https://www.rbc.com/investor-relations/_assets-custom/pdf/covered-bonds-Program/RBC_Covered_Bond_Prospectus_September_21_2018.pdf), pages 80 to 132 of the prospectus dated July 5, 2019 (available at https://www.rbc.com/investor-relations/_assets-custom/pdf/covered-bonds-Program/Prospectus-dated-July-5-2019.pdf), pages 92 to 154 of the prospectus dated July 24, 2020 (available at https://www.rbc.com/investor-relations/_assets-custom/pdf/covered-bonds-Program/Prospectus-dated-July-24-2020.pdf), pages 94 to 160 of the prospectus dated July 23, 2021 (available at https://www.rbc.com/investor-relations/_assets-custom/pdf/covered-bonds-Program/Prospectus-dated-July-23-2021.pdf), pages 96 to 168 of the prospectus dated July 29, 2022 (available at https://www.rbc.com/investor-relations/_assets-custom/pdf/covered-bonds-Program/Prospectus-dated-July-29-2022.pdf) and pages 95 to 167 of the prospectus dated July 27, 2023 (available at https://www.rbc.com/investor-relations/_assets-custom/pdf/covered-bonds-Program/Prospectus-dated-July-27-2023.pdf), each relating to the Programme (for the avoidance of doubt, the applicable Final Terms or Pricing Supplement for a Tranche of Covered Bonds will indicate the Terms and Conditions applicable to such Tranche and unless otherwise indicated in the applicable Final Terms, the Terms and Conditions of all Covered Bonds issued after the date hereof shall be those set out in this document). The remainder of the prospectuses dated August 1, 2014, July 31, 2015, September 8, 2017, September 21, 2018, July 5, 2019, July 24, 2020, July 23, 2021, July 29, 2022 and July 27, 2023 relating to the Programme are not relevant for investors;

provided that any statement contained in a document all or the relative portion of which is incorporated by reference shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein, or in any supplement hereto filed under Article 23 of the UK Prospectus Regulation, including any document incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

In relation to Exempt Covered Bonds admitted to trading on the ISM only (and not in relation to any other Covered Bonds) any: (i) annual report (including the auditors' reports and audited annual consolidated financial statements) or unaudited interim condensed consolidated financial statements prepared; or (ii) inside information as required to be made public under Regulation (EU) No. 596/2014 on market abuse as it forms part of domestic law by virtue of the EUWA in relation to the Issuer and filed with the FCA from time to time after the date of this Prospectus, is additionally deemed to be incorporated in and to form part of this Prospectus as and when such future financial statements or inside information are published in accordance with the ISM Rulebook.

Information, documents or statements expressed to be incorporated by reference into, or that form part of one or more of, the documents described above do not form part of this Prospectus, unless otherwise specifically incorporated by reference.

Copies of this document and the documents incorporated by reference in this document and any supplement hereto approved by the FCA can be (i) viewed on the Issuer's website maintained in respect of the Programme at https://www.rbc.com/investor-relations/covered-bonds.html ; (ii) obtained on written request and without charge from the Issuer at Investor Relations, Royal Bank of Canada, 200 Bay Street, South Tower, Toronto, Ontario, M5J 2J5, Canada and from the office of the Issuing and Paying Agent, The Bank of New York Mellon, London Branch, 160 Queen Victoria Street, London EC4V 4LA, England, Attention: Manager, EMEA Corporate & Sovereign Department or at the offices of any other Paying Agent at the addresses specified at the end of this document; and (iii) 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". Copies of the Issuer's periodic financial

reporting can also be viewed by accessing the Issuer's disclosure documents through the Internet (A) on the Canadian System for Electronic Document Analysis and Retrieval at www.sedarplus.com (an internet based securities regulatory filing system), or (B) at the SEC's website at http://www.sec.gov. Any websites included in the Prospectus other than in respect of the information incorporated by reference are for information purposes only and do not form part of the 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 is capable of affecting 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 Dealer(s) in the Dealership Agreement that it will comply with Article 23 of the UK Prospectus Regulation. 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.

FINAL TERMS, PRICING SUPPLEMENT OR DRAWDOWN PROSPECTUS FOR COVERED BONDS

In this section the expression "**necessary information**" means, in relation to any Tranche of Covered Bonds, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor LP, of the rights attaching to the Covered Bonds and the reasons for the issuance and its impact on the Issuer. In relation to the different types of Covered Bonds which may be issued under the Programme, the Issuer has endeavoured to include in this Prospectus all of the necessary information except for information relating to the Covered Bonds which is not known at the date of this Prospectus and which can only be determined at the time of an individual issue of a Tranche of Covered Bonds.

Any information relating to the Covered Bonds which is not included in this Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Covered Bonds will be contained either in the applicable Final Terms or in a Drawdown Prospectus. Such information will be contained in the applicable Final Terms unless, in accordance with Article 23 of the UK Prospectus Regulation, any of such information constitutes a significant new factor relating to the information contained in this Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Covered Bonds, may be contained in a Drawdown Prospectus.

For a Tranche of Covered Bonds which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Prospectus and must be read in conjunction with this Prospectus. The terms and conditions applicable to any particular Tranche of Covered Bonds which is the subject of Final Terms are the Conditions as completed to the extent described in the applicable Final Terms.

The terms and conditions applicable to any particular Tranche of Covered Bonds which is the subject of a Drawdown Prospectus or, in the case of Exempt Covered Bonds, a Pricing Supplement, will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus or Pricing Supplement, as applicable. In the case of a Tranche of Covered Bonds which is the subject of a Drawdown Prospectus or, in the case of Exempt Covered Bonds, a Pricing Supplement, each reference in this Prospectus to Final Terms or to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus or Pricing Supplement, unless the context requires otherwise. Each Drawdown Prospectus will be a single document containing the necessary information relating to the Issuer, the Guarantor LP and the relevant Covered Bonds.

FORM OF THE COVERED BONDS

The Covered Bonds of each Series will be in either bearer form, with or without interest Coupons and/or Talons attached, or registered form, without interest Coupons and/or Talons attached or in such other form as shall be agreed upon by the Issuer, the Guarantor LP, the relevant Dealer(s) or Covered Bondholder(s), as the case may be, and the Bond Trustee. Bearer Covered Bonds will be offered and sold outside the United States in reliance on Regulation S under the *Securities Act* ("**Regulation S**") and Registered Covered Bonds will be offered and sold both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States to, or for the benefit of U.S. persons who are Qualified Institutional Buyers (as defined in Rule 144A), in reliance on Rule 144A.

Bearer Covered Bonds

Each Tranche of Bearer Covered Bonds will be in bearer form and will be initially issued in the form of a temporary global covered bond without 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 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 a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"); 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.

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 or Pricing Supplement 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. 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 the Temporary Global 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 and Euroclear and/or Clearstream, 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 not earlier than 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, interest Coupons and Talons attached (as indicated in the applicable Final Terms or Pricing Supplement, in each case against certification of non-US 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 (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, interest Coupons and Talons attached upon either: (i) not less than 60 days' written notice from Euroclear and/or Clearstream (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 have been closed for business for a continuous period of 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, Euroclear and/or Clearstream (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 also 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 Specified Denominations may not include integral multiples of a lesser amount in excess of a minimum Specified Denomination.

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

The following legend will appear on all Bearer Covered Bonds (other than Temporary Global Covered Bonds) and on all 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 or interest Coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Covered Bonds 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, 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 or sold 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, and such Regulation S Global Covered Bond will bear a legend regarding such restrictions on transfer.

The Registered Covered Bonds of each Tranche offered and sold pursuant to this document 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 ("**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 for, and registered in the name of a nominee of, DTC or CDS for the accounts of Euroclear and Clearstream; (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, DTC, CDS, Euroclear and/or Clearstream; 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, 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 or Pricing Supplement 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. Investors should make their own assessment as to whether the Covered Bonds meet such Eurosystem eligibility criteria.

Registered Covered Bonds will be issued pursuant to the Agency Agreement.

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 LP, 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 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 DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository 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; (ii) in the case of Covered Bonds registered in the name of a nominee for a common depositary for Euroclear and Clearstream, the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 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; (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, DTC, CDS, Euroclear and/or Clearstream (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 (i) above, the Issuer may also 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.

Each Registered Covered Bond 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).

N Covered Bonds

N Covered Bonds will be issued in the form of the N Covered Bond set out in the Trust Deed with the N Covered Bond Conditions attached thereto, together with the execution of the related N Covered Bond Agreement in the form set out in the Trust Deed.

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, 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*".**

A transfer of N Covered Bonds is not effective until the transferee has agreed in the duly executed copy of the N Covered Bond Assignment Agreement relating to such N Covered Bond and delivered to the Registrar to be bound by the terms of the N Covered Bond Agreement.

General

Pursuant to the Agency Agreement, the Issuing and Paying Agent (and 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 at a point after the Issue Date of the further Tranche, 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 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 or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor LP unless the Bond Trustee, having become so bound to proceed, fails so to do within a reasonable period and the failure shall be continuing, provided that the right of any holder of a Covered Bond to receive payment of principal and interest on or after the due date or to bring suit for enforcement of any such payment after the due date may not be impaired or affected without the holder's consent, subject to certain exceptions.

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**"), which as completed in relation to any Covered Bonds by the applicable Final Terms (as defined below) or, in the case of Exempt Covered Bonds only, supplemented, amended and/or replaced in relation to any Exempt Covered Bonds by the applicable Pricing Supplement (as defined below), will be applicable to each Series of Covered Bonds issued after the date of this document unless otherwise specified in the applicable Final Terms or Pricing Supplement. Either (i) the full text of these Terms and Conditions (subject to simplification by deletion of non-applicable provisions) together with the relevant provisions of the applicable Final Terms or Pricing Supplement or (ii) these Terms and Conditions as so completed (subject to simplification by deletion of non-applicable provisions) by the Final Terms or supplemented, modified and/or replaced by the applicable Pricing Supplement, as applicable, shall be endorsed on the definitive Bearer Covered Bonds and Registered Covered Bonds, attached to the Temporary Global Covered Bond or the Permanent Global Covered Bond or otherwise incorporated or endorsed on such other forms of Covered Bonds as shall be agreed upon by the Issuer, the Guarantor LP, the relevant Dealer(s) or Covered Bondholder(s), as the case may be, and the Bond Trustee. All capitalized terms that are not defined in these Terms and Conditions will have the meanings given to them in the applicable Final Terms or Pricing Supplement. In relation to Covered Bonds of any Series of N Covered Bonds, the terms and conditions of such Series will be as set out in the form of N Covered Bond (Namensschuldverschreibung) together with the N Covered Bond Conditions attached thereto and in the N Covered Bond Agreement, in each case as supplemented, modified or replaced in relation to any Series of N Covered Bonds by the applicable Pricing Supplement. For greater certainty, any reference to a "Condition" other than in this section shall be deemed to be, as applicable, a reference to the relevant provision of the N Covered Bond, the N Covered Bond Conditions attached thereto or the provisions of the N Covered Bond Agreement relating thereto; provided however, for greater certainty, that the preamble to these Terms and Conditions shall apply with respect to the issuance of N Covered Bonds.*

The "*Terms and Conditions of the Covered Bonds*" set forth below are organized as follows:

	Condition	Page
1.	Form and Denomination	101
2.	Title and Transfer	103
3.	Status of the Covered Bonds	106
4.	Guarantee	106
5.	Interest	106
6.	Redemption and Purchase	132
7.	Events of Default	138
8.	Taxation	142
9.	Payments	144
10.	Prescription	148
11.	The Paying Agents, the Registrar, Transfer Agents, the Calculation Agent and the Exchange Agent	148

	Condition	Page
12.	Replacement of Covered Bonds	149
13.	Meetings of Holders of Covered Bonds, Modification and Waiver	149
14.	Notices	165
15.	Further Issues	166
16.	Currency Indemnity	166
17.	Waiver and Remedies	166
18.	Branch of Account	167
19.	Substitution	167
20.	Rating Agency Confirmation	168
21.	Indemnification of Bond Trustee and Bond Trustee contracting with the Issuer and/or the Guarantor LP	168
22.	Law and Jurisdiction	169

The following is a general overview of key provisions of the Terms and Conditions applicable to the Covered Bonds:

Condition 3 (*Status of the Covered Bonds*) provides that the Covered Bonds constitute deposit liabilities of the Bank for purposes of the *Bank Act*, but will not be insured under the *Canada Deposit Insurance Corporation Act* (Canada). The Covered Bonds will be a direct obligation of the Bank, ranking equally with the deposit liabilities of the Bank and at least equally with all unsubordinated and unsecured obligations of the Bank except as otherwise prescribed by law.

Condition 4 (*Guarantee*) provides the terms of the Covered Bond Guarantee and the conditions precedent to the obligation of the Guarantor LP to make payment of Guaranteed Amounts. The obligations of the Guarantor LP, following the occurrence of a Covered Bond Guarantee Activation Event, are direct and unconditional, secured by the pledge of the assets of the Guarantor LP which includes the Covered Bond Portfolio pursuant to the terms of the Security Agreement. A Covered Bond Guarantee Activation Event will occur on the earlier of (i) an Issuer Event of Default, together with service by the Bond Trustee of an Issuer Acceleration Notice on the Bank and a Notice to Pay on the Guarantor LP and (ii) a Guarantor LP Event of Default, together with service by the Bond Trustee of a Guarantor LP Acceleration Notice on the Bank and the Guarantor LP.

Condition 5 (*Interest)* sets forth the terms of the interest rates that may apply to the Covered Bonds. The specific terms of interest payable on a Covered Bond that an investor purchases will be disclosed in the applicable Final Terms or Pricing Supplement.

Condition 6 (*Redemption and Purchase*) provides for redemption of the Covered Bonds on their maturity dates and for the early payment of Covered Bonds under certain conditions, including for taxation reasons, illegality or as the result of the exercise of Call Option or Put Option features of Covered Bonds, if applicable, as specified in the applicable Final Terms or Pricing Supplement.

Condition 7 (*Events of Default*) sets forth the conditions that will constitute an Issuer Event of Default and a Guarantor LP Event of Default. Condition 7.03 (*Enforcement*) provides for the enforcement of the obligations of the Bank and the Guarantor LP. Under the Condition, the Bond Trustee is not required to take proceedings against the Bank or the Guarantor LP to seek enforcement of the provisions of the Trust Deed and the Covered Bonds unless it shall be directed by an Extraordinary Resolution of the holders of the Covered Bonds of all series or requested by holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all series then outstanding.

Condition 8 (*Taxation*) provides that all payments by the Bank on the Covered Bonds will be paid free and clear of any taxes, duties, assessment, or charges of any kind imposed by Canada or any political subdivision of Canada or, if the Covered Bonds are issued by a branch of the Bank located outside Canada, by any taxing authority of the jurisdiction where the branch is located unless required by law. Except for certain conditions, if a tax or other levy is imposed, the Bank will pay additional amounts sufficient so that the holder will receive the same net amount that would have been received absent the tax or other duty, assessment or charge.

Condition 9 (*Payments*) provides that payments of principal, interest and any other amount in respect of the registered global Covered Bonds (other than the final installments of principal of a Covered Bond) will be made to the person shown on the Register as the registered holder of the registered global Covered Bonds. None of the Bank, the Guarantor LP, the Bond Trustee and any Paying Agent and 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. Final installments of principal will be made against presentation and surrender of the global Covered Bond at the specified office of the Registrar or any of the Paying Agents.

Condition 13 (*Meetings of Holders of the Covered Bonds, Modification and Waiver*) provides for convening meetings of holders of Covered Bonds to consider matters that affect one or more series of Covered Bonds or all of the Covered Bonds under the Programme, which may include among other things, a modification of the Terms and Conditions or the provisions of the Trust Deed. A resolution adopted at a meeting to effect such a modification will be binding on all holders of all Covered Bonds of any series for which the meeting was convened. Condition 13 also provides that the Bond Trustee, the Guarantor LP and the Bank may agree to certain modifications without the consent of holders of Covered Bonds of any series.

* * * * *

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Royal Bank of Canada (the "**Issuer**" or the "**Bank**") as part of the Issuer's €75,000,000,000 Global Covered Bond Programme (the "**Programme**") and constituted by a trust deed initially entered into on the Programme Establishment Date and most recently amended and restated as of July 16, 2024 (as amended, supplemented (including by the Australian Documents), restated or replaced, the "**Trust Deed**"), between the Issuer, RBC Covered Bond Guarantor Limited Partnership, as guarantor (the "**Guarantor LP**") and Computershare Trust Company of Canada, as bond trustee (in such capacity, the "**Bond Trustee**" which expression shall include any successor as bond trustee).

The Covered Bonds have the benefit of an agency agreement initially entered into on the Programme Establishment Date and most recently amended and restated on July 16, 2024, (as amended, supplemented (including by the Australian Documents), restated or replaced, (the "**Agency Agreement**") between the Issuer, the Guarantor LP, the Bond Trustee, The Bank of New York Mellon in its capacities as U.S. registrar (the "**U.S. Registrar**", which expression should include any successor in this capacity), U.S. paying agent (the "**U.S. Paying Agent**"), transfer agent and exchange agent (the "**Exchange Agent**", which expression shall include any successor in this capacity), The Bank of New York Mellon, London branch, in its capacities as issuing and principal paying agent (the "**Issuing and Paying Agent**", and which expression shall include any successor to The Bank of New York Mellon, London branch, in such capacity) and as transfer agent, The Bank of New York Mellon SA/NV,

Luxembourg Branch as European registrar and transfer agent (the "**European Registrar**", which expression shall include any successor to The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as such, BNY Trust Company of Canada, as Canadian registrar (the "**Canadian Registrar**", which expression shall include any successor to BNY Trust Company of Canada in its capacity as such), BTA Institutional Services Australia Limited (ABN 48 002 916 396), in its capacity as issuing and paying agent and registrar in respect of Australian dollar denominated Exempt Covered Bonds (the "**Australian Registrar, Issuing and Paying Agent**") and the "**Registrar**" or "**Registrars**" for a Tranche (as defined below) shall be as specified in the applicable Final Terms or Pricing Supplement and any substitute or additional paying agents appointed in accordance with the terms of such Agency Agreement either with respect to the Programme or with respect to a particular Series (the "**Paying Agents**", which expression shall, unless the context otherwise requires, include the Issuing and Paying Agent and the U.S. Paying Agent) and any substitute or additional transfer agents appointed in accordance with the terms of such Agency Agreement (the "**Transfer Agents**", which expression shall, unless the context otherwise requires, include the European Registrar, the Canadian Registrar and the U.S. Registrar). 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 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 each 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**") including without limitation any N 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) or "**Talons**" (as defined in Condition 1.06) are to Coupons and Talons relating to Covered Bonds of this Series.

References in these Terms and Conditions to the applicable Final Terms or Pricing Supplement(s) are, unless otherwise specified, to Part A of the applicable Final Terms(s) or Pricing Supplement(s), prepared in relation to the Covered Bonds of the relevant Tranche or Series.

In respect of any Covered Bonds, references herein to these "**Terms and Conditions**" are to these terms and conditions as completed by the applicable Final Terms or, in the case of Exempt Covered Bonds only, as supplemented, amended and/or replaced by the applicable 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 (except in the case of N Covered Bonds) may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Covered Bonds. Each Tranche or in the case of N Covered Bonds, each Series, will be the subject of Final Terms (each, "**Final Terms**") or a Pricing Supplement ("**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 (or Series in the case of N Covered Bonds) 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 below) 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) 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 LP 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 LP 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, supplemented or replaced the "**Security Agreement**") entered into on the Programme Establishment Date and most recently amended and restated as of June 24, 2013, between the Guarantor LP, 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 and the Agency Agreement.

Copies of the Trust Deed, the Security Agreement, the Master Definitions and Constructions Agreement (as defined below), the Agency Agreement and each of the other Transaction Documents (other than subscription agreements in respect of certain Exempt Covered Bonds) are available for inspection during normal business hours at the registered office for the time being of the Bond Trustee being as of the date of this document at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 and at the specified office of each of the Paying Agents and on the Issuer's website at https://www.rbc.com/investor-relations/covered-bonds.html.

Copies of the applicable Final Terms of all Covered Bonds of each Series (or the applicable Pricing Supplement(s) 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 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 and the applicable Final Terms or Pricing Supplement which is applicable to them and to have notice of each set of applicable Final Terms or each Pricing Supplement relating to each other Series (other than subscription agreements in respect of certain Exempt Covered Bonds to the extent not generally available for inspection).

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 applicable Final Terms, Pricing Supplement and/or the master definitions and construction agreement, initially entered into between the parties to the Transaction Documents on the Programme Establishment Date and, most recently amended and restated as of July 16, 2024 (the "**Master Definitions and Construction Agreement**"), a copy of each of which may be obtained as described above. Certain provisions of the Terms and Conditions set out in Schedule 1 to the Trust Deed have been intentionally omitted below as they are not relevant to the Covered Bonds, but the numbering has been preserved to assist in a comparison with Schedule 1 of the Trust Deed.

1 Form and Denomination

1.01 Covered Bonds are issued in bearer form ("**Bearer Covered Bonds**") or in registered form ("**Registered Covered Bonds**"), or in such other form as shall be agreed upon by the Issuer, the Guarantor LP, the relevant Dealer(s) or Covered Bondholder(s), as the case may be, and the Bond Trustee, as specified in the applicable 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 Covered Bond bearing interest on a fixed rate basis ("**Fixed Rate Covered Bond**"), a Covered Bond bearing interest on a floating rate basis ("**Floating Rate Covered Bond**"), a Covered Bond issued on a non-interest bearing basis ("**Zero Coupon Covered Bond**") or a combination of any of the foregoing, depending on the Interest 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 or so long as The Depositary Trust Company ("**DTC**") or its nominee or CDS or its nominee is the registered holder of a Registered Global Covered Bond, each person (other than Euroclear or Clearstream, DTC or CDS) who is for the time being shown in the records of Euroclear or of Clearstream, 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, 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 or proven error) shall be treated by the Issuer, the Guarantor LP, 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 LP, 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. Similar rights as those made available to Relevant Account Holders in the preceding sentence may be made available to Relevant Account Holders in other relevant clearing systems as more fully provided in the applicable Final Terms or Pricing Supplement. 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, DTC or CDS or any other relevant clearing system, as the case may be.

References to DTC, CDS, Euroclear or Clearstream shall, whenever the context so permits (but not in the case of any NGCB or Registered Global Covered Bond to be 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 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 applicable Final Terms or Pricing Supplement shall 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 or whether such TEFRA rules are not applicable. 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 applicable Final Terms or Pricing Supplement specify otherwise, in particular, when the TEFRA C Rules apply.

Where the applicable Final Terms or Pricing Supplement applicable to a Tranche of Bearer Covered Bonds specify that the TEFRA C Rules apply or that such TEFRA rules are not applicable, such Tranche is (unless otherwise specified in the applicable 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 applicable 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 applicable Final Terms or Pricing Supplement) and (unless the applicable 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 (in such form as is required 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 applicable 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 such 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 S.A. ("**Clearstream**") 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 or any other relevant clearing system without any requirement for further certification. Any reference herein to Euroclear or Clearstream shall be deemed to include a reference to any other relevant clearing system.

1.06 Bearer Definitive Covered Bonds that are interest bearing 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 interest bearing and which have more than 27 interest payments remaining at the time of their initial delivery have attached thereto a talon ("**Talon**") for further coupons and the expression "Coupons" shall, where the context so requires, include Talons.

1.07 **[Intentionally omitted]**

Denomination

Denomination of Bearer Covered Bonds

1.08 Bearer Covered Bonds are in the denominations ("**Specified Denomination(s)**") specified in the applicable Final Terms or Pricing Supplement. Unless otherwise specified in the applicable 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 applicable Final Terms or Pricing Supplement.

Currency of Covered Bonds

1.10 The Covered Bonds are denominated in such currency (the "**Specified Currency**") as may be specified in the applicable 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 and Coupons passes by delivery. References herein to the "**Holders**" of Bearer Covered Bonds or of Coupons are to the bearers of such Bearer Covered Bonds or such 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 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 applicable 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, 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. 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, 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 For the purposes of these Terms and Conditions:

(a) 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;

(b) "**CGCB**" 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 not a New Global Covered Bond;

(c) "**Distribution Compliance Period**" means the period that ends 40 days after the completion of the distribution of the relevant Tranche of Covered Bonds;

(d) "**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;

(e) "**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;

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

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

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

(i) "**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;

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

(k) "**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; and

(l) "***Securities Act***" means the United States *Securities Act* of 1933, as amended.

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

2.09 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. 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.

2.10 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; 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.

3 Status of the Covered Bonds

The Covered Bonds constitute deposit liabilities of the Issuer for purposes of the *Bank Act*, however will not be insured under the *Canada Deposit Insurance Corporation Act* (Canada) or any other governmental insurance scheme of any other country, and will constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* with all deposit liabilities of the Issuer without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (except as otherwise prescribed by law). Unless otherwise specified in the applicable Final Terms or Pricing Supplement, the deposits to be evidenced by the Covered Bond 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 LP (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 LP 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 LP under the Covered Bond Guarantee are direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and, except as provided in the Guarantee Priorities of Payments, unsubordinated obligations of the Guarantor LP, 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, service of an Issuer Acceleration Notice on the Issuer and service of a Notice to Pay on the Guarantor LP; and (ii) a Guarantor LP Event of Default and service of a Guarantor LP Acceleration Notice on the Issuer and the Guarantor LP. If a Notice to Pay is served on the Guarantor LP, the Guarantor LP 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 LP 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 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 or in the applicable Final Terms or Pricing Supplement shall have the meanings given to them in Condition 5.10.

Interest on Fixed Rate Covered Bonds

This Condition 5.02 applies to Fixed Rate Covered Bonds only. The applicable Final Terms or Pricing Supplement contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5.02 for full information on the manner in which interest is calculated on Fixed Rate Covered Bonds. In particular, the applicable Final Terms or Pricing Supplement will specify the Interest Commencement Date, the Rate of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Business Day Convention (if any), the Day Count Fraction, any applicable Determination Date and any Calculation Agent.

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 specified in the applicable Final Terms or Pricing Supplement. Interest will be payable in arrear 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.

Where a Fixed Coupon Amount is specified 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 such 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.

Where the Covered Bonds are represented by a Global Covered Bond or where the Specified Denomination of the Covered Bonds 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 Fixed Coupon Amounts or Broken Amounts, as the case may be, 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.

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 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 a Fixed Coupon Amount is not specified in the applicable Final Terms or Pricing Supplement, such interest shall be calculated in accordance with Condition 5.09.

Notwithstanding anything else in this Condition 5.02, if an Extended Due for Payment Date is specified in the applicable 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 the applicable Rate of Interest specified in the applicable Final Terms or Pricing Supplement, 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

Interest Payment Dates

This Condition 5.03 applies to Floating Rate Covered Bonds only. The applicable Final Terms or Pricing Supplement contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5.03 for full information on the manner in which interest is calculated on Floating Rate Covered Bonds. In particular, the applicable Final Terms or Pricing Supplement will identify Specified Interest Payment Date(s), the Maturity Date, any Interest Period, the Interest Commencement Date, the Business Day Convention, any Business Centre(s), whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Issuing and Paying Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms or Pricing Supplement will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms or Pricing Supplement will also specify the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s) and Relevant Screen Page.

5.03 (i) 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 arrear 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 with the first Interest Payment Date (the **"First Interest Payment Date**") being as 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(s) 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. 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, Euroclear, DTC and/or CDS for distribution by them to Relevant Account Holders in accordance with their usual rules and operating procedures).

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds will be determined in one of the manners set out below and specified in the applicable Final Terms or Pricing Supplement.

(iii) Screen Rate Determination

Where 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, the Rate of Interest will be determined as provided below:

(a) Where the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being a rate other than "**SONIA**", "**SOFR**", "**€STR**" or "**SARON**":

(i) the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation, or

(B) the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, 0.000005 being rounded upwards) of the offered quotations

(expressed as a percentage rate per annum) for the Reference Rate for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, all as determined by the Calculation Agent;

(ii) if, on any Interest Determination Date, no such Reference Rate so appears on the Relevant Screen Page or, as the case may be, if fewer than two offered quotations for such Reference Rate so appear or if the Relevant Screen Page is unavailable or if the offered rate or rates which appear for such Reference Rate on the Relevant Screen Page as at the Relevant Time do not apply to a period or durations equal to the Interest Period, the Calculation Agent will request appropriate quotations of such Reference Rate and will determine the arithmetic mean (rounded as described above) of the rates at which deposits in the relevant currency are offered by the principal Relevant Financial Centre office of the Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre 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;

(iii) 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

(iv) if fewer than two rates of such Reference Rate are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as described above) of the rates of such Reference Rate quoted by four major banks in the Principal Financial Centre as selected by the Issuer, at approximately 11:00 a.m. (Financial Centre time) on the first day of the relevant Interest Period for loans in the Specified 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 such Interest Period will be the rate or, as the case may be, the arithmetic mean (rounded as described above) of the rates so determined plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin, if any, provided however that if the Calculation Agent is unable to determine a 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 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 specified 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).

(b) Where the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being "**SONIA**", the Rate of Interest for each Interest Period will, as provided below, be Compounded Daily SONIA for the Interest Period plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin, if any, all determined by the Calculation Agent. Compounded Daily SONIA will be calculated in accordance with either the lag observation method (the "**Observation Look-back 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 Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent 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 Look-back Convention:

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

where:

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

"**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;

"**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" up to but excluding the earlier of (i) the following London Banking Day or (ii) the last day of the relevant Interest Period or, in respect of the final Interest Period, the Final Maturity Date or the Extended Due for Payment Date, as the case may be;

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

"**p**" is the number of London Banking Days included in the Observation Look-back Period, as specified in the applicable Final Terms or Pricing Supplement, and which shall not be specified in the applicable Final Terms or Pricing Supplement as less than five without the prior agreement of the Calculation Agent; and

"**$SONIA_{i-pLBD}$**" 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:

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

where:

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

"**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 the relevant Interest Period 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" up to but excluding the following London Banking Day;

"**Observation Look-back Period**" is 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;

"**p**" is the number of London Banking Days included in the Observation Look-back Period, as specified in the applicable Final Terms or Pricing Supplement, and which shall not be specified in the applicable Final Terms or Pricing Supplement as less than five without the prior agreement of the Calculation Agent; 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".

The following fallbacks for the SONIA reference rate apply to both the Observation Look-back 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.

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;

"**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);

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

"**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.

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 Look-back Period" 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.

And, for each Compounded Daily SONIA Observation Convention, the following definitions shall also apply:

"**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, 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.

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 and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

(c) Where the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being "**SOFR**", the Rate of Interest for each Interest Period will, as provided below, be Compounded SOFR for the Interest Period plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin, if any, all determined by the Calculation Agent. Compounded SOFR will be determined in accordance with an "**Observation Shift Convention**" or "**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.

"**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) and will be 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 hundred-thousandth of a percentage point, with 0.000005 being rounded upwards):

Observation Shift Convention:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \, x \, n_i}{360}\right)-1\right] x \frac{360}{d}$$

where:

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

"**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 the relevant Observation Period, in chronological

order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"**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"i+1";

"**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 (the "**SOFR Determination Time**");

(2) if the rate specified in (1) above does not so appear:

(i) if both a Benchmark Transition Event (as defined in Condition 13.02(c)) and its related Benchmark Replacement Date (as defined in Condition 13.02(c)) have not 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; or

(ii) 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);

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

SOFR Index Convention:

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

where:

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

"**SOFR**" means the daily secured overnight rate as published by the SOFR Administrator on the SOFR Administrator's Website;

"**SOFR $Index_{Start}$**" is the SOFR Index value for the day which is "*p*" U.S. Government Securities Business Days preceding the first date of the relevant Interest Period;

"**SOFR $Index_{End}$**" is the SOFR Index value for the day which is "*p*" U.S. Government Securities Business Days preceding the Interest Payment Date relating to the Interest Period;

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

(a) the SOFR Index as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at 3:00pm on such U.S. Government Securities Business

Day (the "**SOFR Index Determination Time**"); provided that,

(b) if a SOFR Index value does not so appear as specified in (a) above, then:

(i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then Compounded SOFR shall be the rate determined pursuant to the "SOFR Index Unavailable" provisions (defined below); or

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

"**SOFR Index Unavailable**" means if the SOFR Index is not published on a SOFR $\text{Index}_{\text{Start}}$ or SOFR $\text{Index}_{\text{End}}$ on the associated Interest Determination Date; and a Benchmark Transition Event (as defined in Condition 13.02(c)) and its related Benchmark Replacement Date (as defined in Condition 13.02(c)) have not occurred with respect to SOFR, "**Compounded SOFR**" means, for an Interest Determination Date for the applicable Interest Period for which SOFR Index Unavailable, the rate of return on a daily compounded interest investment calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the formula for SOFR Averages, and the definitions required for such formula, published on the SOFR Administrator's Website. For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "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 Observation Period, SOFRi for such day "i" shall be SOFR published in respect of the preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website;

And, for each Compounded SOFR Observation Convention, the following definitions and provisions shall also apply:

"**SOFR Administrator**" means the FRBNY (or a successor administrator of SOFR);

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

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

"**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 the Interest Period to, but excluding, the date falling "*p*" U.S. Government Securities Business Days preceding the Interest Payment Date for the Interest Period, or such other period as may be 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 Look-back Period specified in the applicable Final Terms or Pricing Supplement, and which shall not be specified in the applicable Final Terms or Pricing Supplement as less than five without the prior agreement of the Calculation Agent; and

"**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.

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 became due and payable and the Rate of Interest on such Covered Bonds shall, for so long as any such Covered Bond remains 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.

(d) Where the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being **"€STR**", the Rate of Interest for each Interest Period will, as provided below (and subject to the €STR Fallbacks set out below), be Compounded Daily €STR for the Interest Period plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin, if any, all determined by the Calculation Agent. Compounded Daily €STR will be calculated in accordance with the lag observation method (the "**Observation Look-back Convention**") or the shift observation method (the "**Observation Shift Convention** and each a "**Compounded Daily €STR Observation Convention**"). The applicable Final Terms or Pricing Supplement will indicate which Compounded Daily €STR Observation Convention is applicable.

"**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:

Observation Look-back Convention:

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

where:

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

"$\mathbf{d_o}$", for any Interest Period, is the number of T2 Business Days (as defined below) in the relevant Interest Period;

"$\mathbf{€STR_{i\text{-}pTBD}}$" means for any day "i" in the relevant Interest Period the €STR Reference Rate for the T2 Business Day falling "p" T2 Business Days prior to the relevant 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 or (ii) the last day of the relevant Interest Period or, in respect of the final Interest Period, the Final Maturity Date or the Extended Due for Payment Date, as the case may be;

"**Observation Look-back Period**" is as specified in the applicable Final Terms or Pricing Supplement; and

"**p**" is the number of T2 Business Days included in the Observation Look-back Period, as specified in the applicable Final Terms or Pricing Supplement.

Observation Shift Convention:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{€STR_{i\times}\,n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

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

"**d_o**", for any Observation Period, is the number of T2 Business Days (as defined below) in the relevant Observation Period;

"**€STR$_i$**" means, in respect of any T2 Business Day "i" falling in the relevant Observation Period, the €STR Reference Rate for 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 Observation Period;

"**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 following T2 Business Day;

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

"**Observation Period**" means, in respect of an Interest Period, the period from, and including, the date falling "p" T2 Business Days prior to the first day of the relevant Interest Period (and the first Observation Period shall begin on and include the date falling "p" T2 Business Days prior to the Interest Commencement Date) and ending on, but excluding, the date falling "p" T2 Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" T2 Business Days prior to such earlier date, if any, on which the Covered Bonds become due and payable); and

"**p**" is the number of T2 Business Days included in the Observation Look-back Period, as specified in the applicable Final Terms or Pricing Supplement.

And, for each Compounded Daily €STR Observation Convention, the following definitions shall also apply:

"**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 publish or provide the ECB Recommended Rate;

"**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;

"**€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. Central European 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));

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 below) 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 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 (i) the European Central Bank (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by 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 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 TARGET Business Day plus the arithmetic mean of the daily difference between the €STR Reference 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 €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 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, but without prejudice to Condition 13.02, (i) the Rate of Interest applicable to the Covered Bonds during such Interest Period will be the Rate of Interest last determined in relation to the Covered Bonds in respect of the last preceding Interest Period (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 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 an €STR Index Cessation Event and €STR Index Cessation Effective Date occurs, the Issuer will promptly notify the Covered Bondholders in accordance with Condition 14 and the Calculation Agent of such occurrence as well as all other action taken in accordance with the above fallback provisions.

"**T2 Business Day**" or "**TBD**" has the meaning set out in Condition 5.10;

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 any such Covered Bond remains 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.

(e) Where the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being "**SARON**" and the SARON Calculation Method is specified in the applicable Final Terms or Pricing Supplement as being "**Compounded Daily Rate**" and the SARON Observation Method is specified in the applicable Final Terms or Pricing Supplement as being "**Observation Shift Convention**", the Rate of Interest for each Interest Period will, subject as provided below, be SARON Compounded (as defined below) for such Interest Period, plus or minus (as specified in the applicable Final Terms or Pricing Supplement) the applicable Margin.

"**SARON Compounded**" means, in respect of 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 ten-thousandth 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 in the relevant Observation Period;

"d_c" means the number of calendar days in the relevant Observation Period;

"***i***" indexes 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" means, in respect of any Zurich Banking Day *i*, the number of calendar days from, and including, the Zurich Banking Day *i* up to, but excluding, the first following Zurich Banking Day;

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

"**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;

"**p**" is the number of Zurich Banking Days included in the Observation Look-back Period, as specified in the applicable Final Terms or Pricing Supplement;

"**SARON 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$_i$**" 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 ("**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); or

(i) if SARON does not so appear on the SARON Administrator Website or is not so published by the SARON Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event (as defined in Condition 13.02(c.1)(v)) and a SARON Index Cessation Effective Date (as defined in Condition 13.02(c.1)(v)) 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 SARON 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.1).

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 and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

ISDA Rate Determination

5.04 Where ISDA Determination is specified in the applicable 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. For purposes of this Condition 5.04, "**ISDA Rate**" for an Interest Period means a rate equal to the Fixed Rates, Fixed Amounts, Fixed Prices, Floating Rates, Floating Amounts or Floating Prices, as the case may be, or as otherwise specified 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 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:

(a) 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 applicable Final Terms or Pricing Supplement);

(b) the Effective Date (as defined in the ISDA Definitions) is the Interest Commencement Date;

(c) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the applicable Final Terms or Pricing Supplement;

(d) the Designated Maturity (as defined in the ISDA Definitions), if applicable, is the period specified in the applicable Final Terms or Pricing Supplement;

(e) the Issuing and Paying Agent is the Calculation Agent;

(f) the Calculation Periods are the Interest Periods;

(g) the Payment Dates are the Interest Payment Dates;

(h) the relevant Reset Date (as defined in the ISDA Definitions) is either (i) if the applicable Floating Rate Option is based on the Euro-zone interbank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (ii) in any other case as specified in the applicable Final Terms or Pricing Supplement;

(i) the Calculation Amount is the principal amount of such Covered Bond;

(j) the Day Count Fraction applicable to the calculation of any amount is that specified in the applicable Final Terms or Pricing Supplement or, if none is so specified, as may be determined in accordance with the ISDA Definitions;

(k) the Applicable Business Day Convention applicable to any date is that specified in the applicable Final Terms or Pricing Supplement or, if none is so specified, as may be determined in accordance with the ISDA Definitions;

(l) 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 (each as defined in the ISDA Definitions, as applicable) are as specified in the applicable Final Terms or Pricing Supplement;

(m) if the Floating Rate Option is an Overnight Floating Rate Option and Compounding Method is specified to apply in the applicable Final Terms or Pricing Supplement, the Overnight Rate Compounding Method will be one of the following, as specified in the applicable Final Terms or Pricing Supplement:

(i) Compounding with Lookback;

(ii) Compounding with Observation Period Shift; or

(iii) Compounding with Lockout;

(n) if the Floating Rate Option is an Overnight Floating Rate Option and Averaging is specified to apply in the applicable Final Terms or Pricing Supplement, the Overnight Averaging Method will be one of the following, as specified in the applicable Final Terms or Pricing Supplement:

(i) Averaging with Lookback;

(ii) Averaging with Observation Period Shift; or

(iii) Averaging with Lockout;

(o) if the Floating Rate Option is a Compounded Index Floating Rate Option, the Index Method will be Compounded Index Method with Observation Period Shift as specified in the applicable Final Terms or Pricing Supplement:

(p) if the 2021 ISDA Definitions apply:

(i) any fallbacks that would otherwise be required to be determined in accordance with Section 8.6 (Generic Fallback Provisions) of the 2021 ISDA Definitions shall not be so determined, but shall instead be determined in accordance with Condition 13.02(b); and

(ii) if Administrator/Benchmark Event is specified in the Floating Rate Matrix in respect of the relevant Floating Rate Option, Condition 13.02(b) shall apply in place of the provisions relating to Administrator/Benchmark Event and the Administrator/Benchmark Fallback in the 2021 ISDA Definitions, and the 2021 ISDA Definitions shall be construed accordingly;

(q) if the 2021 ISDA Definitions apply, Period End Date / Termination Date adjustment for Unscheduled Holiday (as defined in the 2021 ISDA Definitions) will apply if specified in the applicable Final Terms or Pricing Supplement to be applicable;

(r) if the 2021 ISDA Definitions apply, Non-Representative (as defined in the 2021 ISDA Definitions) will apply if specified in the applicable Final Terms or Pricing Supplement to be applicable;

(s) if the 2021 ISDA Definitions apply, Successor Benchmark and Successor Benchmark Effective Date (as defined in the 2021 ISDA Definitions) will be as specified in the applicable Final Terms or Pricing Supplement; and

(t) the other terms are as specified in the applicable Final Terms or Pricing Supplement.

Subject to (p) above, the ISDA Definitions contain provisions for determining the applicable Floating Rate (as defined below) (including Supplement 70 to the 2006 ISDA Definitions and Section 9 of the 2021 ISDA Definitions (Bespoke Triggers and Fallbacks)) in the event that the specified Floating Rate is not available and such provisions shall apply to Floating Rate Covered Bonds as if incorporated in these Conditions.

For the purposes of this Condition 5.04 "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Floating Rate Matrix**", "**Designated Maturity**", "**Reset Date**", "**Overnight Floating Rate Option**", "**Overnight Rate Compounding Method**", "**Compounding with Lookback**", "**Compounding with Observation Period Shift**", "**Compounding with Lockout**", "**Averaging with Lookback**", "**Averaging with Observation Period Shift**", "**Averaging with Lockout**", "**Generic Fallback Provisions**", "**Compounded Index Floating Rate Option**", "**Index Method**" and "**Compounded Index Method with Observation Period Shift**" have the meanings given to those applicable terms in the ISDA Definitions.

Maximum Rate of Interest or Minimum Rate of Interest

5.05 If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the applicable 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.

Linear Interpolation

5.06 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 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 shall determine such rate at such time and by reference to such sources as the Issuer shall determine as appropriate for such purposes.

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

Accrual of Interest after the due date

5.07 Interest will cease to accrue as from the due date for redemption therefor unless upon due presentation or surrender thereof (if required), payment in full of the Final Redemption Amount is improperly withheld or refused or default is otherwise made in the payment thereof. In such event, interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Rate of Interest then applicable or such other rate as may be specified for this purpose in the applicable Final Terms or Pricing Supplement if permitted by applicable law ("**Default Rate**") until the date on which, upon due presentation or surrender of the relevant Covered Bond (if required), the relevant payment is

made or, if earlier, the seventh day after the date on which, the Issuing and Paying Agent 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 that the Issuing and Paying Agent or, as the case may be, the Registrar 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

5.08 If a Calculation Agent is specified in the applicable Final Terms or Pricing Supplement, the Calculation Agent, as soon as practicable after the time that 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 will determine the Rate of Interest and calculate the amount(s) of interest payable (the "**Interest Amount(s)**") in the manner specified in Condition 5.09 below, 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, to be notified to the Issuing and Paying Agent, the Registrar (in the case of Registered Covered Bonds), the Issuer, the Holders in accordance with Condition 14 and, if the Covered Bonds are listed on a stock exchange or admitted to listing by any other authority and the rules of such exchange or other relevant authority so require, such exchange or listing authority as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter (or, in the case of Covered Bonds where the applicable Final Terms or Pricing Supplement 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, save in the case of Compounded Daily SONIA for the purposes of Condition 5.03(iii)(b) 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, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest or proven 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 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

5.09 The amount of interest payable in respect of any Covered Bond for any Interest 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 (where references to "Accrual Period" in the definition shall be deemed to be references to "Interest Period"), save that in the case of Fixed Rate Covered

Bonds where the Fixed Coupon Amount is specified in the applicable Final Terms or Pricing Supplement, the interest shall be calculated in accordance with Condition 5.02.

In the case of SOFR, the Day Count Fraction shall be Actual/360 unless otherwise specified in the applicable Final Terms or Pricing Supplement.

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in the applicable Final Terms or Pricing Supplement), (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 smallest sub-unit of such currency, with halves 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

5.10 In these Conditions, unless the context otherwise requires, the following defined terms shall have the meaning set out below:

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

"**Business Day**" means (i) in relation to Covered Bonds payable in other than euro, (A) 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 applicable Final Terms or Pricing Supplement and (B) if T2 is specified in the applicable Final Terms or Pricing Supplement as a relevant Business Centre, a day (other than a Saturday or Sunday) which is a T2 Business Day (as defined below), or (ii) in relation to Covered Bonds payable in euro, a day (other than a Saturday or Sunday) 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 applicable Final Terms or Pricing Supplement.

"**Business Day Convention**" means a convention for adjusting any date (if applicable for the purposes so specified) if (i) it would otherwise fall on a day that is not a Business Day or (ii) there is no numerically corresponding day in the calendar month(s) in which such date should occur, and the following Business Day Conventions, where specified in the applicable 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 applicable 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,

provided that if ISDA Determination, "**2021 ISDA Definitions**" and "**Unscheduled Holiday**" are applicable in the applicable Final Terms or Pricing Supplement, then in the case where Modified Following Business Day Convention, Modified Business Day Convention, Preceding Business Day Convention, FRN Convention or Eurodollar Convention apply to a particular date and that date would otherwise fall on a day that is not a Business Day as a result of an Unscheduled Holiday (as defined in the 2021 ISDA Definitions but disregarding references to Valuation Business Day and Exercise Business Day and construing references to the Confirmation to mean the applicable Final Terms or Pricing Supplement) notwithstanding the provisions of (b) to (d) above, such day will instead fall on the first following day that is a Business Day.

"**Calculation Agent**" means the person specified as calculation agent in relation to such Covered Bonds in the applicable Final Terms or Pricing Supplement or, if applicable, any successor to such person in its capacity as such (provided that such person shall not be the Issuing and Paying 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 applicable 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/360**" is so specified, means the actual number of days in the Accrual Period divided by 360;

(d) if "**Actual/360 (Observation Period)**" is specified in the applicable Final Terms, the actual number of days in the Observation Period divided by 360;

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

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

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

where,

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Accrual Period falls;

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

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

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

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Accrual 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 the Accrual Period, unless such number would be 31, in which case D_2 will be 30;

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

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

where,

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Accrual Period falls;

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

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

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

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case D_1 will be 30; and

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

(h) 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:

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

where,

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

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

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

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

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

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

(i) if "**Actual/Actual (ICMA)**" is so specified:

(i) if the Accrual Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Accrual Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or

(ii) if the Accrual Period is longer than the Determination Period, the sum of:

(x) the number of days in such Accrual Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

(y) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year

where,

"**Determination Date**" means such dates as specified in the applicable Final Terms or Pricing Supplement; and

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

"**Euro**" means 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.

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

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

"**Interest Determination Date**" means, in respect of any Interest Period, the date specified in the applicable Final Terms or Pricing Supplement, or if none is specified:

(a) the first day of such Interest Period;

(b) in the case of Covered Bonds where the Reference Rate is SONIA, the fifth London Banking Day prior to each Interest Payment Date;

(c) in the case of Covered Bonds denominated in U.S. dollars where the Reference Rate is SOFR, the fifth U.S. Government Securities Business Day 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 EURIBOR, the second T2 Business Day prior to the first day of such Interest Period;

(f) in the case of NIBOR, the second Oslo Business Day prior to the start of each Interest Period; or

(g) in the case of SARON, the fifth Zurich Banking Day prior to each Interest Payment Date.

"**Interest Payment Date**" means the date or dates specified as such in, or determined in accordance with the provisions of, the applicable Final Terms or Pricing Supplement and, as the same may be adjusted in accordance with the Business Day Convention, if any, specified in the applicable 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 applicable 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 Interest Commencement 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 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**" means International Swaps and Derivatives Association, Inc. (or any successor thereto).

"**ISDA Definitions**" means, in relation to any Series of Covered Bonds, (i) unless the "2021 ISDA Definitions" are specified as being applicable in the applicable Final Terms or Pricing Supplement, the 2006 ISDA Definitions (as amended, supplemented and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the applicable Final Terms or Pricing Supplement) as published by ISDA); and (ii) if "2021 ISDA Definitions" are specified as being applicable in the applicable Final Terms or Pricing Supplement, 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.

"**NIBOR**" means the Norwegian Interbank Offered Rate.

"**Outstanding Principal Amount**" means, in respect of a Covered Bond, its principal amount.

"**Principal Financial Centre**" means such financial centre or centres as may be indicated in the applicable Final Terms or Pricing Supplement or, if none is so specified or "Not Applicable" is specified in the applicable 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 Calculation Agent 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 applicable Final Terms or Pricing Supplement.

"**Reference Banks**" means such banks as may be specified in the applicable Final Terms or Pricing Supplement as the Reference Banks, or, if none are specified or "Not Applicable" is specified in the applicable 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 Financial Centre**" has the meaning ascribed to it in the applicable Final Terms or Pricing Supplement.

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters service ("**Reuters**")) specified as the "Relevant Screen Page" in the applicable Final Terms or Pricing Supplement, or such other successor or replacement page, section or other part in that information service (or any page, section or other part of a successor information service), 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, in the case of EURIBOR means Central European Time, in the case of NIBOR means Oslo time and, in the case of SOFR, the SOFR Determination Time or SOFR Index Determination Time, as applicable) or, if none is specified, at which it is customary to determine such rate.

"**T2**" means the real-time gross settlement system operated by the Eurosystem (or any successor or replacement system).

"**T2 Business Day**" 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.

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 Accrual Yield defined in, or determined in accordance with the provisions of, the applicable Final Terms or Pricing Supplement or at such other rate as may be specified for this purpose in the applicable 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, the seventh day after the date on which, the Issuing and Paying Agent 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 that the Issuing and Paying Agent or, as the case may be, the Registrar 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 5.09 as if the Rate of Interest was the Accrual Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the applicable Final Terms or Pricing Supplement or, if not so specified, 30E/360 (as defined in Condition 5.10).

Coupon Switch Option Provisions

5.12 This Condition 5.12 is applicable to the Covered Bonds only if the Coupon Switch Option is specified in the applicable Final Terms or Pricing Supplement as being applicable and each Covered Bond shall bear interest on the following basis.

The applicable Final Terms or Pricing Supplement shall specify whether the Fixed Rate Covered Bond Provisions or, as the case may be, the Floating Rate Covered Bond Provisions are applicable to the Covered Bonds from and including the Issue Date to but excluding the Coupon Switch Option Date. The applicable Final Terms or Pricing Supplement shall also specify whether the Fixed Rate Covered Bond Provisions or, as the case may be, the Floating Rate Covered Bond Provisions are applicable upon the exercise by the Issuer of the Coupon Switch Option, from and including such Coupon Switch Option Date to but excluding the Maturity Date. Upon the Issuer giving the requisite notice (which, for the purposes of this Condition 5.12 only, shall be five Business Days prior to the Coupon Switch Option Date or such other notice period as may be specified in the applicable Final Terms or Pricing Supplement) to exercise its Coupon Switch Option, from and including the Coupon Switch Option Date, interest shall accrue on the basis set out in the applicable Final Terms or Pricing Supplement as applying following the Coupon Switch Option Date.

For the purposes of this Condition 5.12, "**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including

dealings in foreign currency deposits) in the Principal Financial Centre and any Business Centre(s) specified in the applicable Final Terms or Pricing Supplement.

Interest Act (Canada) Disclosure

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

6 Redemption and Purchase

Redemption at Maturity

6.01 Unless previously redeemed, or purchased and cancelled, each Covered Bond shall be redeemed at its Final Redemption Amount specified in the applicable Final Terms or Pricing Supplement (which shall be par, save in the case of Zero Coupon Covered Bonds in respect of which the Final Redemption Amount shall be the amount per Calculation Amount specified in the applicable Final Terms or Pricing Supplement, which amount is at least equal to 100 per cent. of such Calculation Amount) 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 applicable 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 applicable Final Terms or Pricing Supplement (or after expiry of the grace period set out in Condition 7.01(a)) and, following the service of a Notice to Pay on the Guarantor LP by no later than the date falling one Business Day prior to the Extension Determination Date, the Guarantor LP 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 London Business Days after service of such Notice to Pay on the Guarantor LP 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 LP 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 LP 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 Issuing and Paying Agents as soon as reasonably practicable and in any event at least 4 Business Days prior to the Final Maturity Date of such Series of Covered Bonds whether payment will be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date. Any failure by the Issuer to notify the Issuing and Paying Agents shall not affect the validity or effectiveness of the extension of maturity.

The Guarantor LP shall notify the relevant holders of the Covered Bonds (in accordance with Condition 14), the Rating Agencies, the Bond Trustee, the Issuing and Paying Agent 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 LP 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 LP 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 LP shall on the earlier of (a) the date falling two London Business Days after the service of a Notice to Pay on the Guarantor LP or if later the Final Maturity Date (or, in each case, after the expiry of the applicable grace period set out in Condition 7.02) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) *pro rata* in part payment of an amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds and shall pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such Covered Bond on such date. The obligation of the Guarantor LP 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 LP shall not constitute a Guarantor LP 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 LP 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; and

"**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 LP and moneys standing to the credit of the Guarantor LP Accounts, to be paid on each Guarantor LP Payment Date in accordance with the Guarantor LP Agreement.

"**Rating Agency**" means any one of Moody's USA, Fitch Ratings, Inc and DBRS Canada, 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 more than one Rating Agency.

Early Redemption for Taxation Reasons

6.02 If, in relation to any Series of Covered Bonds (i) as a result of any change in the laws or regulations of Canada or any province or territory 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 applicable Final Terms or Pricing Supplement, the Issuer would be required to pay additional amounts as provided in Condition 8, (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it and (iii) such circumstances are evidenced by the delivery by the Issuer to the Issuing and Paying Agent and Bond Trustee of (x) a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto, and (y) an opinion of independent legal advisers of recognised standing to the effect that the circumstances set forth in (i) above, prevail, the Issuer may, at its option 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 applicable Final Terms or Pricing Supplement, together with accrued interest (if any) thereon, provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Floating Rate Covered Bonds a number of days which is equal to the aggregate of the number of days falling within the then current Interest Period plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due.

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

*This Condition 6.03 applies to Covered Bonds which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an "**Issuer Call**". The applicable Final Terms or Pricing Supplement contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.03 for full information on any Issuer Call. In particular, the applicable Final Terms or Pricing Supplement will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Covered Bonds which can be redeemed and the applicable notice periods.*

6.03 If a Call Option is specified in the applicable 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 and subject to such conditions as may be specified in the applicable Final Terms or Pricing Supplement, 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 applicable 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 rules of Euroclear, Clearstream, DTC, CDS and/or any other relevant clearing system (to be reflected in the records of Euroclear and/or Clearstream, DTC and/or CDS 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 applicable 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 the case of Bearer Definitive Covered Bonds, 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, provided that any such Put Option shall expire no later than upon an Issuer Event of Default. 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, 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 Registered Definitive

Covered Bond, the aggregate principal amount in respect of which such option is exercised (which must be a Specified Denomination specified in the applicable Final Terms or Pricing Supplement). In the case of a Global Covered Bond or Covered Bond in definitive form held through Euroclear or Clearstream, to exercise the right to require the redemption of the Covered Bonds the Holder of the Covered Bonds must, within the notice period, give notice to the Issuing and Paying Agent, in the case of Bearer Covered Bonds, or the Registrar, in the case of Registered Covered Bonds, of such exercise in accordance with the standard procedures of Euroclear and Clearstream (which may include notice being given on such Holder's instruction by Euroclear or Clearstream or any common depositary or common safekeeper, as the case may be, for them to the Issuing and Paying Agent or the Registrar, as applicable, by electronic means) in a form acceptable to Euroclear and Clearstream from time to time. Notwithstanding the foregoing, Covered Bonds represented by a Permanent Global Covered Bond or Global Registered 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 Bonds 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 not be obligated to, purchase Covered Bonds in the open market or otherwise and at any price provided that all unmatured Coupons appertaining thereto are purchased therewith. If purchases are made by tender, tenders must be available to all Holders of the relevant Covered Bonds alike.

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 held, reissued or resold.

Further Provisions applicable to Final Redemption Amount

6.09 The provisions of Condition 5.08 and the last paragraph of Condition 5.09 shall apply to any determination or calculation of the Redemption Amount required by the applicable Final Terms or Pricing Supplement to be made by the Calculation Agent (as defined in Condition 5.10).

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

6.10 Unless otherwise specified in the applicable Final Terms or Pricing Supplement, the Redemption Amount payable in respect of any Zero Coupon Covered Bond 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 Reference Price specified in the applicable Final Terms or Pricing Supplement; and

(b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date 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 full year, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction specified in the applicable Final Terms or Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Covered Bonds 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 and the denominator 360), (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Covered Bonds 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 and the denominator will be 360), (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Covered Bonds 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 and the denominator will be 365) or (iv) Actual/Actual (ICMA) (in which case the Accrual Period will commence on (and include) the Issue Date of the first Tranche of the Covered Bonds and end on (but exclude) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable).

6.11 If any Redemption Amount (other than the Final Redemption Amount) of any Zero Coupon Covered Bond 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 date (the "**Reference Date**") which is the earlier of:

(a) the date on which, upon due presentation or surrender of the relevant Covered Bond (if required), all amounts due have been paid; and

(b) the seventh day after the date on which, the Issuing and Paying Agent 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). The calculation of the Amortized Face Amount in accordance with this sub-paragraph will continue to be made, after as well as before judgment, unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the scheduled Final Redemption Amount of the Covered Bond on the Maturity Date together with interest which may accrue in accordance with Condition 5.10.

6.12 **[Intentionally omitted]**

6.13 **[Intentionally omitted]**

6.14 **[Intentionally omitted]**

Redemption due to Illegality

6.15 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 Issuing and 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 LP 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 6.15 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 6.15, the Issuer shall deliver to the Issuing and 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 Issuing and 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 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 euros converted into euros at the Euro Conversion Rate specified in the applicable Final Terms or Pricing Supplement) 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 (d) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor LP 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 LP 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 (i) any principal in respect of the Covered Bonds within 10 days of the due date or (ii) any interest in respect of the Covered Bonds within 30 days of the due date; or

(b) the Issuer fails to perform or observe any obligations under the Covered Bonds or Coupons of any Series, the Trust Deed or any other Transaction Document to which the Issuer is a party (other than the Dealership Agreement and the subscription agreements) but excluding (i) any obligation of the Issuer to comply with the Asset Coverage Test; (ii) any obligation of the Issuer which relates solely to its obligations under Part I.1 of the *National Housing Act* (Canada) or the Guide and breach of which would not otherwise constitute a breach of the terms of the Transaction Documents; (iii) the obligation to exchange cashflows under the Swap Agreement following a Trigger Event Date, and such failure continues for the 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); and (iv) any other obligation specifically provided for in this Condition 7.01; or

(c) Section 8.1(3)(a)(ii) or Section 8.1(3)(b) of the Guarantor LP Agreement (which limits the right of the Guarantor LP to exercise discretion in respect of rights under Transaction Documents as described under "*Summary of the Principal Documents – Guarantor LP Agreement – Other Provisions*") or Part 5(t)(ii) of a Schedule to the ISDA Master Agreement for a Swap Agreement (which limits the right of the Guarantor LP to exercise discretion in respect of rights under such Swap Agreement as described under "*Summary of the Principal Documents – Interest Rate Swap Agreement*" and "*Covered Bond Swap Agreement*") is not complied with; or

(d) the Reserve Fund is not established within 30 days (or such longer period as the Bond Trustee may permit) following the date on which the Reserve Fund is required to be established pursuant to Section 6.1(2) of the Guarantor LP Agreement (which requires the Reserve Fund to be established upon the ratings or assessments of the Issuer falling below the Reserve Fund Required Amount Ratings); or

(e) cashflows are not exchanged in accordance with the terms of the Covered Bond Swap Agreement within 30 days (or such longer period as the Bond Trustee may permit) following a Trigger Event Date; or

(f) any impending or actual insolvency on the part of the Bank as evidenced by, but not limited to (i) the commencement of a dissolution proceeding or a case in bankruptcy involving the Bank (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); (ii) the appointment of a trustee or other similar court officer over, or the taking of control or possession by such officer or by OSFI of the Bank's business in whole or in part, or in the case of OSFI, the Bank, before the commencement of a dissolution proceeding or a case of bankruptcy; (iii) a general assignment by the Bank for the benefit of any of its creditors; or (iv) the general failure of, or the inability of, or the written admission of the inability of, the Bank to pay its debts as they become due; or

(g) 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 LP Payment Date immediately following the next Calculation Date after service of such Asset Coverage Test Breach Notice.

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 ("**Notice to Pay**") on the Guarantor LP pursuant to the Covered Bond Guarantee and the Guarantor LP 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

and a Notice to Pay on the Guarantor LP, 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 LP (or the Cash Manager on its behalf) for the account of the Guarantor LP and shall be held in the Guarantor LP 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 LP (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 LP in the Guarantor LP 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 and Coupons. However, the obligations of the Guarantor LP 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 LP in the manner as described above.

Guarantor LP 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 euros converted into euros at the rate specified in the applicable Final Terms or Pricing Supplement), 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 (h) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor LP 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 LP Acceleration Notice**") in writing to the Issuer and to the Guarantor LP, 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 LP 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 LP Event of Default**") shall occur and be continuing:

(a) default is made by the Guarantor LP 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 payments of a Guaranteed Amount when Due for Payment under Condition 6.01 where the Guarantor LP shall be required to make payments of Guaranteed Amounts which are Due for Payment on the dates specified therein; or

(b) (i) if the Guarantor LP fails to perform or observe any obligation, condition, or provision binding on it under the Trust Deed, the Security Agreement, or any other Transaction Document or any obligation of the Guarantor LP to make any payment under a Swap Agreement which does not constitute an event of default under the Swap Agreement to which the Guarantor LP is a party but excluding (A) any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series; (B) the obligation of the Guarantor LP to repay the Demand Loan within 60 days of a demand therefor or an obligation to do so pursuant to the terms of the Intercompany Loan Agreement; (C) any obligation of the Guarantor LP to comply with the Amortization Test; (D) any obligation of

the Guarantor LP which relates solely to its obligations under Part I.1 of the *National Housing Act* (Canada) or the Guide and breach of which would not otherwise constitute a breach of the terms of the Transaction Documents, and (E) any other condition specifically provided for in this Condition 7.02; or (ii) any party to a Transaction Document fails to take any remedial action required to be taken in accordance with the terms of the Transaction Documents, other than an action specified in Condition 7.02(c) or Condition 7.02(d), as a result of (A) the ratings or assessments by the Rating Agencies ceasing to meet a minimum rating, or (B) the failure to meet any financial test set out in the Transaction Documents that is intended to confirm the financial soundness of any counterparty; and such failure continues for the period of 30 days (or such longer period as the Bond Trustee may permit) next following the service by the Bond Trustee on the Guarantor LP 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) Section 8.1(3)(b) of the Guarantor LP Agreement (which obligates the Guarantor LP to terminate the Servicer or the Cash Manager, as applicable, in accordance with the terms of the Servicing Agreement or Cash Management Agreement, respectively, as a result of a breach by the Servicer or the Cash Manager, as applicable, of its obligations under such agreement to deposit funds into the Guarantor LP Accounts) is not complied with; or

(d) cashflows are not exchanged in accordance with the terms of the Covered Bond Swap Agreement within 30 days following a Trigger Event Date (unless such requirement is waived in accordance with the terms of the Covered Bond Swap Agreement) but disregarding any failure of the Guarantor LP to make a payment under the Covered Bond Swap Agreement which does not constitute an event of default under the Covered Bond Swap Agreement; or

(e) any impending or actual insolvency on the part of the Guarantor LP as evidenced by, but not limited to (i) the Guarantor LP being unable, or admitting inability, to pay its debts generally as they fall due; (ii) the Guarantor LP being adjudicated or found bankrupt or insolvent; (iii) proceedings are initiated against the Guarantor LP under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganization or other similar laws (including, but not limited to, presentation of a petition or the filing of documents with a court or any registrar for its winding-up, administration or dissolution or the giving notice of the intention to appoint an administrator (whether out of court or otherwise); (iv) a receiver and/or manager, administrative receiver, administrator, trustee or other similar official being appointed (whether out of court or otherwise) in relation to the Guarantor LP or in relation to the whole or any part of its assets; (v) a distress, diligence, or execution or other process shall be levied or enforced upon or sued out against the whole or any part of its assets; (vi) the Guarantor LP initiating or consenting to judicial proceedings relating to itself under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganisation or other similar laws; or (vii) making a conveyance or assignment for the benefit of, or shall enter into any composition with, its creditors generally; or

(f) an order is made or an effective resolution passed for the liquidation or winding up of the Guarantor LP; or

(g) if the Guarantor LP ceases or threatens to cease to carry on its business or substantially the whole of its business; or

(h) 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

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

Following the occurrence of a Guarantor LP Event of Default and service of a Guarantor LP Acceleration Notice on the Guarantor LP 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 LP, 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 LP, as the case may be, and/or any other person as it may think fit to enforce the provisions of the Trust Deed, the Covered Bonds and the Coupons or any other Transaction Document, but it shall not be bound to take any such enforcement proceedings in relation to the Trust Deed, the Covered Bonds or 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 euros at the rate specified in the applicable Final Terms or Pricing Supplement as described above), 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 LP 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 euros at the Euro Conversion Rate specified in the applicable Final Terms or Pricing Supplement as described above); 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 or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor LP or to take any action with respect to the Trust Deed, the Covered Bonds, 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.

8 Taxation

8.01 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Covered Bonds or 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 ("**Taxes**") imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax and, in the case of Covered Bonds 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 is required by law or the interpretation or administration thereof. In that event, the Issuer will pay

such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts of principal, interest or other amounts which would have been received in respect of the Covered Bonds 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 or Coupon:

(a) to, or to a third party on behalf of, a Holder who is liable for such Taxes in respect of such Covered Bond or Coupon by reason of such person having some connection with Canada or the country in which the relevant branch of the Issuer is located otherwise than the mere holding of such Covered Bond or Coupon; or

(b) to, or to a third party on behalf of, a Holder in respect of whom such Tax is required to be withheld or deducted by reason of the Holder or any other person entitled to payments under the Covered Bond or Coupon being a person (i) with whom the Issuer or payor is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); (ii) 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 payor; or (iii) who is, or does not deal at arm's length with any person who is, a "specified entity" (as defined in subsection 18.4(1) of the *Income Tax Act* (Canada)) in respect of the Issuer or payor; or

(c) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day assuming that day to have been a Payment Day (as defined in Condition 9.12); or

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

(e) for or on account of any withholding tax or deduction imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, whether currently in effect or as published and amended from time to time (the "**FATCA Withholding Tax Rules**"); or

(f) where any combination of items (a) to (e) applies.

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, "**Relevant Date**" means, in respect of any Covered Bond or Coupon, the date on which payment thereof first becomes due and payable, or, if the full amount of the moneys payable has not been received by the Issuing and 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 Account 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, and Coupons are subject to a U.S. federal withholding Tax imposed under the FATCA Withholding Tax Rules.

8.04 Any reference in these Terms and Conditions to any payment due in respect of the Covered Bonds 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 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 LP under the Covered Bond Guarantee be made subject to any withholding or deduction for or on account of Taxes imposed or levied by or on behalf of Canada, any province or territory or political 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 LP under the Covered Bond Guarantee in respect of Covered Bonds 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 LP 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) surrender of the relevant Bearer Covered Bonds at the specified office of any of the Paying Agents.

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 United States Internal Revenue Code of 1986, as amended, 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 9.12), then the Holder thereof will not be entitled to payment thereof until the next day which is a Payment Day 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 5.07 or, if appropriate, Condition 5.11.

9.06 Each Bearer Definitive Covered Bond initially delivered with Coupons or Talons 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 Coupons and Talons relating thereto, failing which:

(a) if the applicable Final Terms or Pricing Supplement specify that this paragraph (a) of Condition 9.06 is applicable (and, in the absence of specification, this paragraph (a) shall apply to Definitive Covered Bonds which bear interest at a fixed rate or in fixed amounts), 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) if the applicable Final Terms or Pricing Supplement specify that this paragraph (b) of Condition 9.06 is applicable (and, in the absence of specification, this paragraph (b) shall apply to Covered Bonds which bear interest at a floating rate or rates in variable amounts), 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; and

(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.

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 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 the provisions of 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 of holders of the Registered Covered Bonds maintained by the Registrar (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 third Business Day (in relation to Registered Definitive Covered Bonds) (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.

Notwithstanding the provisions of Condition 9.11, payments of interest in respect of each Registered Covered Bond (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the Business Day in the city where the specified office of the 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) 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 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 LP, 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 9.12), then the Holder thereof will not be entitled to payment thereof until the next day which is a Payment Day 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 5.07 or, if appropriate, Condition 5.11.

Payments – General Provisions

9.10 Save as otherwise specified in these Terms and Conditions, Conditions 9.11 to 9.13 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 by transfer to an account denominated in the relevant currency (or in the case of euro, an account to which euro 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 and (ii) any withholding or deduction required pursuant to the FATCA Withholding Tax Rules.

For the avoidance of doubt, if any withholding is required under the FATCA Withholding Tax Rules, the Issuer will not be required to pay any additional amount under Condition 8 on account of such withholding.

9.12 For the purposes of these Terms and Conditions, "**Payment Day**" means:

(a) 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 (1) in the case of Covered Bonds in definitive form only, the place of

presentation of the relevant Covered Bond or, as the case may be, Coupon and (2) each Financial Centre (other than T2) specified in the applicable Final Terms or Pricing Supplement;

(b) If T2 is specified as a relevant Financial Centre in the applicable Final Terms or Pricing Supplement, a day which is a T2 Business Day; and

(c) either (1) in the case of any currency other than euro, 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) and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Financial Centre(s) specified in the applicable Final Terms or Pricing Supplement) and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland respectively or (2) in the case of payment in euro, a day which is a T2 Business Day.

9.13 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, or such other length of time as is specified in the applicable Final Terms or Pricing Supplement.

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 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, the Transfer Agents and the Exchange Agent and their respective initial specified offices are specified below. The Calculation Agent in respect of any Covered Bonds and any additional or other Paying Agents shall be specified in the applicable Final Terms or Pricing Supplement. The Issuer or the Guarantor LP reserve 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 or the Guarantor LP 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 (vi) 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 LP 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 LP, 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 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 **[Intentionally omitted]**

12 Replacement of Covered Bonds

If any Covered Bond 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 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 the 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 in the event quorum is not present at the initial meeting and notice is provided of any adjournment of such meeting, at such 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 (i) 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 in the event quorum is not present at the initial meeting and notice is provided of any adjournment of such meeting, at such adjourned 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, and (ii) at any meeting the business of which is modification of any Bondholder Reserved Matter (as defined below) each affected holder of a Covered Bond shall consent to such modification; no modification shall affect any holder that does not so consent. An Extraordinary Resolution passed at any meeting (or signed in writing) 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 (or signed such written resolution), and on all

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 LP 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 in the event quorum is not present at the initial meeting and notice is provided of any adjournment of such meeting, at such adjourned 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 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 euros shall be converted into euros at the Euro Conversion Rate specified in the applicable Final Terms or Pricing Supplement for purposes of determining voting rights.

13.02 ***Modification and Waiver***

(a) The Bond Trustee, the Guarantor LP and the Issuer may agree, without the consent of the holders of the Covered Bonds or Couponholders of any Series and without the consent of the other Secured Creditors other than any Secured Creditor that is party to the relevant documents (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter), to:

(i) any modification of the Covered Bonds of one or more Series, the related 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;

(ii) any modification of the Covered Bonds of any one or more Series, the related 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 or proven error or to comply with mandatory provisions of law; and

(iii) following the redemption of all the Covered Bonds outstanding as of July 27, 2023 and any Covered Bonds issued on or after such date but which are to be consolidated and form a single Series with such Covered Bonds, any modification of the Covered Bonds of any one or more Series, the related Coupons or any Transaction Document which the Issuer and/or the Guarantor LP shall (i) have certified in writing to the Bond Trustee as being a modification that is required by, and seeks only to implement, new or anticipated criteria of any Rating Agency and (ii) have obtained a Rating Agency Confirmation in respect of such modification. Notwithstanding anything to the contrary herein or in the other Transaction Documents, the Bond Trustee shall not be responsible for any liability that may be occasioned to any person by acting in accordance with the provisions of this Condition 13 and/or the Trust Deed based on the written certification it receives from the Issuer and/or the Guarantor LP.

(b) The Guarantor LP and the Issuer may agree, and the Bond Trustee shall agree, without the consent of the holders of the Covered Bonds or Couponholders of any Series and without the consent of the other Secured Creditors other than any Secured Creditor that is party to the relevant documents (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter), to 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 (x) party to the relevant Transaction Document being amended or (y) whose ranking in any Priorities of Payments is affected) that the Issuer considers necessary following the occurrence of an €STR Index Cessation Event Date or otherwise for the purpose of changing the base rate in respect of the Covered Bonds from a Reference Rate, other than a USD Benchmark (as defined in Condition 13.02(c)) or SARON Compounded (as such term is defined in Condition 13.02(c.1)), to an alternative base rate (including for greater certainty any alternative rate specified in Condition 5.03(iii)(d) and any such rate, an "**Alternative Base Rate**") and making such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Base Rate Modification**"), provided that in each case:

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

(A) 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, is no longer representative of relevant underlying market(s) or that its use is or will be subject to restrictions or adverse consequences;

(VI) 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 or Couponholders of any Series using the relevant Reference Rate; or

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

(B) the modifications proposed are required solely for the purpose of applying the Alternative Base Rate and making consequential modifications to 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

(C) 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(b)(vii), no other consents are required to be obtained in relation to the Base Rate Modification, provided, for the avoidance of doubt, that the Calculation Agent, the Issuing and Paying Agent or any other Paying Agent, as Secured Creditors, shall not be obliged to agree to any modifications to any Transaction Documents for purposes of applying the Alternative Base Rate, which, in the sole opinion of such Calculation Agent, the Issuing and Paying Agent or any other 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; and

(ii) such Alternative Base Rate is:

(A) a base rate published, endorsed, approved or recognised by the Bank of England, the FRBNY, the Bank of Canada, the European Commission or the ECB or the central bank, reserve bank, monetary authority or similar institution for the currency to which the Reference Rate relates, any regulator in the United States, the UK or the European Union or the country whose currency relates to the relevant Reference Rate or any stock exchange on which the Covered Bonds are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing);

(B) 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, 5 such issues shall be considered material); or

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

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

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

(v) with respect to each Rating Agency, a Rating Agency Confirmation (as defined in Condition 20) has been obtained;

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

(vii) the Issuer has provided at least 30 days' notice to the Covered Bondholders of the relevant Series of Covered Bonds of the Base Rate Modification in accordance with Condition 14 and by publication on Bloomberg on the "Company News" screen relating to the Covered Bonds (in each case specifying the date and time by which Covered Bondholders must respond), and Covered Bondholders representing at least 10 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 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.

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.

For greater certainty, this Condition 13.02(b) also applies to Condition 5.04 to the extent that the ISDA Definitions do not provide for a successor rate or any successor rate also requires making such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change or, in the case where the

2021 ISDA Definitions apply, where Section 8.6 (Generic Fallback Provisions) of the 2021 ISDA Definitions would otherwise apply.

For the avoidance of doubt, the Issuer may give effect to an Alternative Base Rate on more than one occasion provided that the conditions set out in this Condition 13.02(b) are satisfied.

Without prejudice to the obligations of the Issuer under this Condition 13.02(b), the Reference Rate (other than a USD Benchmark or SARON Compounded) and the fallback provisions provided for in Condition 5.03 will continue to apply unless and until the Bond Trustee has received the Base Rate Modification Certificate in accordance with this Condition 13.02(b). For the avoidance of doubt, this Clause (b) shall apply to the determination of the Interest Rate on the relevant Interest Determination Date only, 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(b).

Effect of Benchmark Transition Event on SOFR referenced Floating Rate Covered Bonds

(c) If the Issuer or its 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 (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) (for purposes of Condition 13.02(c), 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 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 a USD Benchmark that the Issuer or its designee decides may be appropriate to give effect to the provisions set forth under this Condition 13.02(c) 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 swap agreements), provided that:

(i) *Benchmark Replacement*. If the Issuer or its 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;

(ii) *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 its 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;

(iii) *Decisions and Determinations*. Any determination, decision or election that may be made by the Issuer or its designee pursuant to this clause (c), 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:

(A) will be conclusive and binding absent manifest error;

(B) if made by the Issuer, will be made in the Issuer's sole discretion;

(C) 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

(D) 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).

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, Issuing and Paying Agent or U.S. Paying Agent be the "designee" of the Issuer nor be responsible for determining any substitute for SOFR, 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 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 Issuing and Paying Agent, U.S. 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 Benchmark Transition Event or a Benchmark Replacement.

(iv) *Other conditions.*

(A) The Issuer shall certify in writing to the Bond Trustee, the Issuing and Paying Agent, U.S. Paying Agent and the Calculation Agent in writing (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 this Condition 13.02(c);

(B) 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 USD Benchmark Base Rate Modification Certificate) and no other consents are required to be obtained in relation to the Benchmark Replacement, provided, for the avoidance of doubt, that the Calculation Agent, the Issuing and Paying Agent or any other Paying Agent, as Secured Creditors, shall not be obliged to

agree to any Benchmark Replacement Conforming Changes to any Transaction Documents, which, in the sole opinion of such Calculation Agent, the Issuing and Paying Agent or any other 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;

(C) With respect to each Rating Agency, a Rating Agency Confirmation (as defined in Condition 20) has been obtained; and

(D) The Issuer shall pay (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Bond Trustee in connection with such Benchmark Replacement.

(v) *Definitions.* The following definitions shall apply with respect to this Condition 13.02(c):

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the sum of: (I) 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 for the applicable Corresponding Tenor and (II) the Benchmark Replacement Adjustment;

(B) the sum of: (I) the ISDA Fallback Rate and (II) the Benchmark Replacement Adjustment, unless the Issuer or its designee determines that the ISDA Fallback Rate is not an industry-accepted rate of interest as a replacement for the then current USD Benchmark for U.S. dollar denominated floating rate covered bonds or notes; or

(C) the sum of: (I) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current USD 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 or notes at such time calculated by reference to the then-current USD Benchmark, at such time and (II) 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 its designee as of the Benchmark Replacement Date:

(A) 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;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or

(C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer 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 notes at such time.

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including without limitation changes to the definition of Interest Period, Determination Dates, the 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 Benchmark 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 Benchmark Replacement exists, in such other manner as the Issuer or its designee) determines is reasonably necessary).

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current USD Benchmark (including the daily published component used in the calculation thereof):

(A) in the case of clause (A) or (B) 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 (who initially is FRBNY in respect of Compounded SOFR) of the USD Benchmark permanently or indefinitely ceases to provide the USD Benchmark; or

(B) in the case of clause (C) of the definition of "Benchmark Transition Event," the effective date as of which the then-current USD Benchmark will no longer be representative, which may be the date of the public statement or publication of information referenced in the definition of Benchmark Transition Event or another date.

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 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):

(A) a public statement or publication of information by or on behalf of the administrator of the USD Benchmark announcing that such administrator has ceased or will cease to provide the USD Benchmark, 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;

(B) a public statement or publication of information by the regulatory supervisor for the administrator of the USD Benchmark, the central bank for the currency of the USD Benchmark, an insolvency official with jurisdiction over the administrator for the USD Benchmark, a resolution authority with jurisdiction over the administrator for the USD Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the USD Benchmark, which states that the administrator of the USD Benchmark has ceased or will cease to provide the USD Benchmark 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

(C) 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, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, for purposes of the definitions of Benchmark Replacement Date and Benchmark Transition Event, references to USD Benchmark also include any reference rate underlying such USD Benchmark.

"**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.

"**designee**" means an affiliate or other agent of the Issuer designated by the Issuer.

"**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 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the USD Benchmark for the applicable tenor.

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the 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:

(A) where the USD Benchmark is SOFR, the SOFR Determination Time or the SOFR Index Determination Time, as applicable; or

(B) otherwise, the time determined by the Issuer or its designee after giving effect to the modifications noted in Condition 13.02(c).

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the FRBNY, or a committee officially endorsed or convened by the Federal Reserve Board and/or the FRBNY or any successor thereto.

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"**USD Benchmark**" means, initially, (in respect of SOFR referenced Floating Rate Covered Bond), Compounded SOFR, as such terms are defined in Condition 5.03; provided that if a Benchmark Replacement Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR, as applicable, or the then-current USD Benchmark, then "USD Benchmark" means the applicable Benchmark Replacement.

(vi) *Conflict.* To the extent that there is any inconsistency between the conditions set out in Condition 13.02(c) 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.

(vii) *Future Benchmark Replacement.* For the avoidance of doubt, the Issuer or its designee may give effect to a 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), the Reference Rate 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 in accordance with this Condition 13.02(c). For the avoidance of doubt, this Condition 13.02(c) 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).

Effect of SARON Index Cessation Event on SARON referenced Floating Rate Covered Bonds

(c.1) If the Issuer or its designee determines on or prior to the SARON Relevant Time that a SARON Index 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.1)(iv) (for purposes of Condition 13.02(c.1), 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.1) 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:

(i) *Benchmark Replacement*. If the Issuer or its designee determines that a SARON Index Cessation Event and its related SARON Index Cessation Effective Date have occurred prior to the SARON 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;

(ii) *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;

(iii) *Decisions and Determinations*. Any determination, decision or election that may be made by the Issuer or its designee pursuant to this clause (c.1), 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:

(A) will be conclusive and binding absent manifest error;

(B) if made by the Issuer, will be made in the Issuer's sole discretion;

(C) 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

(D) 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.1).

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 Index Cessation Event or a SARON Replacement.

(iv) *Other Conditions*.

(A) 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 Index 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.1);

(B) 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;

(C) With respect to each Rating Agency, a Rating Agency Confirmation (as defined in Condition 20) has been obtained; and

(D) 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.

(v) *Definitions*. The following definitions shall apply with respect to this Condition 13.02(c.1):

"**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;

"**SARON Administrator**" means SIX Index AG or any successor administrator of SARON;

"**SARON Administrator Website**" means the website of the SARON Administrator;

"**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:

(1) the date of such statement or publication;

(2) 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;

(3) if a SARON Index Cessation Event described in clause (B)(x) of the definition of SARON Index Cessation Event has occurred on or prior to either or both dates specified in subclauses (1) and (2) of this clause (B), the date as of which the Swiss Average Rate Overnight may no longer be used; and

(4) (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 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 Relevant Time**" has the meaning setout in Condition 5.03(iii)(e);

"**SARON Replacement**" means (A) the Recommended Replacement Rate, giving effect to the Recommended Adjustment Spread, if any or (B) 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 Calculation Agent, 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); and

"**Zurich Banking Day**" has the meaning set out in Condition 5.03(iii)(e).

(vi) *Conflict*. To the extent that there is any inconsistency between the conditions set out in Condition 13.02(c.1) 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.1), SARON and the temporary fallback provisions provided for in Condition 5.03(iii) (e) 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.1). For the avoidance of doubt, this Condition 13.02(c.1) 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.1).

(d) When implementing any modification pursuant to Condition 13.02(b), 13.02(c) or 13.02(c.1):

(i) the Bond Trustee shall not consider the interests of the Covered Bondholders, any other Secured Creditor or any other person and shall act and rely solely and without investigation or liability on any 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

(ii) the Bond Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Bond Trustee, would have the effect of (A) 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 (B) 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.

(e) The Bond Trustee (without the consent of the holders of the Covered Bonds of any Series or the related Couponholders) or the holders of Covered Bonds by Extraordinary Resolution (without the consent of the Bond Trustee), may also agree to (i) 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 LP Event of Default or Potential Issuer Event of Default or Potential Guarantor LP Event of Default shall not be treated as such, or (ii) any amendment or modification to increase the maximum Asset Percentage as disclosed in this document as the same may be adjusted in accordance with this Condition 13), 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 Couponholders and on the other Secured Creditors, provided that the right of any holder of a Covered Bond to receive payment of principal and interest on the Covered Bond, on or after the respective due dates expressed in the Covered Bond, or to bring suit for the enforcement of any such payment on or after such respective due dates, shall not be impaired or affected without the consent of the holder of the Covered Bond, 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 to the other Secured Creditors in accordance with the relevant terms and conditions as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorization or determination), the Bond Trustee shall have regard to the general interests of the holders of the Covered Bonds of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual holders of the Covered Bonds 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 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 or Couponholder be entitled to claim, from the Issuer, the Guarantor LP, 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 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.

(f) For the purposes of these Terms and Conditions:

"**Bondholder Reserved Matter**" in relation to any Covered Bond means: (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; and (ii) any change to the definition of Bondholder Reserved Matter;

"**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 LP 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 LP Event of Default; and

"**Series Reserved Matter**" in relation to Covered Bonds of a Series means: (i) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable (other than, for the avoidance of doubt, a Base Rate Modification, the replacement of the USD Benchmark by the Benchmark Replacement or

effecting Benchmark Replacement Conforming Changes or the replacement of SARON Compounded by the SARON Replacement or effecting Replacement Conforming Changes) 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 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 quorum and procedure 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, including publication on the website of the relevant stock exchange or relevant authority if required by those rules. 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 or in the applicable Final Terms or Pricing Supplement, 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, including on the website of the relevant stock exchange or relevant authority if required by those rules.

To Issuer

14.03 Notices to be given by any holder of Covered Bonds to the Issuer or Guarantor LP shall be in writing and given by lodging the same, together with the relevant Covered Bond or Covered Bonds, with the Issuing and Paying Agent or the Registrar, as the case may be. While any of the Covered Bonds

are represented by a Global Covered Bond, such notice may be given by any accountholder to the Issuing and Paying Agent through Euroclear and/or Clearstream, as the case may be, in such manner as the Issuing and Paying Agent or the Registrar and Euroclear and/or Clearstream, 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 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, as applicable, 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 or, as the case may be, 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.

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 applicable 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 account of the Bank shall be the main Toronto branch unless otherwise specified in the applicable Final Terms or Pricing Supplement (the "**Branch of Account**"). Covered Bonds, irrespective of the Branch of Account specified in the applicable Final Terms or Pricing Supplement, are obligations of the Bank.

18.02 This 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 this 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 this 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 the 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 LP Event of Default, Potential Issuer Event of Default or Potential Guarantor LP Event of Default shall have occurred and be continuing and (ii) payments of principal, interest or other amounts on Covered Bonds of this 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 this Series or Coupons relating thereto who is subject to taxes by reason of its having some connection with the Relevant Jurisdiction other than the mere holding of a Covered Bond of this Series or Coupons 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 this 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 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 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 Guide are satisfied prior to the substitution of the Issuer.

20 Rating Agency Confirmation

If Rating Agency Confirmation or some other response by a Rating Agency is a condition to any action or step under any Transaction Document or is otherwise required and a written request for such Rating Agency Confirmation or response is delivered to that Rating Agency by any of the Issuer, the Guarantor LP and/or the Bond Trustee, as applicable (each a "**Requesting Party**"), and the Rating Agency indicates that it does not consider such confirmation or response necessary in the circumstances the Requesting Party shall be entitled to treat Rating Agency Confirmation from such Rating Agency as not required, for the action or step. For the purposes of this Condition 20 "**Rating Agency Confirmation**" means with respect to any relevant event or matter confirmation in writing from the Rating Agencies that the then current ratings of the Covered Bonds by the Rating Agencies will not be adversely affected by or withdrawn as a result of the occurrence of such event or matter.

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

If, in connection with the exercise of its powers, trusts, authorities or discretions, in accordance with the terms of the Transaction Documents, 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 LP 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 LP and/or any of their respective Subsidiaries and affiliates; (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the holders of the Covered Bonds or 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 and Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Bond Trustee. The Bond Trustee will not be responsible for: (i) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Bond Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents; (iii) monitoring the Covered Bond Portfolio, including, without limitation, whether the Covered Bond Portfolio is in compliance with the Asset Coverage Test, the Regulatory OC Minimum 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 the 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.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Covered Bonds will be added to the general working capital of the Issuer and will be used for general working capital purposes, or as may otherwise be disclosed in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement.

PRO FORMA FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under this Prospectus.

[MIFID II PRODUCT GOVERNANCE / TARGET MARKET - Solely for the purposes of [the/each] 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 Bond is eligible counterparties and professional clients only, each as defined in Directive (EU) 2014/65 (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.][1]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] 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 ("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 "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a 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.][2]

[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 ("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 / 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). 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.][3]

[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

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[1] Legend to be included on front of the Pricing Supplement if ISM Covered Bonds and if transaction is in scope of MiFID II and following the ICMA 1 "all bonds to all professionals" target market approach.

[2] Legend to be included on front of the Final Terms if transaction is in scope of UK MiFIR and following the ICMA 1 "all bonds to all professionals" target market approach.

[3] 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, in which case the selling restriction should be specified to be "Applicable".

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 European Union (Withdrawal) Act 2018, as amended (the "EUWA"); (ii) a customer within the meaning of the provisions of the UK Financial Services and Markets Act (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 of the UK 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 of the UK 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.][4]

[**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 classification of the Covered Bonds is not "capital markets products other than prescribed capital markets products", 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).]][5]

Final Terms dated [ ]

[Logo]

ROYAL BANK OF CANADA
***(a Canadian chartered bank*)**

Legal entity identifier (LEI): [ES7IP3U3RHIGC71XBU11]

Issue of [Aggregate Principal Amount of Tranche] [Title of Covered Bonds]
under the

€75,000,000,000

Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
RBC COVERED BOND GUARANTOR
LIMITED PARTNERSHIP
(a limited partnership formed under the laws of Ontario)

THESE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE

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[4] 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, in which case the selling restriction should be specified to be "Applicable".

[5] 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).

ACCURACY OR ADEQUACY OF THIS DISCLOSURE DOCUMENT. THESE 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 ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD 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*.][6]

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 July 16, 2024 [and the supplements to it dated [ ]] which [together] constitute[s] a base prospectus (the "**Prospectus**") for the purposes of Article 8 of [Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (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 the Prospectus in order to obtain all relevant information. The Prospectus and all documents incorporated by reference therein are available for viewing at https://www.rbc.com/investor-relations/covered-bonds.html and copies may be obtained from the offices of the Issuer, 20th Floor, 200 Bay Street, Toronto, Ontario, Canada M5J 2J5, and the offices of the Issuing and Paying Agent, 160 Queen Victoria Street, London EC4V 4LA, England.]

[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 July 16, 2024. This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 8 of [Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**") / the UK Prospectus Regulation] and must be read in conjunction with the Base Prospectus dated July 16, 2024, including the Conditions incorporated by reference therein [and the supplements to it dated [ ]], which [together] constitute[s] a base prospectus (the "**Prospectus**") for the purposes of the UK Prospectus Regulation. The Prospectus and all documents incorporated by reference therein are available for viewing at https://www.rbc.com/investor-relations/covered-bonds.html and copies may be obtained from the offices of the Issuer, 20th Floor, 200 Bay Street, Toronto, Ontario, Canada M5J 2J5, and the offices of the Issuing and Paying Agent, 160 Queen Victoria Street, London EC4V 4LA, England.]

1.	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ]
	(iii)	Date on which the Covered Bonds become fungible:	[Not Applicable] [The Covered Bonds shall be consolidated and form a single Series and be interchangeable for trading purposes with the [ ] on [ ] [the Issue Date] [exchange of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bond, as referred to in paragraph [20] below [which is expected to occur on or about [ ].]

[6] Delete text in square brackets if not a 144A issue.

2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Principal Amount:		[ ]
	[(i)]	Series:	[ ]
	[(ii)]	Tranche:	[ ]
4.	Issue Price:		[ ] per cent. of the Aggregate Principal Amount [plus accrued interest from [ ]]
5.	(i)	Specified Denominations:	[[ ] [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:	[ ]
6.	(i)	Trade Date:	[ ]
	(ii)	Issue Date:	[ ]
	(iii)	Interest Commencement Date:	[ ] [Issue Date] [Not Applicable]
7.	(i)	Final Maturity Date:	[ ] [Interest Payment Date falling on or nearest to [ ]]
	(ii)	Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	[[ ] after the Final Maturity Date] [Interest Payment Date falling on or nearest to [ ]]
8.	Interest Basis:		[[ ] per cent. Fixed Rate] [subject to change as indicated in paragraph 10 below] [[ ] month [EURIBOR] [NIBOR] [SONIA] [SOFR] [€STR] [SARON]] [(*specify other*)] + / - [ ] per cent. Floating Rate] [subject to change as indicated in paragraph 10 below] [Zero Coupon]
9.	Redemption/Payment Basis:		[Subject to any purchase and cancellation or early redemption, the Covered Bonds shall be redeemed on the Maturity Date at [par] [ ] per cent. of their nominal amount]
10.	Change of Interest Basis:		[ ] [in accordance with paragraphs 13 and 14 below] [Coupon Switch Option applies: The Coupon Switch Option Date is [ ].] [Prior to the Coupon Switch Option Date, paragraph [13] [14] applies. On and following the Coupon Switch Option Date, paragraph [13] [14] applies] [The Principal Financial Centre is [ ]] [The Notice Period is [ ]] [The Business Centres are [ ]]

11.	Put Option /Call Option:	[Investor Put] [Issuer Call] [Not Applicable]
12.	Date of [Board] approval for issuance of Covered Bonds obtained:	[[ ] [and [ ], respectively]] [Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	**Fixed Rate Covered Bond Provisions**		[Applicable] [Not Applicable]
	(i)	Rate[(s)] of Interest:	[ ] per cent. per annum [payable in arrear on each Interest Payment Date]
	(ii)	Interest Payment Date(s):	[ ] in each year, commencing [ ], [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 paragraph 13(iii) below] [not adjusted] 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 Dates shall be [monthly])]
	(iii)	Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
	(iv)	Business Centre(s):	[ ] [Not Applicable]
	(v)	Fixed Coupon Amount(s):	[[ ] per Calculation Amount] [Not Applicable]
	(vi)	Broken Amount(s):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [on] [in] [ ]] [Not Applicable]
	(vii)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/360] [Actual/365 (Fixed)]
	(viii)	Default Rate:	[As set out in Condition 5.07] [ ]
	(ix)	Calculation Agent:	[ ][Not Applicable]
	(x)	Determination Dates:	[[ ] in each year] [Not Applicable]

14.	**Floating Rate Covered Bond Provisions**		[Applicable] [Not Applicable] [Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date to the extent payment of the Final Redemption Amount is deferred until the Extended Due for Payment Date in accordance with Condition 6.01]
	(i)	Specified Period(s):	[[ ]] [Not Applicable]
	(ii)	Specified Interest Payment Dates:	[[ ], subject to adjustment in accordance with the Business Day Convention specified in paragraph 14(iv) below] [(provided however that after the Extension Determination Date, the Specified Interest Payment Dates shall be [monthly])] [Not Applicable]
	(iii)	First Interest Payment Date:	[ ]
	(iv)	Business Day Convention:	[Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
	(v)	Business Centre(s):	[ ] [T2] [Not Applicable]
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination] [ISDA Determination]
	(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	[[ ] shall be the Calculation Agent] [Not Applicable]
	(viii)	Screen Rate Determination:	[Applicable] [Not Applicable]
	–	Reference Rate:	[[ ] month [EURIBOR] [NIBOR] [SONIA] [SOFR] [€STR] [SARON]]
	–	Compounded Daily SONIA Observation Convention:	[Observation Look-back Convention] [Observation Shift Convention] [SONIA Index Convention] [Not Applicable]
	–	Compounded SOFR Convention:	[Observation Shift Convention] [SOFR Index Convention] [Not Applicable]
	–	Compounded Daily €STR Convention:	[Observation Look-back Convention] [Observation Shift Convention] [Not Applicable]
	–	SONIA Compounded Index:	[ ] [Not Applicable] *(If applicable, include definition of SONIA Compounded Index specifying any Relevant Screen Page and its time of publication and including definition of the Screen Page) (Only relevant to Floating Rate Covered*

Bonds that reference SONIA and specify SONIA Index Convention under Compounded SONIA Observation Convention above)

– Interest Determination Date(s): [ ]

(Second T2 Business Day prior to start of each Interest Period if EURIBOR, second Oslo Business Day prior to the start of each Interest Period if NIBOR, fifth (or other number specified under Observation Look-back Period below or, in the case of SONIA Index Convention, the Relevant Number below) London Banking Day prior to each Specified Interest Payment Date if SONIA, two U.S. Government Securities Business Days (or other number specified under Observation Look-back Period below) prior to each Specified Interest Payment Date if SOFR, fifth (or other number specified under Observation Look-back Period below) T2 Business Day prior to each Specified Interest Payment Date if €STR), fifth (or other number specified under Observation Look-back Period below) Zurich Banking Day prior to each Specified Interest Payment Date if SARON)

– SARON Calculation Method: [Compounded Daily Rate] [Not Applicable]

– SARON Observation Method: [Shift Observation Method] [Not Applicable]

– Relevant Number: [[ ] London Banking Days] [Not Applicable] *(to be completed for SONIA Index Convention only)*

– Relevant Screen Page: [ ] [Not Applicable] *(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)*

– Relevant Time: [ ] [Not Applicable]

– Reference Banks: [ ] [Not Applicable]

– ISDA Definitions: [2006 ISDA Definitions] [2021 ISDA Definitions] [Not Applicable] (*to be completed for IBORs and, for purposes of Condition 13.02(c), SOFR)*

– Relevant Financial Centre: [ ] [Eurozone] [Not Applicable]

– Principal Financial Centre: [ ] [Not Applicable]

– Observation Look-back Period: [[ ] London Banking Days] [[ ] T2 Business Days] [[ ]U.S. Government Securities Business Days] [[ ] Zurich Banking Days] [Not Applicable] *(to be completed for SOFR Observation Shift Convention and SOFR Index Convention, SONIA other than SONIA Index Convention, SARON and €STR Observation Look-back Convention and €STR Observation Shift Convention)*

(ix)	ISDA Determination:		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	–	ISDA Definitions:	[2006/2021] ISDA Definitions
	–	Floating Rate Option:	[ ] (*Ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions if 2021 ISDA Definitions are applicable or that it is a Floating Rate Option subject to the ISDA IBORs Supplement if the 2006 Definitions are applicable))*
	–	Designated Maturity:	[ ] [Not Applicable] (*This is not required when the Floating Rate Option is an Overnight Floating Rate Option*)
	–	Reset Date:	[ ]
	–	Compounding:	[Applicable] [Not Applicable] (*If not applicable, delete the remaining items of this subparagraph*)
		- Compounding Method:	[Compounding with Lookback: Lookback: [[ ] Applicable Business Days] [Compounding with Observation Period Shift Observation Period Shift: [[ ] Observation Period Shift Business Days] Observation Period Shift Additional Business Days: [ ] [Not Applicable] [Compounding with Lockout Lockout: [[ ] Lockout Period Business Days]
	–	Averaging:	[Applicable] [Not Applicable] (If not applicable, delete the remaining items of this subparagraph)
		- Averaging Method:	Averaging with Lookback [Lookback:] [[ ] Applicable Business Days]] [Averaging with Observation Period Shift] [Observation Period Shift:] [[ ] Observation Period Shift Business Days] [Observation Period Shift Additional Business Days: [ ]] [Not Applicable] [Averaging with Lockout Lockout: [[ ] Lockout Period Business Days] Lockout Period Business Days: [ ] Applicable Business Days]
	–	Index Provisions:	[Applicable]/[Not Applicable] (If not applicable, delete the remaining items of this subparagraph)

	- Index Method:	Compounded Index Method with Observation Period Shift Observation Period Shift: [ ] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [ ] [Not Applicable]
–	[Daily Capped Rate and/or Daily Floored Rate:	[Applicable] [Not Applicable] (*If not applicable, delete the remaining items of this subparagraph*) [Daily Capped Rate:] [[ ]%] [Daily Floored Rate:]] [[ ]%]
–	Unscheduled Holiday:	[Applicable] [Not Applicable] (*Only include where the 2021 ISDA Definitions apply*)
–	Period End Date/Termination Date adjustment for Unscheduled Holiday:	[Applicable] [Not Applicable]] (*Only include where the 2021 ISDA Definitions apply*)
–	Non-Representative:	[Applicable] [Not Applicable]] (*Only include where the 2021 ISDA Definitions apply*)
–	[Successor Benchmark:	[ ] Successor Benchmark Effective Date: [ ]] (*Only include where the 2021 ISDA Definitions apply*)]]
–	Applicable Benchmark:	[ ] [Not Applicable]
–	Fixing Day:	[ ] [Not Applicable]
–	Fixing Time:	[ ] [Not Applicable]
–	Any other terms relating to 2021 ISDA Definitions:	[ ] [Not Applicable]
(x)	Linear Interpolation:	[Not Applicable] [Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(xi)	Margin(s):	[[+ / -] [ ] per cent. per annum] [Not Applicable]
(xii)	Minimum Rate of Interest:	[[ ] per cent. per annum] [Zero per cent. per annum] [Not Applicable]
(xiii)	Maximum Rate of Interest:	[[ ] per cent. per annum] [Not Applicable]
(xiv)	Day Count Fraction:	[Actual/Actual] [Actual/Actual (ISDA)] [Actual365 (Fixed)] [Actual/360]

[Actual/360 (Observation Period)]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]
[Actual/365 (Sterling)]
[Not Applicable]

15. **Zero Coupon Covered Bond** [Applicable] [Not Applicable]

(i) Accrual Yield: [ ] per cent. per annum

(ii) Reference Price: [ ]

(iii) Day Count Fraction: [30/360]
[Actual/360]
[Actual/365]
[Actual/Actual (ICMA)]

(iv) Determination Dates: [[ ] in each year] [Not Applicable]

PROVISIONS RELATING TO REDEMPTION

16. **Call Option** [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: [Applicable] [Not Applicable]

If redeemable in part:

(a) Minimum Redemption : [ ] per Calculation Amount

(b) Maximum Redemption : [ ] per Calculation Amount

(iv) Notice period: Minimum period: [15] [ ] days
Maximum period: [30] [ ] days

17.	**Put Option**		[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:	Minimum period: [15] [ ] days Maximum period: [30] [ ] days
18.	**Final Redemption Amount of each Covered Bond**		[Par] [[ ] per Calculation Amount]
19.	**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 LP Event of Default or other early redemption:		[[ ] per Calculation Amount] [As per Condition 6.02]
	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

20.	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 after an Exchange Event]] [Temporary Global Covered Bond exchangeable for Bearer Definitive Covered Bonds [and/or Registered Definitive Covered Bonds] on [ ] days' notice] [Permanent Global Covered Bond exchangeable for Bearer Definitive Covered Bonds only 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] [a common safekeeper for Euroclear and Clearstream (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] [a common safekeeper for Euroclear and Clearstream] and exchangeable [on [ ] days' notice] [at any time] [only after an Exchange Event]]
21.	New Global Covered Bond	[Yes] [No]
22.	Global Covered Bond held under the New Safekeeping Structure:	[Yes] [No]
23.	Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable] [T2] [ ]
24.	Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature):	[No] [Yes]
25.	Euro Conversion Rate:	[ ] [Not Applicable]
26.	Branch of Account:	[Main Toronto Branch located at the Executive Offices at the address indicated at the back of the Prospectus]

Third Party Information:

Not Applicable] [[ ] 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 LP:

By: _____

Duly authorized

By: _____

Duly authorized

PART B – OTHER INFORMATION

1. LISTING

(i)	Listing and 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 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 the Main Market with effect from [ ].] [Tranche[s] [ ] of the Covered Bonds [is/are] already admitted to the Official List of the FCA and to trading on the Main Market with effect from [ ].]
[(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings:	The Covered Bonds to be issued [have been] [are expected to be] rated: [Moody's: Aaa] [Fitch: AAA] [DBRS: AAA] **[Need to include a 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 for the fees payable to the [Dealers/Managers], 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 [Dealer[s]/Manager[s]] and [its/their] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, [the Guarantor,] the Covered Bond 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 LP.] [ ] [Not Applicable]

4. FIXED RATE COVERED BONDS ONLY – YIELD

Indication of yield:	[ ] per cent. per annum in respect of the period from (and including the Issue Date to (but excluding) the Final Maturity Date

5. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	CFI:	[[See/[[ ], as updated and 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 and 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)	WKN Code or any other relevant codes:	[ ] [Not Applicable]
(vi)	CUSIP:	[ ] [Not Applicable]
(vii)	CINS:	[ ] [Not Applicable]
(viii)	Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A., DTC, CDS, their addresses and the relevant identification number(s):	[Not Applicable] [ ]
(ix)	Delivery	Delivery [against/free of] payment
(x)	Name(s) and address(es) of additional Paying Agent(s) or Transfer Agent(s):	[ ]
(xi)	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 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 recognised as eligible collateral for Eurosystem monetary policy and intra-day 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 recognised as eligible collateral for Eurosystem monetary policy and intra day 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.]

[Not Applicable]

6. DISTRIBUTION

(i)	U.S. Selling Restrictions:	[Regulation S, compliance Category 2;] [TEFRA C Rules apply] [TEFRA D Rules apply] [TEFRA Rules not applicable] [Rule 144A eligible]
(ii)	Canadian 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 and distributed by the [Dealers/Managers] in such provinces and territories of Canada as are agreed with the Issuer and in compliance with any applicable securities laws of any province or territory of Canada, to the extent applicable]
(iii)	Prohibition of Sales to EEA Retail Investors:	[Applicable] [Not Applicable] *(If the Covered Bonds clearly do not constitute "packaged" products, or the Covered Bonds constitute "packaged" products for which a key information document will be prepared, "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no key information document will be prepared or if the Issuer wants to prohibit offers to EEA retail investors for any other reason, "Applicable" should be specified).*
(iv)	Prohibition of Sales to UK Retail Investors:	[Applicable] [Not Applicable] *(If the Covered Bonds clearly do not constitute "packaged" products, or the Covered Bonds constitute "packaged" products for which a key information document will be prepared, "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no key information document will be prepared or if the Issuer wants to prohibit offers to UK retail investors for any other reason, "Applicable" should be specified).*
(v)	Prohibition of Sales to Belgian Consumers:	[Applicable] [Not Applicable]
(vi)	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable] [Not Applicable]

7. PROCEEDS

(i)	Use of Proceeds	[As specified in the Base Prospectus][ ]
(ii)	Estimated Net Proceeds:	[ ]

PRO FORMA PRICING SUPPLEMENT

Set out below is a form of Pricing Supplement for use in connection with Exempt Covered Bonds issued under the Programme. This pro forma 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.

[**MIFID II PRODUCT GOVERNANCE / TARGET MARKET** - Solely for the purposes of [the/each] 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 Bond is eligible counterparties and professional clients only, each as defined in Directive (EU) 2014/65 (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.][1] [*other appropriate target market legend to be included.*]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] 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 ("**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 "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a 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.] *[other appropriate target market legend to be included.*][2]

***[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 ("**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 / 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) of the UK 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.]*[3]

***[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*

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[1] Legend to be included on front of the Pricing Supplement if ISM Covered Bonds and if transaction is in scope of MiFID II and following the ICMA 1 "all bonds to all professionals" target market approach.

[2] Legend to be included on front of the Pricing Supplement if ISM Covered Bonds and if transaction is in scope of UK MiFIR and following the ICMA 1 "all bonds to all professionals" target market approach.

[3] 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, in which case the selling restriction should be specified to be "Applicable".

*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 UK Financial Services and Markets Act (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 of the UK 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 of the UK 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.]*[4]

[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 classification of the Covered Bonds is not "capital markets products other than prescribed capital markets products", 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)*.]][5]

IMPORTANT NOTICE

In accessing the attached pricing supplement (the "Pricing Supplement") an investor agrees 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, an investor must ascertain from the Pricing Supplement and/or Prospectus whether or not it is 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.

THESE 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 DISCLOSURE DOCUMENT. THESE 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 REGULATION (EU) 2017/1129 (AS AMENDED) AS IT FORMS PART OF DOMESTIC LAW OF THE UK BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED ("UK PROSPECTUS REGULATION") FOR THIS ISSUE OF COVERED BONDS AND THE TERMS OF SUCH COVERED BONDS ARE SET OUT IN A PRICING SUPPLEMENT THAT IS EXEMPT FROM THE REQUIREMENTS OF THE UK PROSPECTUS REGULATION. THE FCA HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT.

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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, in which case the selling restriction should be specified to be "Applicable".

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 OR SOLD 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*.][4]

[INSERT ADDITIONAL RISK FACTORS IF ANY]

Pricing Supplement dated [ ]

[Logo]

ROYAL BANK OF CANADA
(a Canadian chartered bank)

Legal entity identifier (LEI): [ES7IP3U3RHIGC71XBU11]

Issue of [Aggregate Principal Amount of Tranche] [Title of Covered Bonds]
under the

€75,000,000,000

Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
RBC COVERED BOND GUARANTOR
LIMITED PARTNERSHIP
(a limited partnership formed under the laws of* Ontario*)

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 or any Dealer to publish a prospectus pursuant to section 85 of the Financial Services and Markets Act 2000 (as amended) or Regulation (EU) 2017/1129 (as amended) or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended or Regulation (EU) 2017/1129 (as amended), in each case, in relation to such offer.

This document constitutes the Pricing Supplement of the Covered Bonds described herein. This document must be read in conjunction with the Prospectus dated July 16, 2024 [and the supplements to it dated [ ]] which [together] constitute[s] a base prospectus (the "**Prospectus**"). The Prospectus and all documents incorporated by reference therein are available for viewing at https://www.rbc.com/investor-relations/covered-bonds.html and copies may be obtained from the offices of the Issuer, 20th Floor, 200

[4] Delete text in square brackets if not a 144A issue.

Bay Street, Toronto, Ontario, Canada M5J 2J5, and the offices of the Issuing and Paying Agent, 160 Queen Victoria Street, London EC4V 4LA, England.

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)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ]
	(iii)	Date on which the Covered Bonds become fungible:	[Not Applicable] [The Covered Bonds shall be consolidated and form a single Series and be interchangeable for trading purposes with the [ ] on [ ] [the Issue Date] [exchange of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bond, as referred to in paragraph [20] below [which is expected to occur on or about [ ].]
2.	Specified Currency or Currencies: (Condition 1.10)		[ ]
3.	Aggregate Principal Amount:		[ ]
	[(i)]	Series:	[ ]
	[(ii)]	Tranche:	[ ]
4.	Issue Price:		[ ] per cent. of the Aggregate Principal Amount [plus accrued interest from [ ]] (*in the case of fungible issues only (if applicable*))
5.	(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).]
6.	(i)	Trade Date:	[ ]
	(ii)	Issue Date:	[ ]
	(iii)	Interest Commencement Date:	*[(Specify)*] [Issue Date] [Not Applicable]
7.	(i)	Final Maturity Date:	[ ] [Interest Payment Date falling on or nearest to [ ] (specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling on 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:	[[ ] after the Final Maturity Date] [Interest Payment Date falling on or nearest to [ ]]
8.	Interest Basis:		[[ ] per cent. per annum Fixed Rate] [subject to change as indicated in paragraph 10 below] [[ ] month [EURIBOR] [NIBOR] [SONIA] [SOFR] [€STR] [SARON]] [(*specify other*)] + / - [ ] per cent. Floating Rate] [subject to change as indicated in paragraph 10 below] (*Additional information is required if other, including fallback provisions)* [Zero Coupon]
9.	Redemption/Payment Basis:		[Subject to any purchase and cancellation or early redemption, the Covered Bonds shall be redeemed on the Maturity Date at [par] [ ] per cent. of their nominal amount]
10.	Change of Interest Basis:		[ ] [in accordance with paragraphs 13 and 14 below] (*Specify details of any provision for convertibility of Covered Bonds into another interest basis)* [Coupon Switch Option applies: The Coupon Switch Option Date is [ ].] [Prior to the Coupon Switch Option Date, paragraph [13] [14] applies. On and following the Coupon Switch Option Date, paragraph [13] [14] applies] [The Principal Financial Centre is [ ]] [The Notice Period is [ ]] [The Business Centres are [ ]]
11.	Put Option /Call Option:		[Investor Put] [Issuer Call] [Not Applicable]
12.	Date of [Board] approval for issuance of Covered		[ ] [and [ ], respectively] [Not Applicable] *(N.B Only relevant where Board (or similar) authorisation is required for the*

Bonds obtained: *particular Tranche of Covered Bonds)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	**Fixed Rate Covered Bond Provisions** (Condition 5.02)		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate[(s)] of Interest:	[ ] per cent. per annum [payable in arrear on each Interest Payment Date]
	(ii)	Interest Payment Date(s):	[ ] in each year, commencing on [ ], [adjusted for payment date purposes only in accordance with the Business Day Convention / adjusted for calculation of interest and for payment date purposes as specified in paragraph 13(iii) below] [not adjusted] 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 Dates 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)	Business Centre(s):	[ ] [Not Applicable]
	(v)	Fixed Coupon Amount(s):	[[ ] per Calculation Amount] [Not Applicable]
	(vi)	Broken Amount(s):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [on] [in] [ ]] [Not Applicable] [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]*]
	(vii)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/360] [*specify other*]
	(viii)	Determination Dates:	[[ ] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count*

			Fraction is Actual/Actual (ICMA)) [Not Applicable]
	(ix)	Default Rate:	[As set out in Condition 5.07][ ]
	(x)	Calculation Agent:	[ ][Not Applicable]
	(xi)	Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds:	[Not Applicable] [(*give details*)]
14.	**Floating Rate Covered Bond Provisions** (Condition 5.03)		[Applicable] [Not Applicable] [Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date to the extent payment of the Final Redemption Amount is deferred until the Extended Due for Payment Date in accordance with Condition 6.01] *(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 paragraph 14(iv) below] [(provided however that after the Extension Determination Date, the Specified Interest Payment Dates shall be [monthly])] [Not Applicable]
	(iii)	First Interest Payment Date:	[ ]
	(iv)	Business Day Convention:	[Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Other (*give details*)] [Not Applicable]
	(v)	Business Centre(s):	[ ] [T2] [Not Applicable]
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination] [ISDA Determination] [Other (*give details*)]
	(vii)	Party responsible for calculating the Rate(s) of Interest and Interest	[[ ] shall be the Calculation Agent] [Not Applicable]

Amount(s):

(viii) Screen Rate Determination: [Applicable] [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

– Reference Rate: [[ ] month [EURIBOR] [NIBOR] [SONIA] [SOFR] [€STR] [SARON]] [*(specify other)*] (*Additional information is required if other, including fallback provisions)*

– Compounded Daily SONIA Observation Convention: [Observation Look-back Convention] [Observation Shift Convention] [SONIA Index Convention] [Not Applicable]

- Compounded SOFR Convention: [Observation Shift Convention] [SOFR Index Convention] [Not Applicable]

- Compounded Daily €STR Convention: [Observation Look-back Convention] [Observation Shift Convention] [Not Applicable]

– SONIA Compounded Index: [ ] [Not Applicable]
(If applicable, include definition of SONIA Compounded Index specifying any Relevant Screen Page and its time of publication and including definition of the Screen Page) (Only relevant to Floating Rate Covered Bonds that reference SONIA and specify SONIA Index Convention under Compounded SONIA Observation Method Convention above)

– Interest Determination Date(s): [ ]
(Second T2 Business Day prior to start of each Interest Period if EURIBOR, second Oslo Business Day prior to the start of each Interest Period if NIBOR, fifth (or other number specified under Observation Look-back Period below or, in the case of SONIA Index Convention, the Relevant Number below) London Banking Day prior to each Specified Interest Payment Date if SONIA, two U.S. Government Securities Business Days (or other number specified under Observation Look-back Period below) prior to each Specified Interest Payment Date if SOFR, fifth (or other number specified under Observation Look-back Period below) T2 Business Day prior to each Specified Interest Payment Date if €STR), fifth (or other number specified under Observation Look-back Period below) Zurich Banking Day prior to each Specified Interest Payment Date if SARON)

– SARON Calculation Method: [Compounded Daily Rate] [Not Applicable]

– SARON Observation Method: [Shift Observation Method] [Not Applicable]

– Relevant Number: [[ ] London Banking Days] [Not Applicable] *(to be*

completed for SONIA Index Convention only)

– Relevant Screen Page: [ ] [Not Applicable] *(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.)*

– Relevant Time: [ ] [Not Applicable]

– Reference Banks: [ ] [Not Applicable]

– ISDA Definitions: [2006 ISDA Definitions] [2021 ISDA Definitions] [Not Applicable] (*to be completed for IBORs and, for purposes of Condition 13.02(c), SOFR)*

– Relevant Financial Centre: [ ] [Eurozone] [Not Applicable]

– Principal Financial Centre: [ ] [Not Applicable]

– Observation Look-back Period: [[ ] London Banking Days] [[ ] T2 Business Days] [[ ]U.S. Government Securities Business Days] [[ ] Zurich Banking Days] [Not Applicable] *(to be completed for SOFR Observation Shift Convention and SOFR Index Convention, SONIA other than SONIA Index Convention, SARON and €STR Observation Look-back Convention and €STR Observation Shift Convention)*

(ix) ISDA Determination: [Applicable] [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

– ISDA Definitions: [2006/2021] ISDA Definitions

– Floating Rate Option: [ ] (*Ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions if 2021 ISDA Definitions are applicable or that it is a Floating Rate Option subject to the ISDA IBORs Supplement if the 2006 Definitions are applicable))*

– Designated Maturity: [ ] [Not Applicable] (*This is not required when the Floating Rate Option is an Overnight Floating Rate Option*)

– Reset Date: [ ]

– Compounding: [Applicable] [Not Applicable] (*If not applicable, delete the remaining items of this subparagraph*)

- Compounding Method: [Compounding with Lookback:

Lookback: [[ ] Applicable Business Days]

[Compounding with Observation Period Shift

Observation Period Shift: [[ ] Observation Period Shift

		Business Days]
		Observation Period Shift Additional Business Days: [ ] [Not Applicable]
		[Compounding with Lockout
		Lockout: [[ ] Lockout Period Business Days]
–	Averaging:	[Applicable] [Not Applicable] (If not applicable, delete the remaining items of this subparagraph)
	- Averaging Method:	Averaging with Lookback
		[Lookback:] [[ ] Applicable Business Days]]
		[Averaging with Observation Period Shift]
		[Observation Period Shift:] [[ ] Observation Period Shift Business Days]
		[Observation Period Shift Additional Business Days: [ ]] [Not Applicable]
		[Averaging with Lockout
		Lockout: [[ ] Lockout Period Business Days]
		Lockout Period Business Days: [ ] Applicable Business Days]
–	Index Provisions:	[Applicable]/[Not Applicable] (If not applicable, delete the remaining items of this subparagraph)
	- Index Method:	Compounded Index Method with Observation Period Shift
		Observation Period Shift: [ ] Observation Period Shift Business Days
		Observation Period Shift Additional Business Days: [ ] [Not Applicable]
–	[Daily Capped Rate and/or Daily Floored Rate:	[Applicable] [Not Applicable] (*If not applicable, delete the remaining items of this subparagraph*)
		[Daily Capped Rate:] [[ ]%]
		[Daily Floored Rate:]] [[ ]%]
–	Unscheduled Holiday:	[Applicable] [Not Applicable] (*Only include where the 2021 ISDA Definitions apply*)
–	Period End Date/Termination Date adjustment for Unscheduled Holiday:	[Applicable] [Not Applicable]] (*Only include where the 2021 ISDA Definitions apply*)
–	Non-Representative:	[Applicable] [Not Applicable]] (*Only include where the 2021 ISDA Definitions apply*)
–	[Successor Benchmark:	[ ] Successor Benchmark Effective Date: [ ]] (*Only include where the 2021 ISDA Definitions apply*)]]

	–	Applicable Benchmark:	[ ] [Not Applicable]
	–	Fixing Day:	[ ] [Not Applicable]
	–	Fixing Time:	[ ] [Not Applicable]
	–	Any other terms relating to 2021ISDA Definitions:	[ ] [Not Applicable]
(x)		Linear Interpolation:	[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)		Margin(s):	[[+ / -] [ ] per cent. per annum] [Not Applicable]
(xii)		Minimum Rate of Interest: (Condition 5.05)	[[ ] per cent. per annum] [Zero per cent. per annum] [Not Applicable]
(xiii)		Maximum Rate of Interest: (Condition 5.05)	[[ ] per cent. per annum] [Not Applicable]
(xiv)		Day Count Fraction:	[Actual/Actual] [Actual/Actual (ISDA)] [Actual365 (Fixed)] [Actual/360] [Actual/360 (Observation Period)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/365 (Sterling)] [Other (*specify)*] [Not Applicable]
(xv)		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:	[ ]
15.	**Zero Coupon Covered Bond**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)		Accrual Yield:	[ ] per cent. per annum
(ii)		Reference Price:	[ ]
(iii)		Any other formula/basis of	[ ]

determining amount payable:

(iv)	Day Count Fraction:	[30/360] [Actual/360] [Actual/365] [Actual/Actual (ICMA)]
(v)	Determination Dates:	[[ ] in each year] *(insert dates. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))* [Not Applicable]

PROVISIONS RELATING TO REDEMPTION

16.	**Call Option** (Condition 6.03)	[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this 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]
(iii)	Redeemable in part:	[Applicable] [Not Applicable] [*If not applicable, delete the remaining sub-paragraphs of this paragraph]*
	If redeemable in part:	
(a)	Minimum Redemption:	[ ] per Calculation Amount
(b)	Maximum Redemption:	[ ] per Calculation Amount
(iv)	Notice period:	Minimum period: [15] [ ] days Maximum period: [30] [ ] days
17.	**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:	Minimum period: [15] [ ] days Maximum period: [30] [ ] days

18.	**Final Redemption Amount of each Covered Bond**	[Par] [[ ] per Calculation Amount]
19.	**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 LP Event of Default or other early redemption and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount] [As per Condition 6.02]
	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

20.	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 after an Exchange Event]] [Temporary Global Covered Bond exchangeable for Bearer Definitive Covered Bonds [and/or Registered Definitive Covered Bonds] on [ ] days' notice] [Permanent Global Covered Bond exchangeable for Bearer Definitive Covered Bonds [only after an Exchange Event]] [Registered Covered Bonds:] [Regulation S Global Covered Bond (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC] [CDS] [a common depositary for Euroclear and Clearstream] [a common safekeeper for Euroclear and Clearstream (that is, held under the NSS)] and exchangeable [on [ ] days' notice] [at any time] [only after an Exchange Event]] [Rule 144A Global Covered Bond (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC] [CDS] [a common depositary for Euroclear and Clearstream] [a common safekeeper for Euroclear and Clearstream (that is, held under the NSS)] and exchangeable [on [ ] days' notice] [at any time] [only after an Exchange Event]]
21.	New Global Covered Bond:	[Yes] [No]
22.	Global Covered Bond held under the New Safekeeping Structure:	[Yes] [No]
23.	Financial Centre(s) or other special	[Not Applicable] [*give details*] *(including specifying "T2" and/or*

	provisions relating to payment dates:	*financial centre(s) as applicable – N.B. T2 is not required to be specified in the case of payment in euro as the definition of Payment Date already covers this in that case).* (*Note that this item relates to the date and place of payment, and not interest period end dates))*
24.	Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): (Condition 1.06)	[No] [Yes (*if yes, give details*)]
25.	Euro Conversion Rate:	[ ] [Not Applicable]
26.	Other terms and conditions:	[Not Applicable] [(*give details*)]
27.	Branch of Account:	[Main Toronto Branch located at the Executive Offices at the address indicated at the back of the Prospectus]

RESPONSIBILITY

The Issuer and the Guarantor LP 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 LP:

By: _____
Duly authorized

By: _____
Duly authorized

PART B – OTHER INFORMATION

1. LISTING

Listing and admission to trading:	[Not Applicable] [Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the [the International Securities Market] [(*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 [ ].] [Tranche[s] [ ] of the Covered Bonds [is/are] already admitted to [the International Securities Market] [(insert name of stock exchange outside of the UK)] with effect from [ ].]

2. RATINGS

Ratings:	The Covered Bonds to be issued [have been] [are expected to be] rated: [Moody's: Aaa] [Fitch: AAA] [DBRS: AAA] **[Need to include a 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 for the fees payable to the [Dealers/Managers], 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 [Dealer[s]/Manager[s]] and [its/their] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, [the Guarantor LP,] the Covered Bond 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 LP.] [ ] [Not Applicable]

4. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	CFI:	[[See/[[ ], as updated and 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 and 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)	WKN Code or any other relevant codes:	[ ] [Not Applicable]
(vi)	CUSIP:	[ ] [Not Applicable]
(vii)	CINS:	[ ] [Not Applicable]
(viii)	Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A., DTC, CDS, their addresses and the relevant identification number(s):	[Not Applicable] [ ]
(ix)	Delivery	Delivery [against/free of] payment
(x)	Name(s) and address(es) of additional Paying Agent(s) or Transfer Agent(s):	[ ]
(xi)	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 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 recognised as eligible collateral for Eurosystem monetary policy and intra-day 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 recognised as eligible collateral for Eurosystem monetary policy and intra day 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.] [Not Applicable]

5. DISTRIBUTION

(i)	U.S. Selling Restrictions:	[Regulation S, compliance Category 2;] [TEFRA C Rules apply] [TEFRA D Rules apply] [TEFRA Rules not applicable] [Rule 144A eligible]
(ii)	Canadian 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 and distributed by the [Dealers/Managers] in such provinces and territories of Canada as are agreed with the Issuer and in compliance with any applicable securities laws of any province or territory of Canada, to the extent applicable]
(iii)	Method of distribution:	[Syndicated] [Non-syndicated]
(iv)	If syndicated, names of Managers:	[Not Applicable] [give names]
(v)	Stabilisation Manager(s) (if any):	[Not Applicable] [give name]
(vi)	If non-syndicated, name of Dealer:	[Not Applicable/give name]
(vii)	Additional selling restrictions:	[Not Applicable] [give details]
(viii)	Prohibition of Sales to EEA Retail Investors	[Applicable] [Not Applicable] *(If the Covered Bonds clearly do not constitute "packaged" products, or the Covered Bonds constitute "packaged" products for which a key information document will be prepared, "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no key information document will be prepared or if the Issuer wants to prohibit offers to EEA retail investors for any other reason, "Applicable" should be specified).*
(ix)	Prohibition of Sales to UK Retail Investors	[Applicable] [Not Applicable] *(If the Covered Bonds clearly do not constitute "packaged" products, or the Covered Bonds constitute "packaged" products for which a key information document will be prepared, "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no key information document will be prepared or if the Issuer wants to prohibit offers to UK retail investors for any other reason, "Applicable" should be specified).*
(x)	Prohibition of Sales to Belgian Consumers:	[Applicable] [Not Applicable]

(xi)	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable] [Not Applicable] (*Should always be "Applicable" unless there is an intention for sales into Singapore to investors other than Institutional Investors and Accredited Investors.*)

6. PROCEEDS

(i)	Use of Proceeds	[As specified in the Base Prospectus][ ]
[(ii)	Estimated Net Proceeds:	[ ]]

7. ADDITIONAL DISCLOSURE

RBC COVERED BOND GUARANTOR LIMITED PARTNERSHIP

General

RBC Covered Bond Guarantor Limited Partnership (the "**Guarantor LP**") is a limited partnership formed on October 5, 2007 and existing under the *Limited Partnership Act* (Ontario). The principal place of business of the Guarantor LP is Royal Bank Plaza, South Tower, 200 Bay Street, 9th Floor, Toronto, Ontario, Canada M5J 2J5 and the telephone contact number is +1 (416) 974-4751. The Guarantor LP has no subsidiaries. The Guarantor LP is governed by the Guarantor LP Agreement (see "*Summary of the Principal Document – Guarantor LP Agreement*").

Description of Limited Partnership

Pursuant to the terms of the *Limited Partnership 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 LP

The Guarantor LP is a Canadian limited partnership whose only business is to provide services to the Bank in respect of the Programme by owning the Covered Bond Portfolio and entering into the Intercompany Loan Agreement and accepting Capital Contributions from its partners; using the proceeds from the Intercompany Loan and Capital Contributions (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; 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 LP Accounts (including, without limitation, to fund the Reserve Fund to an amount not exceeding the prescribed limit); and/or (v) arranging for the servicing of the Loans and their Related Security by the Servicer; and/or (vi) entering into the Trust Deed, giving the Covered Bond Guarantee and entering into the Security Agreement; and/or (vii) entering into the Transaction Documents to which it is a party; and (viii) performing its obligations thereunder and in respect thereof and doing all things incidental or ancillary thereto.

The Guarantor LP 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 LP described above and/or incidental or ancillary thereto. The Guarantor LP and its general partners are not required by applicable Canadian law (including the *Limited Partnership Act* (Ontario)) to publish any financial statements.

The Guarantor LP has no employees.

Partners of the Guarantor LP

The partners (the "**Partners**") of the Guarantor LP are:

- RBC Covered Bond GP Inc., as the managing general partner (the "**Managing GP**"), a wholly owned subsidiary corporation of the Bank incorporated October 5, 2007 under the laws of Canada as a special purpose entity to be the managing general partner of the Guarantor LP, with its registered office at Royal Bank Plaza, South Tower, 200 Bay Street, 9th Floor, Toronto, Ontario, Canada M5J 2J5;

- 6848320 Canada Inc., as the liquidation general partner (the "**Liquidation GP**"), a corporation incorporated September 28, 2007 under the laws of Canada as a special purpose entity to be the liquidation general partner of the Guarantor LP, with its registered office at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1; and

- The Bank, as the sole limited partner.

The Capital Contribution Balance of each of the Partners is recorded in the Capital Account Ledger. As of the date of this document, the Bank holds substantially all of the capital in the Guarantor LP with the Managing GP and the Liquidation GP each holding a nominal interest in the Guarantor LP. Pursuant to the terms of the *Limited Partnership Act* (Ontario), the liability of a limited partner for the liabilities, debts and obligations of the Guarantor LP is limited to the amount contributed by it or agreed to be contributed by it to the Guarantor LP, unless, in addition to exercising rights and powers as a limited partner, such limited partner takes part in control of the business of the Guarantor LP and such limited partner will, subject to applicable law, otherwise have no liability in respect of the liabilities, debts and obligations of the partnership. Each of the general partners of the Guarantor LP will have unlimited liability for any obligation of the Guarantor LP unless the holder of such obligation agrees otherwise.

Each of the Partners has covenanted in the Guarantor LP 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 LP without the prior written consent of the Guarantor LP and, while there are Covered Bonds outstanding, the Bond Trustee.

Directors of the Partners of the Guarantor LP

The following table sets out the directors of the Managing GP and the Liquidation GP (and their respective business addresses and occupations).

Directors of the Managing GP

Name	Business Address	Business Occupation
Jason Drysdale	155 Wellington Street West 14th Floor Toronto, Ontario Canada, M5V 3K7	Executive Vice President and Treasurer, Royal Bank of Canada
Brian Geiger	155 Wellington Street West 14th Floor Toronto, Ontario Canada, M5V 3K7	Vice President – Balance Sheet Management Royal Bank of Canada
Leah Robinson	88 Queens Quay West 9th Floor Toronto, Ontario Canada, M5J 0B8	Vice President, Home Equity Policy and Regulatory Management, Royal Bank of Canada

Each of the directors of the Managing GP are officers and/or employees of the Bank.

Ownership Structure of the Liquidation GP

91 per cent. of the issued and outstanding shares in the capital of the Liquidation GP are held by Computershare Trust Company of Canada, as trustee of the RBC Covered Bond LGP Trust (the "**LGP Trust**") and nine per cent. of the issued and outstanding shares in the capital of the Liquidation GP are

held by the Bank. Neither the Bank nor any affiliate (within the meaning of the *Bank Act*) is permitted to hold more than 10 per cent. of the issued and outstanding shares of the Liquidation GP. All of the directors of the Liquidation GP are independent of the Bank and have been nominated by the Corporate Services Provider. The Bank is entitled to have one nominee who is an officer or employee of the Bank attend meetings of the board of the Liquidation GP. Based on the foregoing, at any time the Liquidation GP is the managing general partner of the Guarantor LP, the Guarantor LP will be considered to be "Independently Controlled and Governed" within the meaning of the Guide.

The beneficiary of the LGP Trust is one or more charities registered under the *Income Tax Act* (Canada).

Directors of the Liquidation GP

Name	Business Address	Business Occupation
Toni De Luca	1500 Robert-Bourassa Boulevard 7th Floor Montreal, Quebec H3A 3S8 Canada	Senior Vice President, Corporate Trust Computershare Trust Company of Canada
Charles Eric Gauthier	1500 Robert-Bourassa Boulevard 7th Floor Montreal, Quebec H3A 3S8 Canada	Director, Risk, Compliance and Special Projects Computershare Trust Company of Canada

Each of the directors of the Liquidation GP are independent of the Bank.

Governance of the Guarantor LP

Pursuant to the terms of the Guarantor LP Agreement, the Managing GP manages the business and affairs of the Guarantor LP, acts on behalf of the Guarantor LP, makes decisions regarding the business of the Guarantor LP and has the authority to bind the Guarantor LP 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 LP, 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 LP includes all authority necessary or incidental to carry out the objects, purposes and business of the Guarantor LP, 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 LP 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 LP. However, the Liquidation GP's consent will be required for a voluntary wind up or dissolution of the Guarantor LP.

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 LP or institute any winding-up, administration, insolvency or other similar proceedings against the Guarantor LP. 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 LP (or the Cash Manager on its behalf) or the Bond Trustee unless all amounts then due and payable by the Guarantor LP to all other creditors ranking higher in the relevant Priorities of Payment have been paid in full and the Limited Partner has waived any security interest it may be entitled to in the property of the Guarantor LP for so long as it is a limited partner of the Guarantor LP.

Potential Conflict of Interest

All of the directors of the Managing GP are officers or employees of the Issuer; however, no potential conflict of interest exists between any duties of these individuals to the Guarantor LP and their private interests or other duties. No potential conflict of interest exists between any duties of the directors of the Liquidation LP to the Guarantor LP and their private interests or other duties.

Reimbursement of General Partners

The Guarantor LP is obliged to reimburse the Managing GP and Liquidation GP for all out-of-pocket costs and expenses incurred on behalf of the Guarantor LP by the Managing GP or Liquidation GP in the performance of their duties under the Guarantor LP Agreement.

Liability of the Limited Partners of the Guarantor LP

The Guarantor LP is required to operate 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 LP Agreement, the Managing GP 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 LP 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 LP. In the event that the Liquidation GP resigns as liquidation general partner, the Managing GP shall use its best reasonable efforts to, without delay, find a replacement liquidation general partner acceptable to the limited partner(s) of the Guarantor LP and the Bond Trustee, to accept the role of liquidation general partner formerly held by Liquidation GP and acquire a general partner interest in the Guarantor LP.

In the event the Managing GP resigns, a Covered Bond Guarantee Activation Event 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 LP and the Liquidation GP shall assume the role and responsibilities (but not the interest in the Guarantor LP) of the Managing GP and continue the business of the Guarantor LP 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 LP and the Bond Trustee to act as Managing GP and acquire a general partner interest in the Guarantor LP. 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 LP and the Liquidation GP shall resume its role, as it was, prior to the winding-up or insolvency of Managing GP.

Material Contracts

Neither the Bank nor the Guarantor LP has 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*".

LOAN ORIGINATION AND LENDING CRITERIA

General

The following is a general description of the Bank's Lending Criteria and procedures for the origination of mortgage loans from which the Loans in the Covered Bond Portfolio are originated.

This description of the Bank's Lending Criteria and procedures is as of the date of this Prospectus. There is no requirement for the Bank to maintain the Lending Criteria or procedures described below and the Bank reserves the right to change its Lending Criteria and procedures at any time (see "*Risk Factors – Factors that may affect the realizable value of the Covered Bond Portfolio or any part thereof or the ability of the Guarantor LP to meet its obligations under the Covered Bond Guarantee – Changes to the Lending Criteria of the Seller may adversely affect the creditworthiness of New Loans acquired by the Guarantor LP*").

All of the Bank's residential mortgages included in the Covered Bond Portfolio are originated by employees of the Bank. Many of the Bank's mortgage clients have multiple products and services with the Bank. From time to time, the Bank may purchase residential mortgage loans from a third party or parties and these purchased mortgage loans are not expected to form part of the Covered Bond Portfolio. The mortgage loans purchased through such process will meet the underwriting criteria of the Bank's approved residential mortgage underwriting policy document.

The *Bank Act* currently requires that all residential mortgage loans that have a loan-to-value ("**LTV**") ratio greater than 80 per cent. at origination be insured against default by a Canadian mortgage insurer, such as CMHC. In addition, from time to time, the Bank may obtain insurance against default from a Canadian mortgage insurer on a portfolio of mortgage loans where the portfolio includes mortgage loans with an LTV of 80 per cent. or less at origination. Mortgage loans which are insured against default are referred to in this Prospectus as "insured mortgage loans" or "insured Loans". Mortgage loans with an LTV that does not exceed 80 per cent. at origination and that are not insured against default are referred to in this Prospectus as "conventional mortgage loans" or "conventional Loans". The Covered Bond Portfolio is not permitted to include mortgage loans that are insured mortgage loans, conventional loans which have been advanced under the same mortgage as an insured mortgage loan or mortgage loans that at the time they were originated, together with any other prior or equal ranking mortgage, had an LTV of 80 per cent. or more at origination.

Mortgage Origination and Renewal

The Home Equity Financing unit of the Bank mainly uses four channels for origination and renewal of residential mortgages: Mobile Mortgage Specialists (a Bank proprietary sales force), the Bank's Canadian branch network employees, and the RBC Advice Centre, the Bank's telephone service centre (a "**Call Centre**").

Mobile Mortgage Specialists

Mobile Mortgage Specialists are the source of the majority of mortgage origination for the Bank. Typically, Mobile Mortgage Specialists do not participate in renewals. These specialists have no credit authority and thus all mortgage applications derived by this channel go to credit adjudication specialists for review and approval.

Canadian Branch Network

The branch origination channel primarily focuses upon the refinancing needs of existing clients as well as new clients. In addition to refinancing and renewals of existing mortgages, the Bank's branch network is also responsible for mortgage origination. The branch personnel with lending responsibilities

have approval authorities and mortgage applications exceeding the applicable authority are submitted to credit adjudication specialists for review and approval.

Private Banking

Private Banking also originates mortgages for their client group and follows similar requirements to the branch origination channel.

Call Centre – "RBC Advice Centre"

In addition to its role as a Call Centre handling client queries, the RBC Advice Centre is also engaged in the Bank's mortgage renewal process. The renewal process is completed by the Bank's centralized mortgage document processing centre. Generally, mortgage origination does not occur through this channel, but instead it is redirected into the other two channels: the Bank's Mobile Mortgage Specialists or the Bank's Canadian branch network.

The Bank also has Home Advisors in the Call Centre engage in the Bank's originations. Originations in which Home Advisors participate may be completed by the Bank's Mobile Mortgage Specialists, the Bank's Canadian branch network and remotely by the Home Advisor.

The Bank has trained certain Home Advisors in credit adjudication so as to give such Home Advisors lending responsibilities with mortgage applications exceeding the applicable authority being submitted to credit adjudication specialists for review and approval. The approval authorities of the Home Advisors align with those of branch personnel with lending responsibilities in the branch channel with mortgage applications exceeding the applicable authority submitted to credit adjudication specialists for review and approval. Clients have the option of completing an application with a Home Advisor or going to a branch/meeting with a mortgage specialist to complete the application.

Valuations, Appraisals, Assessments and Credit Strategy

The *Bank Act* currently requires that all residential mortgage loans that have a LTV greater than 80 per cent. at origination be default insured by a mortgage insurer. As discussed above, these loans are referred to in this Prospectus as "insured mortgage loans" or "insured Loans". Mortgage loans that do not have an LTV in excess of 80 per cent. at origination are referred to as "conventional mortgage loans" or "conventional Loans". The LTV ratio for prospective loans cannot exceed 95 per cent. at origination. The threshold of 80 per cent. at origination is reflected in the Bank's current mortgage portfolio. The LTV is calculated based on the outstanding amount of all loans under the same loan agreement (see "*Covered Bond Portfolio – Characteristics of the Loans*") and the property valuation or risk assessment (as discussed below) at the time of origination or refinance (when new funds are advanced) of the mortgage loan. For internal analysis, the LTV may be updated from time to time based on a more recent property valuation, risk assessment or house price index (which is not required to be the same as the Index).

For all residential mortgage loans that have a LTV ratio of 80 per cent. or less at the time of origination, the Bank's mortgage approval policy requires one of the following methods as an acceptable property valuation assessment:

- Low ratio property risk assessment – a third-party automated risk assessment system which is used to assess whether the stated value meets the Bank's predetermined risk parameters;

- Automated property risk assessment models – third-party computer generated property risk assessment models which are used to assess whether the stated value meets the Bank's predetermined risk parameters, typically, based on land title/sales histories, and municipally-assessed information;

- Desktop appraisals – a Bank approved appraiser's opinion of the property without an actual site inspection of the property;

- Drive-by appraisals – a Bank approved appraiser's opinion of the property based on an exterior inspection of the property; or

- Full appraisal – a Bank approved appraiser's opinion of the property based on an exterior and interior inspection of the property.

The type of property valuation or property risk assessment used may depend on any combination of the following loan characteristics at the time of the application: the location of the property, property value, mortgage loan amount, Borrower risk profile, specialty product programs, and the LTV ratio.

The Bank utilizes two credit scoring models: one is based on the Bureau Score (as defined below) and the second is a proprietary model that evaluates existing Bank clients' historical loan, credit and deposit performance. Both models are monitored on a quarterly basis to ensure their continuing functionality and market relevance.

Credit Scores

The Bank's underwriting policies and procedures require each prospective Borrower to submit a mortgage loan application that discloses the applicant's credit history, assets, liabilities, income and employment history, and includes consent for the Bank to obtain a credit report in respect of such applicant.

Credit reports are obtained by the Bank from either Equifax Information Services LLC or TransUnion LLC, which are nationally recognized credit reporting bureaus, as a means of assessing the creditworthiness of the Borrowers. Each of these credit reports contains a standardized credit score (each a "**Bureau Score**" and commonly referred to as a FICO score or a BEACON score) that is designed to assess a Borrower's credit history at a single point in time, using data currently on file for the Borrower at 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, types of credit and bankruptcy experience. A Bureau Score, however, 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 and 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 three or five years). Furthermore, Bureau Scores do not take into account the differences between mortgage loans and consumer loans, including the particular LTV 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.

Assessment of Client Capacity

Based on the data provided in the prospective Borrower's application and certain verifications, if required, the Bank determines whether, in its view, the applicant's income will be sufficient to enable such applicant to meet the obligations under the proposed mortgage loan and to pay the other expenses relating to the mortgaged property, including taxes, insurance costs and other fixed obligations. In general, the Bank requires that the scheduled payments that would be due during the first year of the term of a mortgage loan, plus all taxes due in respect of the mortgaged property during such period and

all other scheduled payments due under the Borrower's other debt obligations during such period, must not exceed a specified percentage of the applicant's gross employment or stated income. In the case of non-conforming residential mortgages, which have a maximum LTV ratio of less than or equal to 65 per cent. at origination (as required by OSFI Guideline B-20), the Bank may conduct non-standard income verifications. In these cases, the Bank assesses a prospective Borrower's ability to meet the obligations under the proposed mortgage loan on other attributes that offer suitable risk mitigation. To comply with OSFI Guideline B-20, the Bank implemented a document retention policy on October 1, 2012 requiring retention of all income verification documentation for all Loans. For residential mortgages loans originated prior to the implementation of such policy, outside the Mobile Mortgage Specialists channel, there was no requirement to retain such documentation. In respect of the Loans in the Covered Bond Portfolio originated prior to the implementation of the documentation retention policy for income verification, the Asset Monitor may not be able to conduct the income verification procedure in connection with the procedures undertaken in performing its responsibilities under Section 7.3.1 of the Guide with respect to such Loans to the extent such Loans were originated outside of the Mobile Mortgage Specialists channel prior to the implementation of such policy.

Credit Adjudication and the Risk Management Group

The Bank's credit adjudication centres process any mortgage loan application where: (i) the principal amount to be borrowed is over the approval authority for branch personnel with lending responsibilities approval authorities; (ii) there are evident credit issues with the application (e.g. unsatisfactory scoring results from the Bank's valuation models or total debt servicing ratios that trigger further review in accordance with the Bank's credit risk policies or non-alignment with product policies); or (iii) other exceptions outside of policy such as debt servicing. The credit adjudication centres also review all mortgage loan applications originating from Mobile Mortgage Specialists. Credit adjudication centres review approximately 85 to 90 per cent. of the Bank's mortgage applications.

Large mortgage applications are sent to a specialized adjudication team in group risk management.

Suspicious or potentially fraudulent activity is monitored throughout the process. Fraud detection systems are designed to look for inconsistencies in applications and suspicious facts.

Credit Effectiveness Review, Audit Process, Quality Control Process

Post loan reviews are conducted internally for the Bank's credit adjudication function and branches on a monthly basis by the Business Risk team which reports into operations. An independent centralized team within the Bank's Group Risk Management function, also performs credit reviews for the Bank's mortgage portfolio on a quarterly basis to ensure mortgage applications are adjudicated utilizing the correct risk profile and in compliance with the applicable mortgage credit policies and program guidelines.

The Bank also has a dedicated team of employees in Internal Audit (IA) that is responsible for providing enterprise-wide independent, objective assurance over the design and operation of the Bank's risk management practices, governance processes and the system of internal controls, including those of the mortgage business. External assessment of the Internal Audit function is performed at least once every five years by a qualified external independent assessor. The review will address compliance with Institute of Internal Auditors (IIA) Standards and Code of Ethics, as well as with the IA Charter, policies and procedures, and any applicable legislative and regulatory requirements, and will include recommendations for continuous improvement as appropriate.

Property Insurance

Each Loan contains a requirement that the mortgaged property be covered by property insurance maintained by the Borrower, which may in the case of a leasehold property be covered under a policy arranged by a relevant landlord or property management company with the Servicer being noted as a

loss payee/mortgagee. In some cases, the Bank does not require evidence of such insurance to be retained on file; however, each client's lawyer is required to verify that the mortgaged property is covered by property insurance maintained by the borrower at the time of registration. When title insurance is used in the case of refinancing, advisors must retain evidence of such insurance in the mortgage file.

Retention of interest in Loans by the Bank

While the Bank has sold the Loans to the Guarantor LP, the Bank holds substantially all (approximately 99.95 per cent.) of the partnership interests in the Guarantor LP and the Managing GP is a wholly-owned subsidiary of the Bank (see "*RBC Covered Bond Guarantor Limited Partnership*"). The Bank consolidates the assets (including the Loans) and the liabilities of the Guarantor LP in the consolidated financial statements of the Bank as a consequence of the Bank's control of the Managing GP, which has decision making power over the relevant activities of the Guarantor LP, and the Bank being exposed to variability from the performance of the underlying mortgages. The Bank therefore holds an indirect 100 per cent. economic interest in the Loans. Note that the Guarantor LP has pledged all of its interests in the Loans in support of its Guarantee.

THE SERVICER

General

The Bank is the servicer (the "**Servicer**") of the Loans and Related Security pursuant to a servicing agreement (the "**Servicing Agreement**") initially entered into on the Programme Establishment Date and most recently amended and restated on June 24, 2013 between Royal Bank of Canada, in its capacity as the Servicer, Seller and Cash Manager, the Guarantor LP, as owner of the Loans and Related Security, and Computershare Trust Company of Canada, as the Bond Trustee. The Servicer will have no obligation or liability with respect to the Loans and Related Security in accordance with the terms and conditions of the Servicing Agreement save in respect of the negligence or wilful default of the Servicer in carrying out its functions.

Servicing Activities

The Servicer began originating and servicing residential mortgage loans in 1954. The Servicer services its own portfolio of mortgage loans and generally retains the servicing rights with respect to any mortgage loans it sells or securitizes. As at April 30, 2024, the Servicer acted as primary servicer and owned the corresponding servicing rights on approximately 1.40 million residential mortgage loans having an aggregate unpaid balance of approximately $402 billion.

Servicing Procedures with respect to Loans and Related Security

Following the sale of a mortgage loan to the Guarantor LP, the Servicer keeps and maintains records in relation to the Loans and Related Security sold to the Guarantor LP on a loan by loan basis, for the purposes of identifying amounts paid by each Borrower, any amount due from a Borrower and the principal balance (and, if different, the total balance) from time to time outstanding on a Borrower's account and such other records as would be customarily kept by a reasonable and prudent mortgage lender. The Servicer also identifies the Loan and Related Security as belonging to the Guarantor LP and maintains a computer record of the location and identification of the Loans and Related Security by reference to an account number and pool identifier so as to be able to distinguish them from other mortgage loans and security serviced by the Servicer for retrieval purposes. In the event the ratings or assessments of the Servicer by the Rating Agencies fall below certain ratings or assessments, the Servicer shall use reasonable efforts to ensure that files relating to the Loans and their Related Security are identified as distinct from the conveyancing deeds and documents which make up the title and security of other properties and mortgages which do not form part of the Covered Bond Portfolio.

The Servicer provides customary servicing functions with respect to the Loans and Related Security. The Servicer makes reasonable efforts to collect all payments called for under the loan documents and follows such collection procedures as are customary with respect to loans.

The Servicer collects and remits mortgage loan payments, responds to Borrower inquiries, accounts for principal and interest, holds escrow account information and funds for payment of property taxes, counsels or otherwise works with delinquent Borrowers, supervises power of sale, judicial sales or foreclosures, and property dispositions and generally administers the Loans and is required to take all reasonable steps to recover all sums due to the Guarantor LP in respect of the Loans and Related Security. The Bank will administer the Loans and Related Security in the same way it administers mortgage loans for its own account. The Servicing Agreement requires that the Loans and Related Security are to be serviced as if the Loans had not been sold to the Guarantor LP but remained with the Bank.

The Servicer may act as collection agent for the Guarantor LP under a scheme for either the manual or automated debiting of bank accounts (the "**Direct Debiting System**") provided such Direct Debiting System is operated in accordance with policies and procedures which would be acceptable to a reasonable and prudent mortgage lender. Borrowers provide authorization for regular payments (made

monthly or on a greater frequency) to be deducted automatically from bank accounts on the date each scheduled payment is due.

The Servicer has the power to exercise the rights, powers and discretions and to perform the duties of the Guarantor LP in relation to the Loans and their Related Security and to do anything which it reasonably considers necessary or convenient or incidental to the administration of the Loans and their Related Security. This includes the authority to accept applications for Product Switches or advances in respect of the Loans in its sole discretion. The Bank, as seller of the Loans and Related Security to the Guarantor LP is required to provide the funding for any Product Switches or advances approved by the Servicer. So long as the Servicer is acting in accordance with the Seller's policies and with the same level of skill, care and diligence as would reasonable and prudent institutional mortgage lenders in the Seller's market, the Servicer is not restricted from, in its discretion, (i) waiving any assumption fee, late payment or other charge in connection with a Loan; or (ii) waiving, varying or modifying any term of any Loan or consenting to the postponement of strict compliance with any such term or in any matter grant indulgence to any Borrower.

A modified Loan may qualify to be included for purposes of the Asset Coverage Test if it satisfies the requirements (see "*Summary of the Principal Documents – Guarantor LP Agreement – Asset Coverage Test*"). A waiver, variance or modification of a Loan may affect the schedule of payments for the Loan and, accordingly, affect the cash flow of a Loan (see "*Risk Factors – Factors which are material for the purposes of assessing the risks relating to the Covered Bond Portfolio – Waiver, variance or modification of loans may affect payments on the Covered Bonds*").

With respect to collections, the Guarantor LP may institute proceedings and enforce any relevant Loan which is in default in accordance with the Bank's enforcement procedures and the usual procedures undertaken by a reasonable and prudent institutional mortgage lender.

The Servicer's collections policy is designed to identify payment problems sufficiently early to permit the Servicer to address such delinquency problems and, when necessary, to act to preserve the lender's equity in the property. The Servicer employs pre-collection strategies to identify, contact and monitor Borrowers at risk of delinquency. Particularly, where such risk is the result of exceptional circumstances, such as the combined effects of high household indebtedness, the rapid increases in interest rates and the increased cost of living, the Servicer will proactively work with such Borrowers to identify solutions available under the terms of the Loan, such as skip payments, to provide temporary relief. In some situations, Borrowers may, subject to the terms of the Loan, and when appropriate, elect to refinance or extend their amortization period in order to ensure they continue to meet the monthly payment obligations. A Loan is considered delinquent if a scheduled payment remains unpaid the day following the due date. If timely payment is not received, the Servicer's automated loan servicing system automatically places the Loan in the assigned collection queue. The account remains in the queue unless and until a payment is received, at which point the Servicer's automated loan servicing system automatically removes the Loan from that collection queue.

When a Loan appears in a collection queue, various collection techniques are employed to remind the Borrower that a payment is due. Such techniques include subsequent automated attempts to contact the Borrower as well as automated letters, with the Borrower ultimately telephoned by a collector. Follow-up telephone contacts with the Borrower are attempted until the account is current or other payment arrangements have been made. When contact is made with a delinquent Borrower, collectors present the Borrower with alternative payment methods in order to expedite payments. Standard form letters are utilized when attempts to reach the Borrower by telephone fail and/or in some circumstances, to supplement the phone contacts. Collectors have computer access to telephone numbers, payment histories, loan information, and all past collection notes. The Servicer supplements the collectors' efforts with advanced technology such as predictive dialers and statistical behavioral software used to determine the optimal times to call a particular customer. Additionally, collectors may attempt to mitigate losses through the use of behavioral or other models that are designed to assist in identifying workout options in the early stages of delinquency. For those Loans in which collection efforts have been exhausted without success, the Servicer determines whether mortgage enforcement proceedings are appropriate. The

course of action elected with respect to a delinquent Loan generally will be guided by a number of factors, including the related Borrower's payment history, ability and willingness to pay, the condition and occupancy of the Related Security, the amount of Borrower equity in the Related Security, and whether there are any tax arrears, condominium or strata arrears, or construction liens.

Prior to a foreclosure or sale by power of sale, once the Servicer is in possession of the Related Security, it obtains an appraisal from a Bank approved appraiser. The Servicer then hires a real estate agent to sell the property. The real estate agent performs a current market analysis which includes: (i) a current valuation of the Related Security; (ii) an evaluation of the amount owed, if any, for real estate taxes; and (iii) estimated carrying costs, brokers' fees, repair costs, and other related costs associated with real estate owned properties. The Servicer bases the sale price at the foreclosure process or power of sale on this analysis and its own appraisal.

The foreclosure process and power of sale process vary by jurisdiction across Canada and there are two different ways that the Servicer can acquire the right to sell the Related Security. If the Servicer acquires title to a property at a foreclosure process or a certificate of power of sale at a power of sale process, it obtains an estimate of the sale price of the property and then hires one or more real estate agents to begin marketing the property. If the Related Security is not vacant when acquired, the lawyers that have been hired to facilitate the mortgage enforcement commence eviction proceedings and/or negotiations are held with occupants in an attempt to get them to vacate without incurring the additional time and cost of eviction. Repairs are performed if it is determined that they will increase the net liquidation proceeds, taking into consideration the cost of repairs, the carrying costs during the repair period and the marketability of the property both before and after the repairs.

Any loss, if any, on a Loan is determined based on the aggregate amount due on the Loan less the aggregate proceeds of sale of the mortgaged property minus related expenses.

The Servicer's collections procedures are updated regularly and continue to evolve on a regular basis to improve its efficiency and effectiveness. The most recent changes have been the introduction of functionalization (the consolidation of tasks and activities under common management and across multiple sites) and the implementation of risk based collections (the collection of payments by client as opposed to the use of a mono-line). Risk based collections involves one collector collecting all delinquent accounts for a Borrower at the same time as opposed to different collectors calling the same Borrower for each Loan or other product that is delinquent.

Given the Bank's ownership of substantially all (approximately 99.95 per cent.) of the partnership interests in the Guarantor LP and that the Managing GP is a wholly-owned subsidiary of the Bank, for as long as the Bank is acting as the Servicer of the Loans, the Servicer retains an indirect 100 per cent. economic interest in the Loans (see "*Loan Origination and Lending Criteria – Retention of interest in Loans by the Bank*").

Servicing and Other Compensation and Payment of Expenses

Each Loan acquired by the Guarantor LP is a serviced interest. Guarantor LP does not have any obligation or liability to the Servicer on account of costs, expenses, disbursements, charges, or fees of the Servicer, which are the sole responsibility of the Servicer.

In the event a substitute servicer is appointed, the Guarantor LP will reimburse such substitute servicer in accordance with the Priorities of Payment for all out-of-pocket expenses, disbursements, charges and fees (together with any amounts in respect of HST due thereon), provided that the substitute servicer will use reasonable endeavors to recover all costs and expenses incurred by it that are properly recoverable from the Borrowers.

Payments on Loans; Deposits to Segregated Accounts

Any collections received by the Servicer in respect of Loans and their Related Security to which the Guarantor LP is entitled are required to be held by the Servicer in trust for the Guarantor LP and to be kept distinguishable from all other moneys held by the Servicer and following a downgrade in ratings or assessments of the Servicer by the Rating Agencies below certain thresholds, to be deposited directly into the GDA Account. Amounts paid under the loan documents in respect of insurance, property taxes or other similar amounts are to be applied by the Servicer for the purposes for which they are received in accordance with such loan documents.

Replacement of Servicer

The Servicer may be terminated or resign as described in further detail under "*Summary of the Principal Documents – Servicing Agreement – Removal or resignation of the Servicer".*

SUMMARY OF THE PRINCIPAL DOCUMENTS

The principal document governing the relationship of the Issuer and a purchaser of Covered Bonds is the Trust Deed and the Terms and Conditions attached to each Covered Bond. See *"Terms and Conditions of the Covered Bonds*". Copies of such documents, including the applicable Transaction Documents may be viewed at https://www.rbc.com/investor-relations/covered-bonds.html .

Final Terms or Pricing Supplement

The applicable Final Terms or Pricing Supplement or Drawdown Prospectus for a Series of Covered Bonds will set forth the specific terms of the Covered Bonds of such Series, including the currency for all payments, the applicable interest rate, interest payment dates, the maturity date, call or put option features applicable, and optional redemption features. Such Pricing Supplement or Drawdown Prospectus may also provide modifications of or additions to the Terms and Conditions.

The 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 LP;
- the terms of the Covered Bond Guarantee (as described below);
- the enforcement procedures relating to the Covered Bonds and the Covered Bond Guarantee;
- the appointment, powers, and responsibilities of the Bond Trustee and the circumstances in which the Bond Trustee may retire, be removed, or appoint a separate bond trustee or a co bond trustee; and
- procedures for convening and holding meetings of Covered Bondholders to consider any matter affecting their interests, and for the appointment of a Chairman who in the case of an equality of votes has a casting vote in addition to any other vote(s) to which such person may be entitled.

This description is subject to and qualified by the description of the particular terms of each Series of Covered Bonds in the applicable Final Terms or Pricing Supplement.

Bond Trustee

Computershare Trust Company of Canada has been appointed the Bond Trustee under the Trust Deed. The Issuer may maintain other banking relationships in the ordinary course of business with the Bond Trustee.

Computershare Trust Company of Canada is a company incorporated under the laws of Canada, whose registered office is at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1. Computershare Trust Company of Canada has acted as trustee on numerous Covered Bond programs since November 2007 and on asset-backed securities transactions involving pools of mortgage loans since 1990. While the structure of the transactions referred to in the preceding sentence may differ among such transactions, Computershare Trust Company of Canada is experienced in administering transactions of the kind contemplated by this Prospectus.

Computershare Trust Company of Canada has provided the information in the prior paragraph. Other than the prior paragraph, Computershare Trust Company of Canada has not participated in the preparation of, and is not responsible for, any other information contained in this Prospectus.

As compensation for the performance of its obligations under the Trust Deed, the Bond Trustee will receive reasonable compensation as provided in the Trust Deed.

The Bond Trustee will receive reimbursement for those reasonable out of pocket expenses (including the reasonable expenses of its counsel and agents) incurred by it in carrying out provisions of the Trust Deed (the "**Trustee Expenses**"). Trustee Expenses will be payable on the date specified in a demand by the Bond Trustee and may carry interest if not paid within five days. Such amounts where payable by the Guarantor LP will be paid in accordance with the Priorities of Payment. The Bond Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Covered Bonds any liabilities incurred pursuant to the Trust Deed have been incurred or to allocate any such liabilities between different Series of Covered Bonds.

The Trust Deed contains provisions for the indemnification of the Bond Trustee and its officers, directors, employees and agents for any loss, claims, damages, suits, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Trust Deed.

The Bond Trustee may retire at any time by providing three months' prior written notice to the Issuer and the Guarantor LP. The Covered Bondholders may by Extraordinary Resolution of all the Covered Bondholders remove any bond trustee or bond trustees. The Guarantor LP may remove the Bond Trustee upon a default by the Bond Trustee in the performance or observance of any of its covenants and obligations under the Trust Deed (including the Bond Trustee's representations and warranties) if such breach continues unremedied for a period of 30 days. In the event that the Bond Trustee (or the only bond trustee that is a trust corporation) gives notice of its intention to retire or is removed by Extraordinary Resolution or by the Guarantor LP, each of the Issuer and the Guarantor LP will use all reasonable endeavors to procure as soon as reasonably practicable a new bond trustee that is a trust corporation whose appointment complies with the Guide. If no such appointment has become effective within 60 days of the date of such notice or Extraordinary Resolution, the Bond Trustee is entitled to appoint a trust corporation, whose appointment complies with the Guide, as bond trustee, but no such appointment shall take effect unless previously approved by an Extraordinary Resolution.

Covered Bond Guarantee

Under the terms of the Covered Bond Guarantee (contained in the Trust Deed), the Guarantor LP 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 LP Acceleration Notice is served.

The Issuer has covenanted under the Trust Deed that each Series of Covered Bonds shall include an Extended Due For Payment Date until such time as the Guarantor LP Agreement is amended to provide for a pre-maturity test to be conducted, in respect of any Series of Covered Bonds that does not include an Extended Due For Payment Date, to ensure that the assets of the Guarantor LP include sufficient cash to satisfy obligations to make principal payments on any such Series of Covered Bonds at the Final Maturity Date for such Covered Bonds and such pre-maturity test complies with the provisions of the Guide, and corresponding provisions in the Priority of Payments are made to facilitate satisfaction of such a pre-maturity test.

The Covered Bond Guarantee by the Guarantor LP is secured by the pledge of the Covered Bond Portfolio to the Bond Trustee under the Security Agreement. This security interest has been perfected under Ontario Law by all necessary regulations.

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 LP. Payment by the Guarantor LP of the Guaranteed Amounts pursuant to the Covered Bond Guarantee will be made on the later of: (i) the day which is two London Business Days after service of a Notice to Pay on the Guarantor LP, 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 LP 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, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by the laws, regulations or administrative practice of any jurisdiction. In the event such withholdings or deductions are so required, the Issuer (but not the Guarantor LP) shall (subject to customary exceptions) be required to 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 – Taxation*").

Under the terms of the Covered Bond Guarantee, the Guarantor LP 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 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 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 LP 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 LP under the Covered Bond Guarantee.

Subject to the grace period specified in Condition 7.02 of the Conditions, failure by the Guarantor LP to pay the Guaranteed Amounts when Due for Payment will result in a Guarantor LP Event of Default.

Excess Proceeds received by the Bond Trustee

Following the occurrence of an Issuer Event of Default and delivery 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 LP for the account of the Guarantor LP. All such Excess Proceeds will be held by the Guarantor LP in the Guarantor LP Accounts and will thereafter form part of the Security granted pursuant to the Security Agreement and will be used by the Guarantor LP in the same manner as all other moneys from time to time standing to the credit of the Guarantor LP Accounts. Any Excess Proceeds received by the Bond Trustee will discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds and Coupons (subject to restitution of the same if such Excess Proceeds will be required to be repaid by the Guarantor LP). However, the obligations of the Guarantor LP under the Covered Bond Guarantee are (following service of a Notice to Pay on the Guarantor LP) 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 LP in the manner as described above.

Changes to the Trust Deed

The provisions in the Trust Deed may be amended or modified only by written agreement of all of the parties thereto, provided that the Bond Trustee may require the prior approval of the Secured Creditors for certain amendments or modifications. Where the Guarantor LP determines that any such amendment or waiver is material, Rating Agency Confirmation shall be required in respect of such amendment. 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 the Guarantor LP and the Issuer 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.

Agency Agreement

The Agency Agreement between the Issuer, the Guarantor LP, the Agents and the Bond Trustee, is the governing agreement with respect to the rights and obligations of the Agents under the Programme. Under the terms of the Agency Agreement, the Issuer and the Guarantor LP have appointed the Agents for the specified purposes set out in the Agency Agreement, and the Agents act solely in their capacity as Agents of the Issuer (or the Bond Trustee as applicable) and do not assume any obligation or responsibility towards the holders of the Covered Bonds.

In order to provide for payment of interest and principal on the Covered Bonds, the Issuer (or the Guarantor LP) pays to the Issuing and Paying Agent or, as the case may be, the European Registrar on or before the date on which the payment becomes due an amount equal to the amount of principal, or as the case may be, interest then becoming due.

Following receipt of funds from the Issuer (or Guarantor LP), each Paying Agent or the Registrar, as applicable, shall make payments of interest, provided that the Paying Agent or the Registrar, as applicable, shall not be obliged to make such payments if it is not able to establish that it has received the full amount of relevant payment due to it, or it has been notified that the Issuer (or Guarantor LP) has not given irrevocable instructions providing for the transfer of the relevant funds prior to the date on which payment is to be made to the Issuing and Paying Agent or, as the case may be, the European Registrar and the name and the account of the bank through which such payment is being made. The Paying Agent and Registrar are not entitled to exercise any lien, right of set-off or similar claim against any person to whom it makes any payment.

Representations and Warranties

Each Agent represents and warrants in favour of the Issuer, the Guarantor LP and the Bond Trustee, that it is, among other things, experienced, qualified, satisfies certain minimum standards, is in regulatory good standing and is in material compliance with all internal policies and procedures and all applicable laws and regulations. Further, the Agency Agreement contains a covenant on the part of each of the Agents to comply with, and perform its obligations under, the provisions of the Guide, and the Transaction Documents to which it is a party, in each case applicable to it.

Agents of Bond Trustee

The Bond Trustee may, at its option upon the occurrence of an Issuer Event of Default or Potential Issuer Event of Default, require the Agents to act as Agents of the Bond Trustee in relation to payments of moneys to be made by or on behalf of the Bond Trustee, and thereafter to hold all Covered Bonds on behalf of the Bond Trustee. Following an Issuer Event of Default the Bond Trustee may require the Issuer to make all payments in respect of the Covered Bonds to the Bond Trustee and not to the Agents and following a Guarantor LP Event of Default, may require the Guarantor LP to make payments to be made by it under the Covered Bond Guarantee to the Agents as opposed to the Bond Trustee.

Additional Duties

The Issuing and Paying Agents, and the Paying Agents are subject to various additional duties including the maintaining of records, making documents available for inspection, issuing voting certificates, and making all necessary notifications and filings as may be required. The Registrars are subject to various additional duties including the maintenance of a central securities register, the cancellation of registered Covered Bonds where applicable, maintenance of proper records, making available forms of proxy, and making documents available for inspection. Pursuant to the terms of the Agency Agreement, the Transfer Agents are subject to various additional duties including, accepting registered Covered Bonds transferred to it, keeping a stock of the forms of transfer, and authenticating and delivering Covered Bonds where applicable.

Changes to the Agency Agreement

The provisions of the Agency Agreement may be amended or modified by further agreement among the parties thereto and without the consent of the holders of any of the Covered Bonds. Where the Guarantor LP determines that any such amendment or waiver is material, Rating Agency Confirmation shall be required in respect of such amendment.

Intercompany Loan Agreement

The Intercompany Loan Agreement between the Issuer and the Guarantor LP is the governing agreement with respect to the Intercompany Loan. Under the terms of the Intercompany Loan Agreement, the Issuer has made available to the Guarantor LP, on an unsecured basis, a revolving interest-bearing intercompany loan (the "**Intercompany Loan**"), comprised of a guarantee loan (the "**Guarantee Loan**") and a demand loan (the "**Demand Loan**"), in a combined aggregate amount equal to the Total Credit Commitment, subject to increases and decreases as described below.

Advances under the Intercompany Loan have been used to acquire Loans and their Related Security for the Covered Bond Portfolio, in excess of the requirements of the Asset Coverage Test for the outstanding Series of Covered Bonds issued under the Programme. The Intercompany Loan is denominated in Canadian dollars. The interest rate on the Intercompany Loan is a Canadian dollar floating rate determined by the Issuer from time to time, provided that the amount of interest payable shall not exceed the amount received by the Guarantor LP under the Interest Rate Swap Agreement less the sum of a minimum spread and an amount for certain expenses of the Guarantor LP.

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 as over-collateralization for the Covered Bonds to ensure that the Asset Coverage Test is met (see "*Summary of the Principal Documents – Guarantor LP Agreement – Asset Coverage Test*"). The Demand Loan is in an amount equal to the difference between the balance of the Intercompany Loan and the balance of the Guarantee Loan at any relevant time, except where the ratings or assessments of the Covered Bond Swap Provider by the Rating Agencies have fallen below the thresholds described under *"Summary of the Principal Documents – Covered Bond Swap Agreement*" or there has been an Issuer Event of Default and the Issuer has delivered the notice described thereunder in which case the amount of the mark to market

exposure that would exist if cashflows were being exchanged under the Covered Bond Swap Agreement will be excluded from the Demand Loan and therefore form part of the Guarantee Loan while such circumstances exist. 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. As of May 31, 2024 the outstanding balance of the Guarantee Loan is $78,260,946,012 and the outstanding balance of the Demand Loan is $39,357,872,224.

At any time prior to a Demand Loan Repayment Event, the Guarantor LP may re-borrow any amount repaid by the Guarantor LP 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, (ii) no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing, and (iii) such drawing does not result in the Guarantor LP being unable to satisfy the Asset Coverage Test (on a *pro forma* basis) and (iv) the Issuer shall have received a certified copy of the resolution authorizing the Intercompany Loan Agreement by the managing partner of the Guarantor LP. Unless otherwise agreed by the Issuer, no further advances will be made to the Guarantor LP 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 Issuer may increase the Total Credit Commitment to enable the Guarantor LP to acquire additional Loans and their Related Security from the Seller.

The Demand Loan or any portion thereof is repayable on the first Business Day following 60 days after a demand therefor is served on the Guarantor LP, subject to a Demand Loan Repayment Event (see below) having occurred and the Asset Coverage Test being met on the date of repayment after giving effect to such repayment. At any time the Guarantor LP 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 Issuer is required to assign the Interest Rate Swap Agreement to a third party (due to a failure by the Issuer to meet the ratings or assessments of the Rating Agencies specified in the Interest Rate Swap Agreement; or (ii) an Issuer Event of Default has occurred, notice of an Issuer Acceleration Notice has been given to the Issuer and a Notice to Pay has been served on the Guarantor LP (each of (i) and (ii) above a "**Demand Loan Repayment Event**"), the Guarantor LP will be required to repay any amount of the Demand Loan that exceeds the Demand Loan Contingent Amount on the first Guarantor LP Payment Date following 60 days after the occurrence of such Demand Loan Repayment Event. Following such Demand Loan Repayment Event, the Guarantor LP 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 Issuer) 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 LP from the Bond Trustee will be deducted from the Adjusted Aggregate Asset 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) one per cent. of the amount of the Guarantee Loan then outstanding (as determined by an Asset Coverage Test run on the relevant repayment date), provided, for greater certainty,

that in calculating the amount of the Guarantee Loan and the Demand Loan for purposes of determining the Demand Loan Contingent Amount, no credit shall be given to the Guarantor LP in the Asset Coverage Test for any Excess Proceeds received by the Guarantor LP from the Bond Trustee.

The Guarantor LP may repay the principal on the Demand Loan in accordance with the Priorities of Payment and the terms of the Intercompany Loan Agreement, using (i) funds being held for the account of the Guarantor LP by its service providers and/or funds in the Guarantor LP Accounts; (ii) proceeds from the sale of Substitute Assets; (iii) proceeds from the sale, pursuant to the Guarantor LP 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; or (iv) by selling, transferring and assigning to the Seller all of the Guarantor LP's right, title and interest in and to Loans and their Related Security, and any collections in respect of such Loans and their Related Security ("**Payment in Kind**"), or any combination thereof. The Guarantor LP is restricted from paying the Demand Loan with amounts received from the sale of Loans for less than their True Balance. Except for Non-Performing Loans, upon a Payment in Kind, the outstanding amount of the Demand Loan will be reduced by the fair market value of such Loans, provided that following a Covered Bond Guarantee Activation Event, the Demand Loan will be reduced by the True Balance of such Loans. For Non-Performing Loans, such reduction will always be based on the fair market value. The fair market value of such Loans will be determined at the relevant time based on the amount expressed in terms of the amount a willing, prudent and informed buyer would pay in an open and unrestricted market to a willing, prudent and informed seller, each acting at arms' length, where neither party is under any compulsion to enter into the transaction, as part of the acquisition of such Loans at the relevant time.

If the Demand Loan is reduced by the True Balance of the Loans which are the subject of the Payment in Kind, then a portfolio adjustment under the Interest Rate Swap Agreement will occur and breakage fees may become payable to or from the Issuer or the Guarantor LP. If the Issuer, or an affiliate of the Issuer is the Interest Rate Swap Provider, pursuant to the terms of the Intercompany Loan Agreement, the Issuer has agreed that no breakage fees will be payable in respect of such a portfolio adjustment. If the Issuer or an affiliate of the Issuer is not the Interest Rate Swap Provider, breakage fees (if any) will be paid by, or to, the Issuer, as applicable as agreed between the Issuer and the Guarantor LP pursuant to the terms of the Intercompany Loan Agreement.

The Guarantor LP will be entitled to set off amounts paid by the Guarantor LP under the Covered Bond Guarantee first against any amounts (other than interest and principal) owing by the Guarantor LP to the Issuer in respect of the Intercompany Loan Agreement, then against interest (including Accrued Interest) due and unpaid on the outstanding principal balance on the Intercompany Loan and then against the outstanding principal balance owing on the Intercompany Loan.

The Guarantor LP has used advances from the Intercompany Loan to purchase the Loans and their Related Security for the Covered Bond Portfolio from the Seller pursuant to 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; 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 LP Accounts (including, without limitation, to fund the Reserve Fund to an amount not exceeding the prescribed limit) and make investments in Substitute Assets.

Subject to the Bond Trustee's rights pursuant to the terms of the Security Agreement, the provisions of the Intercompany Loan Agreement may be amended or modified only with the prior written consent of each party thereto provided, for certainty, no such consent shall be required in connection with the amendment or other change to the rate of interest on advances payable pursuant to the Intercompany Loan Agreement. Where the Guarantor LP determines that any such amendment or waiver is material, Rating Agency Confirmation shall be required in respect of such amendment.

Mortgage Sale Agreement

The Seller

Loans and their Related Security have been and may from time to time be sold by the Seller to the Guarantor LP on a fully-serviced basis pursuant to the terms of the Mortgage Sale Agreement entered into on the Programme Establishment Date by and among the Seller, the Guarantor LP, and the Bond Trustee. The terms of such Mortgage Sale Agreement will apply (with necessary modification) to any Capital Contribution in Kind made by the Seller in its capacity as Limited Partner. A "**Capital Contribution in Kind**" is a contribution of Loans and their Related Security on a fully-serviced basis to the Guarantor LP in an amount equal to the aggregate of the fair market value of those Loans as at the relevant Transfer Date, less any cash payment paid by the Guarantor LP for such Loans and their Related Security on the date of transfer.

Sale by the Seller of Loans and their Related Security

The Covered Bond Portfolio consists of Loans and their Related Security sold for cash by the Seller to the Guarantor LP. From time to time the Guarantor LP may acquire New Loans and their Related Security from the Seller in the two circumstances described below.

(a) *First*, the Guarantor LP may use the proceeds of the Intercompany Loan (which may be applied in whole or in part by the Guarantor LP) 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 LP, the Seller will receive a 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 LP may receive Capital Contributions in Kind. As consideration for the sale by way of Capital Contributions of the Loans and their Related Security to the Guarantor LP, the Seller will receive an additional interest in the capital of the Guarantor LP equal to the fair market value of those Loans sold by it as at the relevant Transfer Date.

If Loans and their Related Security are sold by or on behalf of the Guarantor LP as described below under "*Summary of the Principal Documents – Guarantor LP Agreement – Sale of Loans and their Related Security at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor LP*", 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 LP in the circumstances described below under "*Summary of the Principal Documents – Mortgage Sale Agreements – Repurchase of Loans*".

Selection Criteria

Loans selected for sale to the Guarantor LP and inclusion in the Covered Bond Portfolio are selected from the Issuer's portfolio of mortgage loans on a random basis. This is accomplished by assigning a random number generated by a computer program to each mortgage loan in the Issuer's portfolio. The mortgage loans are sorted in order of the random number assigned to them and mortgage loans that satisfy the Eligibility Criteria and the representations and warranties required of the Seller are selected sequentially from the list of candidate loans until the required amount of mortgage loans has been selected.

Eligibility Criteria

The sale of Loans and their Related Security to the Guarantor LP is subject to various conditions (the "**Eligibility Criteria**"), (which are all subject to amendment and replacement from time to time

provided Rating Agency Confirmation is received) being satisfied on the relevant Transfer Date, including that:

(a) no Issuer Event of Default or Guarantor LP Event of Default under the Transaction Documents shall have occurred which is continuing as at the relevant Transfer Date;

(b) the Guarantor LP, acting on the advice of the Cash Manager, is not aware, and could not reasonably be expected to be aware, that the purchase of the Loans and their Related Security, would adversely affect the then current ratings of the Covered Bonds by the Rating Agencies;

(c) no Loan has a Current Balance of more than $3,000,000 as at the relevant Cut-off Date;

(d) no Loan relates to a Property which is not a residential Property or consists of more than four residential units;

(e) no Loan constitutes a New Loan Type in respect of which Rating Agency Confirmation has not been received by the Bond Trustee as required in order for the sale of such Loan to the Guarantor in accordance with the terms of the Mortgage Sale Agreement, and confirmation that the sale of such New Loan Types complies with the requirements applicable to a Covered Bond programme registered under the *National Housing Act* (Canada) and is otherwise in accordance with the terms of the Guide has been received by the Bond Trustee in accordance with the terms of the Mortgage Sale Agreement;

(f) each Loan is payable in Canada only and is denominated in Canadian dollars;

(g) one or more payments of principal or interest due pursuant to the relevant Mortgage Terms for the Loan has been paid;

(h) no Loan is in arrears in respect of one or more payments of principal or interest payable thereunder;

(i) no Loan is subject to any dispute, set-off, counterclaim or defence, whatsoever, and the Seller shall not have given any consents, approvals or waivers or have postponed any of its rights under or in respect of any such Loan except in the ordinary course of business and any such permitted extension, modification, consent, approval, waiver or postponement is reflected in the Loan and Related Security Files;

(j) no Loan being purchased, and where such Loan is a Related Loan none of its Related Loans, has been, insured by 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 hereof or otherwise identified in the *Protection of Residential Mortgage or Hypothecary Insurance Act* (Canada), or any successor to any of them;

(k) no Loan expressly affords the Borrower a right of set-off;

(l) the Related Security in respect of each Loan includes a mortgage or other hypothecary instrument charging the related Property that represents a first priority perfected security interest, subject to certain permitted encumbrances;

(m) where the Loan being purchased is a Related Loan it and each of its Related Loans has the benefit of an express waiver of set-off in favour of the Bank, as lender, from the Borrower;

(n) if extended, advanced or renewed on or after July 1, 2014, the Loan has the benefit of an express waiver of set-off in favour of the Bank, as lender, from the Borrower;

(o) the Seller is the legal and beneficial owner of each Loan and its Related Security being purchased, free and clear of any ownership, security interest or other encumbrance, other than certain customary permitted interests and encumbrances that will cease to apply upon such purchase by the Guarantor LP and, immediately following such purchase, such Loan, its Related Security and all collections in respect thereof to which the Guarantor LP is entitled will be owned by the Guarantor LP, free and clear of any such interests or encumbrances, other than interests and encumbrances created, acknowledged or provided for by the Guarantor LP including under the terms of the Transaction Documents; and

(p) where the Loan being purchased is a Related Loan, the Seller is the legal and beneficial owner of all of the Related Loans of such Loan.

On the relevant Transfer Date, the Representations and Warranties (described below in "*– Representations and Warranties*") are given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Guarantor LP. 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 (c) and (d) above relating to the Loan subject to that Product Switch or Additional Loan Advance is not satisfied on the next following Calculation Date, the Guarantor LP is 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

Legal title to the Mortgages related to the Loans sold, transferred and assigned by the Seller to the Guarantor LP pursuant to the terms of the Mortgage Sale Agreement remain registered in the name of the Seller and notice of the sale, transfer and assignment is not 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 LP of legal title to the Mortgages is deferred and will only take place in the circumstances described below.

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 LP will be sent by the Seller, or, as necessary, by the Guarantor LP (or the Servicer on behalf of the Guarantor LP) on behalf of the Seller (under a power of attorney granted by the Seller to the Guarantor LP pursuant to the terms of the Mortgage Sale Agreement), 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, on or before the 60th day following the earliest to occur of:

(a) a Servicer Event of Default (other than a material breach or default of the Servicing Agreement);

(b) a material breach or default (other than an impending or actual insolvency), on the part of the Servicer under the terms of the Servicing Agreement (which breach or default has not been remedied within 30 days or such shorter period prescribed therefor by the Servicing Agreement) after the earlier of the Servicer becoming aware of such breach or default and receipt by the Servicer of written notice from the Guarantor LP and the Bond Trustee requiring the same to be remedied;

(c) the occurrence of a Covered Bond Guarantee Activation Event;

(d) the acceptance of any offer to sell Loans and their Related Security (only in respect of the Loans being sold and their Related Security) to any person who is not the Seller, unless otherwise agreed by the Purchaser and the Guarantor LP, with the consent of the Bond Trustee, which consent will not be unreasonably withheld; and

(e) the Seller and/or the Guarantor LP 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 by an organization whose members include mortgage lenders and with whose instructions it is customary for the Seller to comply; to effect such notice and registration,

(each a "**Registered Title Event**")

Except where lodged with the relevant registry in relation to any registration or recording which may be pending, the Loan and Related Security 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 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, has undertaken that all the Loan and Related Security 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 are held to the order of the Bond Trustee or as the Bond Trustee may direct and the right, interest and title of the Guarantor LP to the Loans and their Related Security will be secured by an irrevocable power of attorney granted by the Seller, as of the Transfer Date, in favour of the Guarantor LP and the Bond Trustee in respect of the Loans and their Related Security. Such powers of attorney will be provided to the Custodian together with an opinion as to their enforceability and details of the Loans forming part of the Covered Bond Portfolio. In addition, the Issuer is required to deliver updated powers of attorney, executed registrable forms of mortgage assignment for mortgages in Québec and opinions in respect thereof periodically and in the event of a change in law which renders such delivered powers of attorney and mortgage assignments invalid.

Pursuant to the Guide, 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 Baa3 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 Guide) in respect of all Loans and Related Security and Substitute Assets held by the Guarantor LP, 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 LP and duly executed copies of any other registrable forms of assignment that may be required by the Guarantor LP in order to perfect the sale, assignment and transfer of the Loans and Related Security from the Seller to the Guarantor LP, including any additional documents that may be required for such purposes pursuant to the Guide or otherwise.

Notwithstanding the occurrence of a Registered Title Event or such a ratings downgrade, the parties to the Mortgage Sale Agreement may, in accordance with the Guide, agree by way of amendment or waiver to the Mortgage Sale Agreement that 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 Confirmation has been obtained 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 LP 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.

Representations and Warranties

Neither the Guarantor LP nor the Bond Trustee has made or has caused to be made or intends to make or cause to be made on its behalf any inquiries, searches or investigations in respect of the Loans and their Related Security to be sold to the Guarantor LP. Instead, each is relying entirely on the

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 Rating Agency Confirmation has been received) amend the Representations and Warranties in the Mortgage Sale Agreement.

Compliance with the material Representations and Warranties results in the Loans and their Related Security meeting the Eligibility Criteria (see "*Eligibility Criteria*", above) and the Representations and Warranties include the following additional Representations and Warranties:

- each Loan was originated by the Seller, in compliance with all material laws applicable thereto, 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 (other than those that are home equity lines of credit) 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, the Seller's underwriting policies (in effect or otherwise applicable at the time the Loan was originated) 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;

- the Lending Criteria is consistent with the Seller's underwriting policies (in effect or otherwise applicable at the time the Loan was originated) and the criteria that would be used by reasonable and prudent institutional mortgage lenders in the Seller's market;

- no Loan is guaranteed by a third party save where the guarantee and any security related to such guarantee constitutes legal, valid and binding obligations of the guarantor enforceable in accordance with their terms and are assignable to the Guarantor LP and its assigns, 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;

- the whole of the Current Balance on each Loan is secured by a Mortgage over residential property in Canada;

- the True Balance on each Loan (other than any agreement for Additional Loan Advances (if any) or any home equity lines of credit which is secured on the same Property as the Borrower's existing Loan and which may permit the Borrower to make further draws from time to time up to an amount fixed at the inception of the Loan and corresponding home equity line of credit) 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 LP effected by the Mortgage Sale Agreement, 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 LP, 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 LP 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;

- 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 LP, the Bond Trustee, or any of their successors in title or assigns;

- 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 an independently maintained valuation 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 received Rating Agency Confirmation;

- 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, inquiries 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 Borrower was required as a condition to granting the relevant Loan to obtain title insurance in respect of the relevant Property 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 property insurance maintained by the Borrower, which may in the case of a leasehold property be covered 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; and

- 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 into evidence in a court of competent jurisdiction.

The Representations and Warranties are given on the relevant Transfer Date in respect of the Loans and their Related Security to be sold to the Guarantor LP 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 only.

If New Loan Types are to be sold to the Guarantor LP, then the Representations and Warranties in the Mortgage Sale Agreement will be modified as required to accommodate these New Loan Types. The prior consent of the holders of the Covered Bonds to the requisite amendments will not be required. If a proposed amendment is considered by the Guarantor LP to be material, such amendment will be subject to Rating Agency Confirmation, and notice of any amendment that does not require Rating

Agency Confirmation will be delivered to the Rating Agencies. On each Transfer Date, the Guarantor LP 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.

Repurchase of Loans

If the Seller receives a Loan Repurchase Notice from the Guarantor LP (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 an Additional Loan Advance), (i) does not comply with the representations warranties or covenants set out in the Mortgage Sale Agreement or in any other purchase document which materially and adversely affects the interest of the Purchaser in such Loan or the value of the affected Loan, or (ii) is subject to an adverse claim other than certain customary permitted interests and encumbrances that will cease to apply upon such purchase by the Purchaser and interests and encumbrances created, acknowledged or provided for by the Purchaser including under the terms of the Transaction Documents, which is not cured by the 28th Business Day following receipt of a notice requiring such repurchase, then the Seller will be required to repurchase: (a) any such Loan and its Related Security; and (b) any other Loan secured or intended to be secured by that Related Security or any part of it. 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 LP 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 is responsible for identifying any Non-Performing Loans in the Covered Bond Portfolio and upon identification serving a Non-Performing Loans Notice on the Issuer and the Servicer. Non-Performing Loans are attributed no weight in the Asset Coverage Test, the Regulatory OC Minimum Calculation or the Amortization Test, as applicable.

General ability 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 LP for a purchase price of not less than the fair market value of the relevant Loan. The Guarantor LP may accept such offer at its discretion, provided that any such sale, will be subject to the Asset Coverage Test or Amortization Test, as applicable, 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, in whole or in part, by the Guarantor LP of Loans and their Related Security. In connection with any sale of Loans and their Related Security by the Guarantor LP, except where such Loans and their Related Security are being sold to the Seller pursuant to an offer from the Seller, the Guarantor LP will serve on the Seller a Loan Offer Notice offering to sell Loans and their Related Security for a price determined in accordance with the Guarantor LP Agreement (see "*Guarantor LP Agreement*", below), subject to the offer being accepted by the Seller within ten Business Days.

If an Issuer Event of Default has occurred but no receiver, 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 LP and the Bond Trustee. If the Seller rejects the Guarantor LP's offer or fails to accept it in accordance with the foregoing within the time specified, the Guarantor LP may offer to sell such Loans and their Related Security to

other Purchasers in accordance with the terms of the Guarantor LP Agreement (see "*Guarantor LP Agreement*", below).

If the Seller accepts the Guarantor LP's offer to sell such Loans and their Related Security as specified above, the Guarantor LP will, within three 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 LP 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 LP Payment Date following receipt of the relevant Loan Repurchase Notice(s) or such other date as the Guarantor LP 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) ten Business Days after returning the Loan Repurchase Notice to the Guarantor LP; and (b) the Final Maturity Date of the Earliest Maturing Covered Bonds).

Further drawings under Loans

The Seller is solely responsible for funding all Further Advances, if any, in respect of Loans sold by the Seller to the Guarantor LP. The amount of the Intercompany Loan will increase by the amount of such funded Further 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 LP, 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 LP an amount equal to the unpaid interest associated with that Authorized Underpayment and 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 LP.

New Sellers

In the future, any New Seller that wishes to sell loans and their Related Security to the Guarantor LP will accede to, *inter alia*, the Mortgage Sale Agreement. The sale of New Loans and their Related Security by New Sellers to the Guarantor LP will be subject to certain conditions, including the following:

- each New Seller accedes to the terms of the Guarantor LP 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 comprised in the Covered Bond Portfolio under the Guarantor LP 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 LP 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 comprised in the Covered Bond Portfolio under the Mortgage Sale Agreement;

- each New Seller accedes to the Dealership Agreement, and enters into such other documents as may be required by the Bond Trustee and/or the Guarantor LP 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 LP comply with the Eligibility Criteria set out in the Mortgage Sale Agreement;

- either 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 the New Seller (or its nominee) enters into a servicing agreement with the Guarantor LP and the Bond Trustee which sets out the servicing obligations of the New Seller (or its nominee) 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 (or its nominee) 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 received a Rating Agency Confirmation in relation thereto.

If the above conditions are met, the consent of holders of the Covered Bonds will not be required or obtained to the accession of a New Seller to the Programme.

Changes to the Mortgage Sale Agreement

The provisions of the Mortgage Sale Agreement may be amended or modified only by written agreement between the Purchaser, the Seller, and with respect to amendments or waivers of the Seller's Representations and Warranties, consented to by the Bond Trustee (which consent shall be given by the Bond Trustee if Rating Agency Confirmation has been received for such amendment or waiver). Each proposed amendment or waiver of the Mortgage Sale Agreement that is considered by the Purchaser to be a material amendment or waiver shall be subject to Rating Agency Confirmation.

Security Sharing Agreement

The Seller, the Guarantor LP, the Bond Trustee and the Custodian entered into a Security Sharing Agreement in connection with Loans and their Related Security that have been and will be sold by the Issuer to the Guarantor LP 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 Issuer 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 Mortgages securing Related Loans ("**Enforcement Proceeds**");

- requires Post-Default Collections to be held in trust in a separate account for the benefit of, and to be promptly transferred, to the person entitled to such amounts;

- provides for Related Loans to be serviced by the same servicer;

- provides the Issuer with certain rights to purchase Related Loans from the Guarantor LP; and

- provides for the delivery by the Issuer 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 Issuer and the Guarantor LP 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 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 held in trust in a separate account for the benefit of, and to be promptly transferred to, the person entitled to such amounts. Such payments will not be subject to the Priorities of Payment or any set-off or counterclaim.

Single Servicer for Related Loans

For so long as the Issuer is the Servicer, it will service the Related Loans. In the event that the Servicer ceases to be the Issuer, the Guarantor LP 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 Issuer has granted a power of attorney in favour of the Guarantor LP 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 the 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 LP and the Issuer 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 policies 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 Issuer;

- require the Replacement Servicer to hold funds received in respect of the Retained Loans in trust for the Issuer in a separate account and transfer such funds to the Issuer on a daily basis; and

- require the prior written consent of the Guarantor LP and the Issuer 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 Replacement Servicer.

A third-party purchaser or the Guarantor LP 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 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 Seller has under the Mortgage Sale Agreement (see "*Mortgage Sale Agreement*", above), if the Guarantor LP intends to sell any Related Loan, the Issuer may, upon notice to the Guarantor LP, purchase such Related Loan and its Related Security. In addition, in the event the Issuer 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 Issuer may, upon notice to the Guarantor LP and the Custodian, purchase such Related Loans and their Related Security from the Guarantor LP provided that the Asset Coverage Test, 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 LP Agreement (see "*Guarantor LP Agreement – Sale of Loans and their Related Security at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor LP"* and "*Sale of Loans and their Related Security at any time no Asset Coverage Test Breach Notice is outstanding and no Notice to Pay has been served on the Guarantor LP*") and will be payable in a form of consideration permitted under the Guide, which includes the substitution of assets. The Issuer's right to purchase Related Loans will cease upon a sale of such Related Loans and their Related Security by the Guarantor LP to a third party.

Release of Security

In connection with entering into the Security Sharing Agreement, the Issuer delivered a release of security to the Custodian in respect of its interest in the Mortgages securing the Related Loans and agreed to deliver a release of security upon each sale or contribution of Related Loans to the Guarantor LP. The Custodian will hold any such releases of security, including any delivered by a purchaser of Retained Loans, as Custodial Documents (see "*Custodial Agreement*", below), 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 Issuer or any beneficial owner (or owner) of any Retained Loan breached or caused a breach of or provided written advice to the Servicer or the Replacement Servicer, as applicable, 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 Related Loans be serviced by the same 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 Issuer under the Security Sharing Agreement with respect to such Retained Loans and delivered a release of security to the Custodian in respect of the Mortgages 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 Issuer 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 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 or the Replacement Servicer, as applicable, and appropriate officers or directors of a person reasonably expected to have knowledge of such matters) and the notice from the Servicer or the Replacement Servicer, as applicable, (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 LP 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 between the Guarantor LP, the Servicer, the Seller, the Cash Manager, and the Bond Trustee, the Servicer services on behalf of the Guarantor LP the Loans and their Related Security sold by the Seller to the Guarantor LP in the Covered Bond Portfolio.

The Servicer is 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 LP had not been sold to the Guarantor LP but remained on the books of 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 LP and the Secured Creditors. The Servicer has the power to exercise the rights, powers and discretions and to perform the duties of the Guarantor LP 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.

Representations and Warranties of the Servicer

Pursuant to the terms of the Servicing Agreement, the Servicer represents and warrants in favour of the Guarantor LP and the Bond Trustee, that it is, among other things, experienced, qualified, satisfies certain minimum standards, is in regulatory good standing and is in material compliance with all internal policies and procedures and all applicable laws and regulations. Further, the Servicing Agreement contains a covenant of the Servicer to comply with, and perform its obligations under, the provisions of the Guide, and the Transaction Documents to which it is a party, in each case applicable to it.

Undertakings of the Servicer

Pursuant to the terms of the Servicing Agreement, the Servicer has undertaken 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 LP in relation to the Loans and their Related Security in the Covered Bond Portfolio;
- keep the Loan and Related Security Files in its possession or under its control in safe custody and maintain records necessary to enforce each Mortgage and to provide the Guarantor LP and the Bond Trustee with access to the Loan and Related Security 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 to include such records as are necessary to enforce each Mortgage in the Covered Bond Portfolio and, where relevant, any other Related Security;

- make available upon request to the Guarantor LP 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 LP, including instituting proceedings and enforcing any relevant Loan or Mortgage using the discretion of reasonable and prudent institutional 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 LP;

- 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 the 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 of 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).

The Servicer undertakes that, on the Servicer being assigned a rating or assessment, as applicable, by the Rating Agencies below the ratings or assessments specified in the Servicing Agreement, the Servicer and the Bond Trustee will use reasonable efforts to enter into a new or a master servicing agreement (in such form as the Guarantor LP and the Bond Trustee may reasonably require) with a third party 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 LP) 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 LP.

The Servicer is required to hold any funds it receives to which the Guarantor LP is entitled in trust for the Guarantor LP and, following a downgrade in the ratings or assessments of the Servicer by the Rating Agencies below the Cash Manager Deposit Ratings or the occurrence of a Covered Bond Guarantee Activation Event, to hold such funds in a separate account for the Guarantor LP and to transfer such funds to the Cash Manager, or if the ratings or assessments of the Cash Manager by the Rating Agencies are below the Cash Manager Deposit Ratings, to the GDA Account. The Servicer is required to transfer such funds to the Cash Manager or the GDA Account, as applicable, within five Business Days and, following a downgrade in the ratings or assessments of the Servicer by the Rating Agencies below the Cash Manager Deposit Ratings, within two Business Days.

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.

Setting of variable rate and other discretionary rates and margins

Pursuant to the terms of the Mortgage Sale Agreement and in accordance with 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 LP (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 LP 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 LP above, at such times as the Guarantor LP would be entitled to set such rates and margins, except in the limited circumstances described below, when the Guarantor LP 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, or (ii) a Servicer Event of Default having occurred, without the prior consent of the Guarantor LP, 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 LP.

In particular, the Servicer will determine on each Calculation Date, having regard to:

(a) the income which the Guarantor LP would expect to receive during the next succeeding Guarantor LP Payment Period (the relevant Guarantor LP 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 LP Payment Period; and

(c) the other resources available to the Guarantor LP including the Interest Rate Swap Agreement, the Covered Bond Swap Agreement and the Reserve Fund,

whether the Guarantor LP would receive an amount of income during the relevant Guarantor LP Payment Period which, when aggregated with the funds otherwise available to it, is less than the amount which is the aggregate of (i) the amount of interest which would be payable (or provisioned to be paid) under the Covered Bond Guarantee on each Guarantor LP Payment Date falling at the end of the relevant Guarantor LP Payment Period and 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 LP Payment Date of each Series of Covered Bonds falling at the end of the relevant Guarantor LP Payment Period and (ii) the other senior expenses payable by the Guarantor LP ranking in priority thereto in accordance with the relevant Priorities of Payment applicable prior to a Guarantor LP 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 LP and the Bond Trustee, within one Business Day, of the amount of the shortfall. If the Guarantor LP and the Bond Trustee notifies the Servicer and the Issuer that, having regard to the

obligations of the Guarantor LP and the amount of the shortfall, further Loans and their Related Security should be sold to the Guarantor LP, the Issuer will use all reasonable efforts to ensure that the obligations of the Guarantor LP for such period will be met. This may include making advances under the Intercompany Loan, selling Loans and their Related Security to the Guarantor LP or making a Capital Contribution on or before the next Calculation Date in amounts and with 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 LP Payment Period; and

(b) the other resources available to the Guarantor LP under the Interest Rate Swap Agreement, whether the Guarantor LP 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 LP 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 LP and the Bond Trustee, prior to the Guarantor LP 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 LP is entitled to set with respect to Loans in the Covered Bond Portfolio pursuant to the terms of such Loans, which in the Servicer's opinion, need to be set in order for no shortfall to arise, and the Post Issuer Event of Default Yield Shortfall Test to be met, having regard to the date(s) 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 LP or the Bond Trustee notifies the Servicer that, having regard to the obligations of the Guarantor LP, 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 LP 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*" below, in which case the Guarantor LP and the Bond Trustee will agree to appoint the replacement Servicer to set such discretionary rates or margins itself in the manner described above.

Removal or resignation of the Servicer

The Guarantor LP and the Bond Trustee may, upon written notice to the Servicer, terminate the Servicer's rights and obligations immediately (unless otherwise specified below) if any of the following events (each a "**Servicer Termination Event**" and, each of the first three events set out below, a "**Servicer Event of Default**") occurs:

(a) the Servicer is assigned a rating or assessment below one of the following minimums (x) a Counterparty Risk Assessment of Baa3(cr) by Moody's, (y) a deposit rating of F2 short-term or BBB+ long term, or, if Fitch has not then assigned a deposit rating to the Servicer, an issuer default rating of F2 short-term or BBB+ long term, in each case by Fitch; or (z) a rating on its long-term unsecured, unsubordinated, and unguaranteed debt obligations of BBB(low) by DBRS; provided, for greater certainty, that in the case of (y), only one of such ratings from Fitch is required to be at or above such ratings(the "**Servicer Replacement Ratings**");

(b) the Servicer defaults in the payment of any amount due to the Guarantor LP under the Servicing Agreement, including the timely transfer of funds to the Cash Manager or the GDA Account, or the obligation to hold amounts to which the Guarantor LP is entitled in trust and as applicable in a separate account for the Guarantor LP, and fails to remedy that default for a period of five Business Days and, following a downgrade in the ratings or assessments of the Servicer by the Rating Agencies below the Cash Manager Deposit Ratings, within three 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 LP requiring the same be remedied;

(c) the Servicer fails to comply with any of its other obligations under the Servicing Agreement (including its representations, warranties and covenants) which failure in the opinion of the Bond Trustee is materially prejudicial to holders of the Covered Bonds and does not remedy that failure within the earlier of 30 Business Days after becoming aware of the failure and receipt by the Servicer of written notice from the Bond Trustee or the Guarantor LP requiring the same be remedied;

(d) an Insolvency Event occurs in relation to the Servicer or any credit support provider, and certain insolvency-related events in respect of the Guarantor LP or the merger of the Servicer without an assumption of the obligations under the Servicing Agreement;

(e) an Issuer Event of Default when the Issuer is the Servicer; or

(f) the Guarantor LP resolves that the appointment of the Servicer should be terminated provided that a substitute servicer for which Rating Agency Confirmation has been received has entered into a servicing agreement with the parties to the Servicing Agreement (excluding the Servicer) on terms and conditions substantially similar to the terms and conditions contained in the Servicing Agreement, and for which Rating Agency Confirmation has been received.

The Guarantor LP is required to exercise its right to terminate the Issuer as Servicer upon the ratings or assessments of the Issuer by the Rating Agencies falling below the Servicer Replacement Ratings unless the Liquidation GP is the managing general partner of the Guarantor LP at such time in which case it will have the discretion to exercise such right.

The appointment of the Servicer may also be terminated in respect of any Loans and their Related Security following a sale, transfer or assignment of such Loans and their Related Security by the Guarantor LP or the purchaser of such Loans and their Related Security upon 30 days prior written notice to the Servicer, and in the case of Loans that are Related Loans, to the Seller of such Related Loans, or such shorter period otherwise agreed to between the party delivering such notice and the recipients of such notice, provided that, in respect of any Related Loans, the Related Loans continue to be serviced by a single servicer in accordance with the terms of the Security Sharing Agreement.

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 LP provided that a substitute 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 LP substantially on the same terms as the Servicing Agreement, except as to fees. The resignation of the Servicer is conditional on the resignation having no adverse effect on the then current ratings of the Covered Bonds 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 and Related Security Files relating to the Loans in the Covered Bond Portfolio administered by it to, or at the direction of, the Guarantor LP. The Servicing Agreement will terminate at such time as the Guarantor LP has no further interest in any of the Loans or their Related Security sold to the Guarantor LP and serviced under the Servicing Agreement that have been comprised in 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 Servicer has made arrangements for the subcontracting of certain administrative services to be provided by the Servicer under the Servicing Agreement and has obtained the required consents and has delivered notices to the Rating Agencies for such subcontracting in accordance with the terms of the Servicing Agreement. In connection with entering into such arrangements, the sub-contractor has waived any security interest it may obtain in the Covered Bond Portfolio, provided a release of liability in favour of the Guarantor LP and the Bond Trustee among others and acknowledged it will hold all Loan and Related Security Files in accordance with the terms of the Servicing Agreement. The Bond Trustee will not be obliged to act as Servicer in any circumstances.

The provisions of the Servicing Agreement may only be amended or modified by written agreement of the parties thereto. Where the Guarantor LP determines that any such amendment or waiver is material, Rating Agency Confirmation shall be required in respect of such amendment.

Asset Monitor Agreement

Under the terms of the Asset Monitor Agreement between the Issuer, the Asset Monitor, the Guarantor LP, the Cash Manager, and the Bond Trustee, the Asset Monitor, subject to due receipt of the information to be provided by the Cash Manager to the Asset Monitor, shall perform the services to be performed by a cover pool monitor set out in Section 7.3 of the Guide. The services include, but are not limited to, reporting on (i) the accuracy of records maintained in relation to the Loans and their Related Security (including those records deposited with the Custodian) and (ii) the arithmetical accuracy of, the calculations performed by the Cash Manager annually and more frequently if the Cash Manager is assigned a rating or assessment below the following minimums (x) a Counterparty Risk Assessment of Baa3(cr) by Moody's, or (y) a Derivative Counterparty Rating of BBB(dcr) long-term by Fitch or, if Fitch has not then assigned a Derivative Counterparty Rating to the Cash Manager, an issuer default rating of BBB long-term, in each case by Fitch ("**Asset Monitor Oversight Ratings**"), and in other certain circumstances including prior to an issuance of Covered Bonds with a view to confirming that the Asset Coverage Test and/or the Amortization Test, is met on any relevant Calculation Date.

In accordance with the Guide, the Asset Monitor is required to be engaged in the practice of accounting and qualified to be an auditor of the Issuer under both the Bank Act and Canadian auditing standards. The Guide requires the Asset Monitor to prepare and deliver to the Issuer, CMHC and the Bond Trustee (i) an annual report detailing the scope of the Asset Monitor's work and prescribed procedures undertaken in performing its responsibilities under Section 7.3.1 of the Guide, and confirming that the sampling methodology used to assess the accuracy of records maintained in relation to the Loans and their Related Security, including a description of the pool sample and population used in accordance with the industry standard sampling size; and (ii) a report detailing the material negative findings of the Asset Monitor as a result of performing such procedures pursuant to Section 7.3.2 of the Guide. The Asset Monitor is also responsible for advising the Issuer, CMHC and the Bond Trustee as soon as practicable after it has become aware or reasonably believes (as a consequence of, or in the course of, the performance of its obligations set forth in the Guide) that the Issuer, the Guarantor LP and/or the Programme are non-compliant with certain requirements under the Guide.

The Asset Monitor is entitled to assume that all information and records provided to the Asset Monitor are true and correct, complete and authentic and not misleading, and is not required to conduct an audit or other similar examination in respect of or otherwise take steps to verify the accuracy, authenticity or completeness of such information or records save that the Asset Monitor will be required to advise the Cash Manager if it is not or has not been provided with any information required to be provided to it in accordance with the terms of the Asset Monitor Agreement and the Asset Monitor will be required to verify the accuracy of such information and records and arithmetical accuracy of tests and calculations, as required in performing the services under the Asset Monitor Agreement and pursuant to the Guide.

The Guarantor LP (or the Cash Manager on its behalf) will pay to the Asset Monitor a fee for each report provided by the Asset Monitor (exclusive of HST), equal to the amount set out in the Asset Monitor Agreement.

The Guarantor LP may, at any time, with the prior written consent of the Bond Trustee, upon 60 days' prior written notice to the Asset Monitor or unilaterally upon notice following a default by the Asset Monitor in the performance or observance of any of its covenants and obligations under the Asset Monitor Agreement, if such breach continues unremedied for 30 days following the Asset Monitor becoming aware of or receiving notice of such default, terminate the appointment of 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 LP (or the Cash Manager on its behalf) and the Bond Trustee.

Upon giving notice of resignation, the Asset Monitor will use reasonable efforts to assist the Guarantor LP in appointing a replacement Asset Monitor approved by the Bond Trustee (such approval to be granted if the replacement is an accounting firm of national standing that 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 on which a service is to be conducted by the Asset Monitor, in accordance with the terms of the Asset Monitor Agreement, then the Guarantor LP will use all reasonable efforts to appoint an accounting firm of national standing to carry out the relevant services on a one-off basis, provided that notice of such appointment is given to the Bond Trustee and the Guarantor LP continues to use reasonable efforts to find a replacement approved by the Bond Trustee, which replacement agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Agreement.

The Bond Trustee will not be obliged to act as Asset Monitor in any circumstances.

The provisions of the Asset Monitor Agreement may only be amended or modified by written agreement of the parties thereto. Where the Guarantor LP determines that any such amendment or waiver is material, Rating Agency Confirmation shall be required in respect of such amendment.

Guarantor LP Agreement

The general and limited partners of the Guarantor LP operate the business of the Guarantor LP in accordance with the terms of the Guarantor LP Agreement between the Managing GP, as managing general partner, the Liquidation GP, as liquidation general partner, and the Issuer, as Limited Partner, together with such other persons as may become partners of the Guarantor LP.

General Partner and Limited Partners of the Guarantor LP

The Managing GP is the managing general partner and the Liquidation GP is the liquidation general partner and the Issuer is the sole limited partner of the Guarantor LP. The Partners have the duties and obligations, rights, powers and privileges specified in the *Limited Partnership Act* (Ontario) and pursuant to the terms of the Guarantor LP Agreement.

Upon the occurrence of an event of insolvency, including the approval of the bankruptcy, dissolution or winding-up of or an assignment for the benefit of creditors or appointment of a receiver for its assets, on the part of the Managing GP, or the occurrence of an Issuer Event of Default, the Managing GP will cease to be the managing general partner of the Guarantor LP and the Liquidation GP will automatically become the managing general partner of the Guarantor LP. Where such Issuer Event of Default is cured or remedied, provided a Notice to Pay has not been delivered and the Guarantor LP is not then required to make payments under the Covered Bond Guarantee, the Managing GP will resume its role as the managing general partner of the Guarantor LP. While the Liquidation GP is the managing general partner of the Guarantor LP it will not retain any administrative agent or other analogous entity to

fulfil the managing general partner's responsibility or role to carry on, oversee, manage or otherwise administer the business, activities or assets of the Guarantor LP, that would result in the Guarantor LP ceasing to be Independently Controlled and Governed as such term is defined in the Guide.

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 receipt by the Issuer and/or the Bond Trustee of Rating Agency Confirmation (also see "*New Limited Partners*", below).

Capital Contributions

Each of the Managing GP and the Liquidation GP hold 99 per cent. and one per cent., respectively, of the 0.05 per cent. general partner interest. The Limited Partner holds the substantial economic interest in the Guarantor LP (approximately 99.95 per cent). 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 LP equal to the fair market value of those Loans sold by it as at the Transfer Date recorded in the Capital Account Ledger (less any cash consideration paid by on or on behalf of the Guarantor LP for such Loans).

New Limited Partners

In the future, any person that wishes to become a New Limited Partner must be an affiliate of the Issuer, will require the consent of the Partners and the Bond Trustee, and will 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 LP and/or the Bond Trustee (acting reasonably). The admission of a new Limited Partner will also require Rating Agency Confirmation. 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 LP. The Limited Partner may assign all or some portion of its interest in the Guarantor LP to any Subsidiary by giving written notice of such assignment to the Partners and the Bond Trustee, and the assignee of such interest acceding to the Guarantor LP Agreement. Any such assignment shall not relieve the Limited Partner of its obligations under the Guarantor LP Agreement or require the consent of the General Partners, the Bond Trustee, the holders of the Covered Bonds or, if applicable, any other Limited Partner.

Capital Distributions

Provided the Asset Coverage Test 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 LP Agreement the Liquidation GP's share of net income will be limited to an amount which may be less than the Liquidation GP's *pro rata* interest in the Guarantor LP (prior to the Liquidation GP assuming the duties of the Managing GP).

Asset Coverage Test

The Guarantor LP must ensure that on each Calculation Date, the Adjusted Aggregate Asset 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 Asset 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 LP (or the Cash Manager on its behalf) will notify the Partners and the Bond Trustee thereof. The Issuer will use all reasonable efforts to ensure that the Asset Coverage Test is met. This may include making advances under the Intercompany Loan, selling New Loans and their Related Security to the Guarantor LP or making a Capital Contribution on or before the

next Calculation Date in amounts and with rates or margins, as applicable, sufficient to avoid such shortfall on future Calculation Dates. If the Adjusted Aggregate Asset 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 LP (or the Cash Manager on its behalf) will serve an Asset Coverage Test Breach Notice on the Partners and the Bond Trustee. 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 LP may need to sell Selected Loans to satisfy its obligations under the Covered Bond Guarantee (as described further under "*Guarantor LP Agreement – Sale of Loans and their Related Security at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor LP*"); and

(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.

If an Asset Coverage Test Breach Notice has been served and not revoked on or before the Guarantor LP 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 LP.

For the purposes hereof:

"**Adjusted Aggregate Asset Amount**" means the amount calculated as at each Calculation Date as follows:

A+B+C+D+E-F

where,

A = the lower of (i) and (ii), where:

(i) = the sum of the "**LTV Adjusted True Balance**" of each Loan in the Covered Bond Portfolio, which shall be the lower of (1) the actual True Balance of the relevant Loan in the Covered Bond Portfolio on such Calculation Date, and (2) the Market Value of the Property subject to the Mortgage forming part of the Related Security relating to that Loan multiplied by M (where for all Eligible Loans that are Performing Loans M=80% and for all Loans that are Non-Performing Loans or Non-Eligible Loans M=0);

minus

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted True Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan (other than a Non-Performing Loan or Non-Eligible Loan) or its Related Security was, in the immediately preceding Calculation Period, in breach of the 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 such 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 True 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 True Balance of such Loan or Loans on such Calculation Date; 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 True 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 LP 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 LP by the Seller to indemnify the Guarantor LP for such financial loss);

AND

(ii) = the aggregate "**Asset Percentage Adjusted True Balance**" of the Loans in the Covered Bond Portfolio which in relation to each Loan shall be the lower of (1) the actual True Balance of the relevant Loan on such Calculation Date, and (2) the Market Value of the Property subject to the Mortgage forming part of the Related Security relating to that Loan multiplied by N (where for all Eligible Loans that are Performing Loans, N=1 and for all Loans that are Non-Performing Loans N=0);

minus

the aggregate sum of the following deemed reductions to the aggregate Asset Percentage Adjusted True Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan (other than a Non-Performing Loan or Non-Eligible Loan) or its Related Security was, in the immediately preceding Calculation Period, in breach of the 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 such 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 True 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 True Balance of such Loan or Loans on such Calculation Date; 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 Asset Percentage Adjusted True 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 LP 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 LP by the Seller to indemnify the Guarantor LP for such financial loss),

the result of the calculation in this paragraph (ii) being multiplied by the Asset Percentage (as defined below); and

(iii) With respect to any such calculations, any Loan included in the Covered Bond Portfolio secured on a Property which also secures one or more other Loans included in the Covered Bond Portfolio, any breach of the Loan Representations and Warranties in respect of one such Loan will be deemed to be a breach in respect of all such Loans in the Covered Bond Portfolio secured on the same Property;

B = the aggregate amount of any Principal Receipts on the Loans in the Covered Bond Portfolio (excluding proceeds from any sale of such Loans) 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;

C = the aggregate amount of any Cash Capital Contributions made by the Partners (as recorded in the Capital Account Ledger for each Partner of the Guarantor LP) or proceeds advanced under the Intercompany Loan Agreement or proceeds from any sale of Loans or other cash exclusive of Revenue Receipts which have not been applied as at such Calculation Date provided such amount is not greater than the sum of (i) any such amounts received within such Calculation Period; and (ii) the amount necessary to meet the Guarantor LP's payment obligation in the six months immediately succeeding such Calculation Date pursuant to the provisions of the Transaction Documents or such greater amount as CMHC may permit;

D = the aggregate outstanding principal balance of any Substitute Assets;

E = the Reserve Fund balance, if applicable; and

F = the amount equal to the sum of:

(i) the greater of the following amounts determined in respect of outstanding Covered Bonds issued prior to the CMHC Programme Registration Date: (A) the weighted average remaining maturity expressed in years of such Covered Bonds multiplied by the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of such Covered Bonds multiplied by the Pre-Registration Negative Carry Factor; and (B) the amount determined in respect of such Covered Bonds pursuant to (ii) immediately below (without regard to such Covered Bonds having been issued prior to the CMHC Programme Registration Date); and

(ii) (A) nil, where cashflows are being exchanged under the Covered Bond Swap Agreement; and (B) where cashflows are not being exchanged under the Covered Bond Swap Agreement, the weighted average remaining maturity

expressed in years of the Covered Bonds issued after the CMHC Programme Registration Date then outstanding (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) multiplied by the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor. "**Negative Carry Factor**" means, if the weighted average margin of the interest rate payable on the Covered Bonds relative to the interest rate receivable on the Covered Bond Portfolio is (i) less than or equal to 0.1% per annum, then 0.5%, or (ii) greater than 0.1% per annum, then 0.5% plus such margin minus 0.1%.

"**Asset Percentage**" means 93 per cent. or such lesser percentage figure as necessary to ensure that there is sufficient credit enhancement to, in connection with any other factors considered in the various methodologies of the Rating Agencies, maintain the initial rating assigned to the Covered Bonds of any Series by each Rating Agency, provided that the Asset Percentage will not be less than 80 per cent. unless otherwise agreed by the Issuer (and following an Issuer Event of Default, the Guarantor LP for the purposes of making certain determinations in respect of the Intercompany Loan). If at any time the Asset Percentages that would be required, in connection with any other factors considered in the various methodologies of the Rating Agencies, to maintain the initial rating assigned to the Covered Bonds of any Series by the Rating Agencies are not the same, the lowest such figure will be applied as the Asset Percentage. For greater certainty, 93 per cent. is the maximum Asset Percentage and shall not be increased except with the consent of the Bond Trustee (without the consent of the holders of the Covered Bonds of any Series) or the holders of Covered Bonds by Extraordinary Resolution (without the consent of the Bond Trustee) in accordance with Condition 13.

The Asset Percentage will be determined by the Managing GP (or the Cash Manager on its behalf) in accordance with the terms of the Guarantor LP Agreement, and in accordance with the various methodologies of the Rating Agencies, prior to the Guarantor LP Payment Date immediately following the Calculation Date falling in February, May, August and November of each year and on such other date as the Issuer may request following the date on which the Issuer is required to assign the Interest Rate Swap Agreement to a third party, on the basis of the values of the Loans in the Covered Bond Portfolio as at such Calculation Date (being such values for the Loans on the Calculation Date in January, April, July or October, as applicable) taking the Loans in the Covered Bond Portfolio as a whole or on the basis of a sample of Randomly Selected Loans in the Covered Bond Portfolio.

"**Pre-Registration Negative Carry Factor**" means (i) 0.5% if the weighted average margin of the interest rate payable on the Covered Bonds is less or equal to 0.1% per annum, or (ii) 0.5% plus that margin minus 0.1%, if that margin is greater than 0.1% per annum (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).

Amortization Test

The Guarantor LP will use all reasonable efforts to ensure that on each Calculation Date following service of a Notice to Pay on the Guarantor LP (but prior to service of a Guarantor LP Acceleration Notice) that the Amortization Test Aggregate Asset Amount will be in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds outstanding under the Programme as calculated on the relevant Calculation Date; provided that the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of any Covered Bonds outstanding under the Programme not covered by or the subject of the Covered Bond Swap Agreement shall be the product of the Principal Amount Outstanding of the Covered Bonds multiplied by the spot foreign exchange rate posted by the Bank of Canada at the end of such Calculation Date for converting Canadian dollars into the currency in which such Covered Bonds are denominated.

Following service of a Notice to Pay on the Guarantor LP, if on any Calculation Date the Amortization Test Aggregate Asset 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 LP Event of Default will occur. The Guarantor LP or the Cash Manager, as the case may be, will immediately and in any event prior to the Guarantor LP Payment Date immediately following such Calculation Date, notify the Partners, and while there are Covered Bonds outstanding, the Bond Trustee, of any breach of the Amortization Test and the Bond Trustee will be entitled to serve a Guarantor LP Acceleration Notice in accordance with the Conditions.

The "**Amortization Test Aggregate Asset Amount**" will be calculated as at each Calculation Date as follows:

A+B+C-D

where,

A = the aggregate "**Amortization Test True Balance**" of each Loan, which shall be the lower of (1) the actual True Balance of the relevant Loan in the Covered Bond Portfolio on such Calculation Date, and (2) the Market Value of the Property subject to the Mortgage forming part of the Related Security relating to that Loan multiplied by M (where for all Eligible Loans that are Performing Loans M=80% and for all Loans that are Non-Performing Loans or Non-Eligible Loans M=0).

B = the sum of the amount of any cash standing to the credit of the Guarantor LP Accounts (excluding any Revenue Receipts received in the immediately preceding Calculation Period);

C = the aggregate outstanding principal balance of any Substitute Assets; and

D = the amount equal to the sum of:

(i) the greater of the following amounts determined in respect of outstanding Covered Bonds issued prior to the CMHC Programme Registration Date: (A) the weighted average remaining maturity of such Covered Bonds then outstanding multiplied by the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Pre-Registration Negative Carry Factor; and (B) the amount determined in respect of such Covered Bonds pursuant to (ii) immediately below (without regard to such Covered Bonds having been issued prior to the CMHC Programme Registration Date); and

(ii) the weighted average remaining maturity of all outstanding Covered Bonds issued after the CMHC Programme Registration Date (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) multiplied by the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of such Covered Bonds; provided that the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of such Covered Bonds for any Covered Bonds not covered by or the subject of the Covered Bond Swap Agreement shall be the product of the Principal Amount Outstanding of the Covered Bonds multiplied by the spot foreign exchange rate posted by the Bank of Canada at the end of such Calculation Date for converting Canadian dollars into the currency in which such Covered Bonds are denominated, multiplied by the Negative Carry Factor.

Regulatory OC Minimum Calculation

On each Calculation Date, the Guarantor LP (or the Cash Manager on its behalf) will conduct the Regulatory OC Minimum Calculation in respect of each Calculation Date.

The "**Regulatory OC Minimum Calculation**" shall be the calculation as to whether the result expressed as a percentage of (a) the level of overcollateralization for the Programme (calculated as set out below); divided by (b) the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds on such Calculation Date, exceeds the Regulatory OC Minimum.

The level of overcollateralization for the Programme shall be calculated as the lesser of (a) the sum of the actual True Balance of all Eligible Loans that are Performing Loans and the aggregate outstanding principal balance of any Substitute Assets forming part of the Covered Bond Portfolio, and (b) the sum of the actual True Balance of all Eligible Loans that are Performing Loans and the aggregate outstanding principal balance of any Substitute Assets required to meet the Asset Coverage Test.

Valuation Calculation

The "**Valuation Calculation**" shall be the sum of the Present Value Adjusted Aggregate Asset Amount less the Trading Value (as defined below) of the Covered Bonds as calculated on the relevant Calculation Date. For greater certainty, references in this Schedule 3 to "**immediately preceding Calculation Date**" and "**previous Calculation Date**" are to the Calculation Period ending on the Calculation Date. The Valuation Calculation is a disclosure item, which is required to be conducted to comply with the Guide, for the benefit of investors in Covered Bonds, the result of which does not have any specified consequences under the Transaction Documents.

For the purposes of the Valuation Calculation, the "**Present Value Adjusted Aggregate Asset Amount**" shall be calculated based on the following formula:

$$A + B + C + D + E + F$$

where,

A = the sum of the "**LTV Adjusted Present Value**" of each Loan in the Covered Bond Portfolio, which shall be the lower of (1) the value of the actual True Balance of the relevant Loan in the Covered Bond Portfolio on such Calculation Date, calculated by discounting the expected future cashflow on such Loan using current market interest rates for mortgage loans with credit risks similar to those of such 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, as determined by the Issuer, and (2) the Market Value of the Property subject to the Mortgage forming part of the Related Security relating to that Loan multiplied by M (where for all Eligible Loans that are Performing Loans M=80% and for all Loans that are Non-Performing Loans or Non-Eligible Loans M=0);

minus

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted True Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan (other than a Non-Performing Loan or Non-Eligible Loan) or its Related Security was, in the immediately preceding Calculation Period, in breach of the 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 such 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 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 Present Value of such Loan or Loans on such Calculation Date; 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 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 LP 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 LP by the Seller to indemnify the Guarantor LP for such financial loss);

B = the aggregate amount of any Principal Receipts on the Loans in the Covered Bond Portfolio (excluding proceeds from any sale of such Loans) 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;

C = the aggregate amount of any Cash Capital Contributions made by the Partners (as recorded in the Capital Account Ledger for each Partner of the Guarantor LP) or proceeds advanced under the Intercompany Loan Agreement or proceeds from any sale of Loans or other cash exclusive of Revenue Receipts which have not been applied as at such Calculation Date provided such amount is not greater than the sum of (i) any such amounts received within such Calculation Period; and (ii) the amount necessary to meet the Guarantor LP's payment obligations in the six months immediately succeeding such Calculation Date pursuant to the provisions of the Transaction Documents or such greater amount as CMHC may permit;

D = Trading Value of any Substitute Assets;

E = Reserve Fund balance, if applicable

F = Trading Value of any Swap Collateral.

"**Trading Value**" means the value determined by the Issuer with reference to that methodology hereinafter set forth which can reasonably be considered by the most accurate indicator of institutional market value in the circumstances (with the determination of value, methodology selected and reasons therefor duly documented):

(i) the last selling price;

(ii) the average of the high and low selling price on the Calculation Date;

(iii) the average selling price over a prescribed period of days (not exceeding 30) preceding the Calculation Date;

(iv) the close of day bid price on the Calculation Date (in the case of an asset);

(v) the close of day ask price on the Calculation Date (in the case of a liability);

(vi) 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).

Sale of Loans and their Related Security at any time no Asset Coverage Test Breach Notice is outstanding and no Notice to Pay has been served on the Guarantor LP

At any time an Asset Coverage Test Breach Notice is not outstanding and no Notice to Pay has been served on the Guarantor LP, the Guarantor LP may, without the consent of the Bond Trustee, sell Randomly Selected Loans for their fair market value subject to the rights of pre-emption enjoyed by the Seller to buy such Randomly Selected Loans pursuant to the terms of the Mortgage Sale Agreement (see *"Mortgage Sale Agreement*", above), including in connection with a Payment in Kind, provided that following such sale the Guarantor LP remains in compliance with the Asset Coverage Test. The proceeds from such sale may be cash or such other consideration as is permitted under the Guide including substitution of assets. Where such proceeds are cash, they will be held in accordance with the requirements of the Cash Management Agreement (see *"Cash Management Agreement*", above) and following a downgrade in the ratings or assessments of the Cash Manager by the Rating Agencies below the Cash Manager Deposit Ratings, deposited directly into the GDA Account to be applied as set out in the Priorities of Payments (see "*Cashflows*", above).

Indexation Methodology

In calculating the Asset Coverage Test, the Valuation Calculation and the Amortization Test, to adjust for subsequent price developments with respect to the value of the Property subject to the Related Security in respect of each Loan, the Market Value for each such Property is adjusted at least quarterly, by a rate of change determined by the Index. The Index is an independently developed representation of monthly average home price changes in the following eleven Canadian metropolitan areas: Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Hamilton, Toronto, Ottawa, Montréal, Québec and Halifax. These metropolitan areas are combined to form a national composite 11 index. The national composite 11 index is the weighted average of these eleven metropolitan areas. Further details on the Index including a description of the method used to calculate the Index is available at www.housepriceindex.ca.

A three-step process is used to determine the Market Value for each Property subject to the Related Security in respect of a Loan. First, a code (the Forward Sortation Area ("**FSA**")) which identifies the location of the Property is compared to corresponding codes maintained by Teranet Inc. to confirm whether the Property is located within any of the Canadian metropolitan areas covered by the Index. Second, to the extent an FSA match is not found, the name of the city in which such Property is located is used to confirm whether such city matches any of the Canadian metropolitan areas covered by the Index. The Market Value is then determined by adjusting the Latest Valuation for such Property, at least quarterly, by the rate of change for the corresponding Canadian metropolitan area, and where there is no corresponding Canadian metropolitan area, the rate of change indicated in the composite 11 index, from the date of the Latest Valuation to the date on which the Latest Valuation is being adjusted for purposes of determining the Market Value for such Property. Where the Latest Valuation in respect of such Property pre-dates the first available date for the relevant rate of change in the Index, the first available date for such rate of change is used to determine the rate of change to apply to adjust the Latest Valuation for purposes of determining the Market Value for such Property.

The Issuer and the Guarantor LP may from time to time determine to use a different index or indices or a different indexation methodology to adjust the Latest Valuation for subsequent price developments to determine Market Value for example, to obtain rates of changes in home prices for metropolitan or geographic areas not covered by the Index, or to use an index or indices that the Issuer and Guarantor LP believe will produce better or more reliable Market Value results or that is more cost effective. Any such change in the Index or Index Methodology used to determine Market Value will be disclosed to Covered Bondholders in accordance with the definition of "Market Value" in the Master Definitions and Construction Agreement and be required to meet the requirements in the Guide. In addition, the Issuer is required, pursuant to the Guide, to provide CMHC notice upon becoming aware of any change or proposed change in the method used to calculate the Index and prior notice of any change in the index or indices used to adjust the Latest Valuation in determining Market Value of the Property subject to the Related Security in respect of each Loan.

Sale of Loans and their Related Security at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor LP

At any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor LP, the Guarantor LP may sell Randomly Selected Loans in the Covered Bond Portfolio, subject to the rights of pre-emption enjoyed by the Seller to buy the Randomly Selected Loans pursuant to the terms of the Mortgage Sale Agreement (see *"Mortgage Sale Agreement*", above) and the requirements described below under "*Method of sale of Selected Loans*" provided that such requirements shall not apply to a Payment in Kind pursuant to the terms of the Intercompany Loan Agreement (see "*Intercompany Loan Agreement*", above). The proceeds from such sale may be cash or such other consideration as is permitted under the Guide including substitution of assets. Where such proceeds are cash, the proceeds from any such sale will be credited to the GDA Account to be applied as set out in the Priorities of Payments (see "*Cashflows*", below).

Randomly Selected Loans sold following the service of an Asset Coverage Test Breach Notice (if not revoked) or a Notice to Pay on the Guarantor LP are referred to as "**Selected Loans**".

Method of sale of Selected Loans

In connection with any sale of Selected Loans, the Guarantor LP 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 Selected Loans (if such terms are commercially available in the market) and to advise it in relation to the sale of the Selected Loans to Purchasers (except where the Seller is buying the Selected Loans pursuant to its right of pre-emption in the Mortgage Sale Agreement). The terms of the agreement giving effect to such appointment will be approved by the Bond Trustee and such sale will not include representations and warranties by the Guarantor LP or the Seller unless agreed to by the Bond Trustee and the Seller in the case of representations and warranties by the Seller.

Before offering the Selected Loans for sale, the Guarantor LP will ensure that the Selected Loans have an aggregate True Balance in an amount which is as close as possible to the amount calculated as follows:

(i) following the Service of an Asset Coverage Test Breach Notice (but prior to service of a Notice to Pay on the Guarantor LP), 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 LP on the Guarantor LP 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

(ii) following service of a Notice to Pay on the Guarantor LP:

$$N \times \frac{\text{True Balance of all the Loans in the Covered Bond Portfolio}}{\text{the Canadian Dollar Equivalent of the Required Redemption Amount in respect of each Series of Covered Bonds then outstanding}}$$

where "N" is an amount equal to the Canadian Dollar Equivalent of the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the Guarantor LP Accounts and the principal amount of any Substitute Assets (excluding all amounts to be applied on the next following Guarantor LP 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 LP will offer the Selected Loans for sale to Purchasers for the best price reasonably available but in any event:

(a) following the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay on the Guarantor LP), for an amount not less than the True Balance of the Loans; and

(b) following service of a Notice to Pay on the Guarantor LP, for an amount not less than the Adjusted Required Redemption Amount.

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 LP 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 LP and amounts standing to the credit of the Guarantor LP 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 LP 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 by or to the Guarantor LP under the Interest Rate Swap Agreement.*

*"**Required Redemption Amount**" means, in respect of a series of covered bonds, the amount calculated as follows:*

$$[\text{the Principal Amount Outstanding of the relevant series of covered bonds}] \times [1 + \text{Negative Carry Factor X (days to maturity of the relevant series of covered bonds}/365)]$$

provided that for purposes of the Required Redemption Amount in respect of a series of covered bonds issued prior to the CMHC Programme Registration Date, Negative Carry Factor shall be the greater of (i) the Pre-Registration Negative Carry Factor; and (ii) the Negative Carry Factor, as determined in respect of such series of covered bonds.

Following the service of a Notice to Pay on the Guarantor LP, if the Selected Loans 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), then the Guarantor LP will

offer the Selected Loans for sale for the best price reasonably available notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

In respect of any sale of Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor LP, the Guarantor LP will instruct the portfolio manager to use all reasonable efforts to procure that Selected Loans are sold 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 LP Agreement.

Following the service of a Notice to Pay on the Guarantor LP, if Purchasers accept the offer or offers from the Guarantor LP so that some or all of the Selected 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 LP 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.

Covenants of the General Partner and Limited Partner of the Guarantor LP

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 LP without the prior written consent of the Managing GP and, while the Covered Bonds are outstanding, the Bond Trustee.

The Guarantor LP 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, deal with, or grant any option, present, or future right to acquire any of the assets or undertakings of the Guarantor LP, 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 LP;

(h) change the name or business of the Guarantor LP or do any act in contravention of, or make any amendment to, the Guarantor LP Agreement;

(i) do any act which makes it impossible to carry on the business of the Guarantor LP, including dissolving, terminating, winding-up or otherwise discontinuing the Guarantor LP;

(j) compromise, compound, or release any debt due to it;

(k) commence, defend, 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 LP Agreement); or

(m) consolidate or merge with another person or convey or transfer its properties or assets substantially as an entirety to any other person.

Limit on investing in Substitute Assets

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 LP, the Guarantor LP 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 10 per cent. of the total assets of the Guarantor LP 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. Neither the Guarantor LP nor the Cash Manager on its behalf will invest in Substitute Assets unless the Guarantor LP has entered into a securities account agreement in a form acceptable to the Guarantor LP and the Bond Trustee providing for the holding of Substitute Assets in the name of the Guarantor LP and following the entering into of such agreement any such Substitute Assets will be held in the name of the Guarantor LP in accordance with the terms of such agreement.

Other Provisions

All cash belonging to the Guarantor LP is to be held in the Guarantor LP Accounts except for amounts held outside of the Guarantor LP Accounts pursuant to the terms of the Transaction Documents, such as cash held by the Cash Manager or Servicer on behalf of the Guarantor LP pursuant to the terms of the Cash Management Agreement and Servicing Agreement, respectively.

The allocation and distribution of Revenue Receipts, Principal Receipts and all other amounts received by the Guarantor LP 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 LP or institute any winding-up, administration, insolvency or other similar proceedings against the Guarantor LP. Furthermore, each of the Partners have agreed, among other things, not to demand or receive payment of any amounts payable to such Partners by the Guarantor LP (or the Cash Manager on its behalf) or the Bond Trustee unless all amounts then due and payable by the Guarantor LP 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 LP that are reserved to the Partners or a unanimous decision of the Partners in the Guarantor LP Agreement will be made by the Partner(s) not in liquidation only.

Under the terms of the Guarantor LP Agreement, the Guarantor LP has agreed to comply with the terms of the Guide.

In the event that a right on the part of the Guarantor LP arises to terminate a counterparty under a Transaction Document (other than the Swap Agreements (see "*Covered Bond Swap Agreement* and *Interest Rate Swap Agreement*", below) as a result of a change or withdrawal in the ratings or assessments of such counterparty by the Rating Agencies or a failure on the part of the counterparty to satisfy such other financial test as may reasonably be expected to confirm financial soundness as may be provided for in respect of such counterparty in the relevant Transaction Document, the managing general partner of the Guarantor LP is required (on behalf of the Guarantor LP to exercise such right) if the circumstances giving rise to such right have not been cured within the time period prescribed by such

Transaction Document, or, if no time period is prescribed, within 30 days or such longer period as the Bond Trustee may permit, provided that when the Liquidation GP is the managing general partner it shall have the discretion as to whether to exercise such right except with respect to the Bank Account Agreement, the Guaranteed Deposit Account Contract, the Standby Bank Account Agreement and the Standby Guaranteed Deposit Account Contract where it shall be required to exercise such right to terminate the counterparty in accordance with the terms of such Transaction Document.

In the event that the Cash Manager breaches its obligation to deposit funds in accordance with the Cash Management Agreement following a downgrade of the ratings or assessments of the Cash Manager by the Rating Agencies falling below the Cash Manager Deposit Ratings and such breach remains uncured in a manner which gives rise to a right of the Guarantor LP to terminate the Cash Management Agreement, the Guarantor LP is required to so terminate the Cash Manager.

For so long as there are Covered Bonds outstanding under the Programme, the managing general partner of the Guarantor LP is prohibited from consenting on behalf of the Guarantor LP to any amendment or waiver to any provision in any Transaction Document to lower the minimum rating of any counterparty, modify any financial test that is intended to confirm the financial soundness of any counterparty or modify the remedial action required by the downgrade or withdrawal of ratings or assessments in respect of a counterparty by the Rating Agencies, unless it has received Rating Agency Confirmation and the prior written consent of the Bond Trustee, provided that the Bond Trustee's consent shall only be withheld if the Bond Trustee is of the opinion that the interest of the holders of the Covered Bonds of any one or more Series would be materially prejudiced by such amendment or waiver.

Subject to the Managing GP's right to sanction certain modifications outlined below, the Guarantor LP Agreement may be amended only in writing and only by a unanimous resolution of the Partners and while there are Covered Bonds outstanding, with the consent of the Bond Trustee and each such proposed amendment or waiver of this Agreement requiring the consent of the Partners shall be subject to Rating Agency Confirmation. The Managing GP may make amendments to the Guarantor LP Agreement (subject to the consent of the Limited Partner, the Liquidation GP, or, while there are Covered Bonds outstanding the Bond Trustee, in each case if such person's interests would be adversely affected) to reflect changes concerning, the name and location of the Guarantor LP, the admission, substitution, withdrawal or removal of the Limited Partner, applicable limited partnership laws, tax laws or to cure ambiguities or inconsistencies with the other Transaction Documents or the disclosure contained in this Prospectus.

Cash Management Agreement

The Cash Manager provides certain cash management services to the Guarantor LP pursuant to the terms of the Cash Management Agreement between the Guarantor LP, the Issuer in its capacities as the 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 LP;

(b) collecting the Revenue Receipts and the Principal Receipts from the Servicer and distributing and/or depositing or investing the Revenue Receipts and the Principal Receipts, and other amounts held for the Guarantor LP, in accordance with the Priorities of Payment described under *"Cashflows"*, above;

(c) determining whether the Asset Coverage Test is satisfied on each Calculation Date in accordance with the Guarantor LP Agreement*;*

(d) conducting the Regulatory OC Minimum Calculation in accordance with the Guarantor LP Agreement;

(e) determining whether the Amortization Test is satisfied on each Calculation Date following an Issuer Event of Default and Service of a Notice to Pay in accordance with the Guarantor LP Agreement; and

(f) preparation of Investor Reports in respect of the Covered Bonds for the Issuer, the Guarantor LP, the Bond Trustee, the Rating Agencies and the Covered Bondholders, as applicable.

Pursuant to the terms of the Cash Management Agreement, the Cash Manager represents and warrants in favour of the Guarantor LP and the Bond Trustee, among other things, that it is experienced, qualified, satisfies certain minimum standards, is in regulatory good standing and is in material compliance with all internal policies and procedures and all applicable laws and regulations. Further, the Cash Management Agreement contains a covenant of the Cash Manager to comply with, and perform its obligations under, the provisions of the Guide, and the Transaction Documents to which it is a party, in each case applicable to it

The Cash Manager will not invest in Substitute Assets on behalf of the Guarantor LP until the Guarantor LP has entered into a securities account agreement in a form acceptable to the Guarantor LP and the Bond Trustee providing for the holding of Substitute Assets in the name of the Guarantor LP and following the entering into of such agreement any such Substitute Assets will be held in the name of the Guarantor LP in accordance with the terms of such agreement.

If the Cash Manager is assigned a rating or assessment below the following minimums (x) a deposit rating of P-1 by Moody's, (y) deposit ratings of F1 short-term and A- long-term, or, if Fitch has not then assigned a deposit rating, issuer default ratings below each of F1 short-term and A- long-term, in each case by Fitch; or (z) ratings on its long-term unsecured, unsubordinated, and unguaranteed debt obligations of BBB(low) by DBRS; provided, for greater certainty, that in the case of (y), only one of such ratings from Fitch is required to be at or above such ratings (the "**Cash Manager Deposit Ratings**"), the Cash Manager will be required to direct the Servicer to deposit all Revenue Receipts and Principal Receipts received by the Servicer directly into the GDA Account.

If the Cash Manager is assigned a rating or assessment below the following minimums (x) a Counterparty Risk Assessment of P-2(cr) short term by Moody's, (y) Derivative Counterparty Ratings of F2(dcr) short-term and BBB+(dcr) long-term or, if Fitch has not then assigned a Derivative Counterparty Rating to the Cash Manager, issuer default ratings of F2 short-term and BBB+ long-term, in each case by Fitch; or (z) a rating on its long-term unsecured, unsubordinated, and unguaranteed debt obligations of BBB(low) by DBRS; provided, for greater certainty, that in the case of (y), only one of such ratings from Fitch is required to be at or above such ratings (the "**Cash Manager Ratings**"), the Cash Manager will be required to assign the Cash Management Agreement to a third party service provider acceptable to the Bond Trustee and for which Rating Agency Confirmation has been received. In addition to the foregoing, the Guarantor LP and/or the Bond Trustee will, in certain circumstances, including an Issuer Event of Default when the Cash Manager is the Issuer, each have the right to terminate the appointment of the Cash Manager in which event the Guarantor LP will seek to appoint a substitute (the identity of which will be subject to the Bond Trustee's written approval). The Guarantor LP is required to exercise its right to terminate the Issuer as Cash Manager upon the ratings or assessments of the Issuer by the Rating Agencies falling below the Cash Manager Ratings unless the Liquidation GP is the managing general partner of the Guarantor LP at such time in which case it will have the discretion to exercise such right. 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).

The provisions of the Cash Management Agreement may only be amended or modified by written agreement of the parties thereto. Where the Guarantor LP determines that any such amendment or waiver is material, Rating Agency Confirmation shall be required in respect of such amendment.

Interest Rate Swap Agreement

To provide a hedge against possible variances in the rates of interest payable on the Loans in the Covered Bond Portfolio (which may, for instance, include variable rates of interest or fixed rates of interest) and the interest amounts payable on the Intercompany Loan and (following the occurrence of a Covered Bond Guarantee Activation Event) the Covered Bond Swap Agreement the Guarantor LP has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider. The Guarantor LP and the Interest Rate Swap Provider have agreed to swap the amount of interest received by the Guarantor LP from Borrowers in exchange for an amount sufficient to pay the interest payable on the Intercompany Loan and, following a Covered Bond Guarantee Activation Event, the amounts payable by the Guarantor LP under the Covered Bond Swap Agreement, in each case plus a certain amount for expenses.

Interest payable under the Intercompany Loan Agreement is payable at a variable rate determined by the Issuer from time to time, provided that the amount of interest payable in any interest period shall not exceed the amount received by the Guarantor LP under the Interest Rate Swap Agreement less the sum of a minimum spread and an amount for certain expenses of the Guarantor LP. The notional balance under the Interest Rate Swap Agreement is equal to the average daily outstanding principal balance of Loans in the Covered Bond Portfolio during each month multiplied by a fraction, the numerator of which is the amount of interest received on the Loans during such period and the denominator of which is the amount of interest that was due to be paid in the period.

The representations and warranties provided by each of the Guarantor LP and the Interest Rate Swap Provider in favour of the other relate to, among other things: (a) organization and qualification; (b) corporate authority; (c) no conflicts with constating documents or agreements; (d) consents; (e) enforceability of obligations; (f) no event of default; (g) no litigation; (h) accuracy of applicable information; (i) payer tax representation; (j) payee tax representation; (k) entering the Interest Rate Swap Agreement as principal; and (l) sole ownership and right to transfer.

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 LP that it intends to issue additional Covered Bonds following such date) or, if the Guarantor LP 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 LP 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 Interest Payment 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 LP for purposes of realizing the Security in accordance with the Security Agreement and distributing the proceeds therefor in accordance with the Post-Enforcement Priority of Payments following the enforcement of the Security pursuant to Condition 7.03 (*Enforcement*);

(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 6.02 (*Early Redemption for Tax Reasons*) in respect of the final Tranche or Series of Covered Bonds then outstanding or any Final Redemption Amount paid pursuant to Condition 6.01 (*Redemption at Maturity*) 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 additional Covered Bonds following such date); and

(d) the date of redemption pursuant to Conditions 6.02 (*Early Redemption for Taxation Reasons*) or 6.15 (*Redemption due to Illegality*) 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:

(a) 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 (for the avoidance of doubt, no such failure to pay by the Guarantor LP 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 LP being insufficient to satisfy such payment obligations);

(b) at the option of the Guarantor LP, in the event that (i) the ratings or assessments by the Rating Agencies of the Interest Rate Swap Provider are downgraded below the Swap Event Ratings and the remedial measures specified in such circumstances, including as applicable, transferring for credit support pursuant to the Interest Rate Agreement, arranging for its obligations under the Interest Rate Swap Agreement to be guaranteed by a suitably rated entity, or transferring its rights and obligations to a suitably rated entity, have not been satisfied in each case in accordance with the provisions of the Interest Rate Swap Agreement, or (ii) while the Issuer is the Interest Rate Swap Provider there is an Issuer Event of Default unless the Guarantor LP provides that Issuer may transfer its rights and obligations to a suitably rated entity for which Rating Agency Confirmation has been received and the Issuer does so transfer its rights and obligations;

(c) 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 LP; and

(d) upon the merger of the Interest Rate Swap Provider without an assumption of the obligations under the Interest Rate Swap Agreement.

Unless the Liquidation GP is the managing general partner of the Guarantor LP or to the extent and in the circumstances in which such waiver is otherwise permitted in accordance with the Guide, the Guarantor LP is not permitted to waive a requirement to take the remedial measures specified in (b)(i) above and must terminate the Interest Rate Swap Agreement in the circumstances in (a) and (b) above where any remedial actions contemplated therein, as applicable, have not been taken in accordance with the terms of the Interest Rate Swap Agreement.

Upon the termination of the Interest Rate Swap Agreement pursuant to an Interest Rate Swap Early Termination Event, the Guarantor LP 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. 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 LP to the Interest Rate Swap Provider under the Interest Rate Swap Agreement, the Guarantor LP shall not be obliged to gross up those payments.

The Interest Rate Swap Agreement is in the form of an ISDA Master Agreement, including a schedule and confirmation thereto and credit support annex, if applicable. Under the Interest Rate Swap Agreement, the Guarantor LP's obligations are limited in recourse to the Charged Property. The Interest Rate Swap Agreement is governed by and construed in accordance with English Law. Any future Interest Rate Swap Agreement entered into by the Guarantor LP may be governed by Ontario Law or English Law, as specified in the Interest Rate Swap Agreement.

The provisions of the Interest Rate Swap Agreement may be amended or modified only by written agreement of the parties thereto provided that, such amendment, modification or waiver complies with the Guide, any requirement for Rating Agency Confirmation and, in respect of any reduction in the ratings or assessments by the Rating Agencies specified in respect of such event as contemplated in the Guide, consent of the Bond Trustee, has been obtained with respect thereto.

Covered Bond Swap Agreement

To provide a hedge against currency risks, interest rate risks and timing risk in respect of amounts received by the Guarantor LP under the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, the Guarantor LP has entered into the Covered Bond Swap Agreement with the Covered Bond Swap Provider, and has and may from time to time enter into a new schedule and confirmation(s) 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 LP have agreed to swap Canadian dollar floating rate amounts received by the Guarantor LP 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 to hedge certain currency and/or other risks in respect of amounts received by the Guarantor LP under the Interest Rate Swap Agreement and amounts payable or that may become payable in respect of its obligations under the Covered Bond Guarantee. Cashflows will be exchanged under the Covered Bond Swap Agreement no later than the occurrence of a Covered Bond Guarantee Activation Event. However, in certain circumstances, the amounts received by the Guarantor LP 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 LP under the Covered Bond Swap Agreement. Cashflows may be exchanged earlier under the Covered Bond Swap Agreement in the event of an Issuer Event of Default that is an impending or actual insolvency or on the Trigger Event Date.

If prior (i) to 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 LP pursuant to Condition 6.01 (if an Extended Due for Payment Date is specified for a Series of Covered Bonds and the payment of the Final Redemption Amount or any part of it by the Guarantor LP under the Covered Bond Guarantee is deferred pursuant to Condition 6.01), the Guarantor LP 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 LP 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 LP such amount and the Guarantor LP 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 LP such Amount (or the relevant portion thereof) and the Guarantor LP will pay the Covered Swap Provider the Canadian Dollar Equivalent thereof, following which the notional amount of the Covered Bond Swap Agreement will reduce accordingly.

The representations and warranties provided by each of the Guarantor LP and the Covered Bond Swap Provider in favour of the other relate to, among other things: (a) organization and qualification; (b) corporate authority; (c) no conflict between obligations under the Covered Bond Swap Agreement and any constating documents or agreements; (d) consents; (e) enforceability of obligations; (f) no Event of Default; (g) no litigation; (h) accuracy of applicable information; (i) payer tax representation; (j) payee tax representation; (k) entering the Covered Bond Swap Agreement as principal; and (l) sole ownership and right to transfer.

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 LP 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 LP 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 LP for purposes of realizing the Security in accordance with the Security Agreement and distributing the proceeds therefor in accordance with the Post-Enforcement Priority of Payments following the enforcement of the Security pursuant to Condition 7.03 (*Enforcement*).

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:

(a) 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 (for the avoidance of doubt, no such failure to pay by the Guarantor LP 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 LP being insufficient to satisfy such payment obligations);

(b) at the option of the Guarantor LP, in the event that (i) the ratings or assessments of the Covered Bond Swap Provider by the Rating Agencies falling below the Swap Event Ratings and the remedial measures specified in such circumstances, including as applicable, transferring for credit support pursuant to the Covered Bond Agreement, arranging for its obligations under the Covered Bond Swap Agreement to be guaranteed by a suitably rated entity, or transferring its rights and obligations to a suitably rated entity, have not been satisfied in each case in accordance with the provisions of the Covered Bond Swap Agreement, or (ii) while the Issuer is the Covered Bond Swap Provider there is an Issuer Event of Default unless the Guarantor LP provides that Issuer may transfer its rights and obligations to a suitably rated entity for which Rating Agency Confirmation has been received and the Issuer does so transfer its rights and obligations;

(c) 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 LP; and

(d) upon the merger of the Covered Bond Swap Provider without an assumption of the obligations under the Covered Bond Swap Agreement.

Unless the Liquidation GP is the managing general partner of the Guarantor LP or to the extent and in the circumstances in which such waiver is otherwise permitted in accordance with the Guide, the Guarantor LP is not permitted to waive a requirement to take the remedial measures specified in (b)(i) above and must terminate the Covered Bond Swap Agreement in the circumstances in (a) and (b) above where any remedial actions contemplated therein, as applicable, has not been taken in accordance with the terms of the Covered Bond Swap Agreement.

Upon the termination of the Covered Bond Swap Agreement pursuant to a Covered Bond Swap Early Termination Event, the Guarantor LP 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 LP in respect of the Covered Bond Swap Agreement will first be used to the extent necessary (prior to the occurrence of a Guarantor LP Event of Default and service of a Guarantor LP Acceleration Notice) to pay a replacement Covered Bond Swap Provider to enter into a replacement Covered Bond Swap with the Guarantor LP, unless a replacement Covered Bond Swap Agreement has already been entered into on behalf of the Guarantor LP. Any premium received by the Guarantor LP 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 LP with respect to the Covered Bond Swap Agreement, unless such termination payment has already been made or behalf of the Guarantor LP.

Swap Collateral Excluded Amounts, if applicable, will be paid to the Covered Bond Swap Provider directly and not via the Priorities of Payments.

If withholding taxes are imposed on payments made by the Covered Bond Swap Provider to the Guarantor LP 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 LP to the Covered Bond Swap Provider under the Covered Bond Swap Agreement, the Guarantor LP 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 LP's obligations are limited in recourse to the Charged Property. The Covered Bond Swap Agreement may be governed by, and construed in accordance with English Law or Ontario Law, as specified in the relevant schedule to the Covered Bond Swap Agreement entered into at the time the Covered Bonds are issued.

The provisions of the Covered Bond Swap Agreement may be amended or modified only by written agreement of the parties thereto provided that such amendment, modification or waiver complies with the Guide, any requirement for Rating Agency Confirmation and, in respect of any reduction in the ratings or assessments by the Rating Agencies specified in respect of any such event as contemplated in the Guide or any extension of the date on which cashflows are to be exchanged under the Covered Bond Swap Agreement, consent of the Bond Trustee, has been obtained with respect thereto.

Bank Account Agreement

Pursuant to the terms of the Bank Account Agreement between the Guarantor LP, the Account Bank, the GDA Provider, the Cash Manager, and the Bond Trustee, the Guarantor LP maintains with the Account Bank the accounts described below, which is operated in accordance with the Cash Management Agreement, the Guarantor LP Agreement and the Security Agreement:

(a) the GDA Account into which amounts may be deposited by the Guarantor LP (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 LP Payment Date as applicable, amounts required to meet the Guarantor LP's various creditors and amounts to be distributed to the Partners under the Guarantor LP 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 LP in respect of amounts to be made on each Guarantor LP Payment Date following the ratings or assessments of the Cash Manager by the Rating Agencies falling below the Cash Manager Deposit Ratings. Moneys standing to the credit of the Transaction Account will be applied by the Cash Manager in accordance with the Priorities of Payments described above "*Cashflows*".

If the Account Bank is assigned a rating or assessment below the following minimums (x) deposit ratings of P1 short-term and A2 long-term by Moody's, (y) deposit ratings of F1 short-term and A- long-term or, if Fitch has not then assigned a deposit rating to the Account Bank, issuer default ratings of F1 short-term and A- long-term, in each case by Fitch; or (z) ratings on its unsecured, unsubordinated, and unguaranteed debt obligations of R-1(low) short term and A long-term by DBRS; provided, for greater certainty, that in each case, only one of such ratings or assessments, as the case may be, from each of Moody's, Fitch and DBRS, respectively, is required to be at or above such ratings or assessments (the "**Account Bank Ratings**"), then within two Business Days after such occurrence the Guarantor LP (or the Cash Manager on its behalf) is required to serve a written notice of termination on the Account Bank (such termination to be effective three Business Days following service of such notice) directing the Account Bank to transfer all funds standing in the Guarantor LP Accounts maintained by the Account Bank (including the Transaction Account and the GDA Account) to the Standby Account Bank. In addition, the Account Bank Agreement will terminate automatically, and the funds will be transferred to the Guarantor LP Accounts maintained with the Standby Account Bank as described above, upon the occurrence of an Issuer Event of Default.

Subject to the Bond Trustee's rights pursuant to the terms of the Security Agreement, the provisions of the Bank Account Agreement may only be amended or modified upon the prior written consent of the Account Bank, and each of the parties thereto. Where the Guarantor LP determines that any such amendment or waiver is material, Rating Agency Confirmation shall be required in respect of such amendment.

Standby Bank Account Agreement

Pursuant to the terms of the Standby Bank Account Agreement between the Guarantor LP, the Standby Account Bank, the Standby GDA Provider, the Cash Manager, and the Bond Trustee, 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 LP following delivery by the Guarantor LP (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 Payment set out in the Guarantor LP Agreement and the Security Agreement.

If the Standby Account Bank is assigned a rating or assessment below the following minimums (x) deposit ratings of P-1 short-term and A2 long-term by Moody's, (y) deposit ratings of F1 short-term

and A- long-term or, if Fitch has not then assigned a deposit rating to the Standby Account Bank, issuer default ratings of F1 short-term and A- long-term, in each case by Fitch; or (z) ratings on its unsecured, unsubordinated, and unguaranteed debt obligations of R-1(low) short term and A long-term by DBRS (the "**Standby Account Bank Ratings**"), then within two Business Days after such occurrence the Guarantor LP (or the Cash Manager on its behalf) is required to serve a written notice of termination on the Standby Account Bank (such termination to be effective three Business Days following service of such notice) directing the Standby Account Bank to transfer all funds standing in the Guarantor LP Accounts maintained by the Standby Account Bank (including the Transaction Account and the GDA Account) to a replacement account under the terms of a new Bank Account Agreement and new Guaranteed Deposit Account Contract to be entered into by the parties to the Standby Bank Account Agreement (other than the Standby Account Bank).

References in this document 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.

The representations and warranties provided by the Account Bank and the Standby Account Bank, in the Bank Account Agreement and the Standby Bank Account Agreement, respectively, relate to, among other things: (a) organization and qualification; (b) corporate authority; (c) no conflicts with constating documents, applicable law or any order, writ or judgment; (d) experience, qualifications, facilities and other resources necessary to perform responsibilities under the their respective agreements; (e) regulatory good standing; (f) material compliance with internal policies and procedures; (g) material compliance with all applicable laws, regulations; and (h) compliance with, and performance of, their obligations under the provisions of the Guide and the Transaction Documents to which they are a party and which are applicable to them.

Subject to the Bond Trustee's rights pursuant to the terms of the Security Agreement, the provisions of the Standby Bank Account Agreement may only be amended or modified upon the prior written consent of the Standby Account Bank, and each of the parties thereto. Where the Guarantor LP determines that any such amendment or waiver is material, Rating Agency Confirmation shall be required in respect of such amendment.

Guaranteed Deposit Account Contract

The Guarantor LP entered into the Guaranteed Deposit Account Contract with the GDA Provider, the Cash Manager, and the Bond Trustee, pursuant to which the GDA Provider has agreed to pay interest on the moneys standing to the credit of the Guarantor LP in the GDA Account at specified rates determined in accordance with the GDA during the term of the GDA. The Guarantor LP or the Bond Trustee shall terminate the GDA following the closing of the GDA Account in accordance with the Bank Account Agreement or termination of the Bank Account Agreement; and the Guarantor LP or the Bond Trustee may terminate the GDA under the following circumstances, (1) the GDA Provider materially breaches its obligations under the Guaranteed Deposit Account Contract; or (2) the ratings or assessments of the GDA Provider by the Rating Agencies fall below the Account Bank Ratings.

Subject to the Bond Trustee's rights pursuant to the terms of the Security Agreement, the provisions of the Guaranteed Deposit Account Contract may only be amended or modified upon the prior written consent of the GDA Provider, and each of the parties thereto. Where the Guarantor LP determines that any such amendment or waiver is material, Rating Agency Confirmation shall be required in respect of such amendment.

Standby Guaranteed Deposit Account Contract

The Guarantor LP entered into the Standby Guaranteed Deposit Account Contract with the Standby Account Bank, the Standby GDA Provider, the Guarantor LP, the Cash Manager, and the Bond Trustee, pursuant to which the Standby GDA Provider has agreed to pay interest on the moneys standing to the credit of the Guarantor LP in 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 Account Agreement. The Guarantor LP or the Bond Trustee shall terminate the Standby Guaranteed Deposit Account following the closing of the Standby GDA Account in accordance with the Bank Account Agreement or termination of the Standby Bank Account Agreement; and the Guarantor LP or the Bond Trustee may terminate the GDA under the following circumstances (1) the Standby GDA Provider materially breaches its obligations under the Standby Guaranteed Deposit Account Contract; or (2) the ratings or assessments of the Standby GDA Provider by the Rating Agencies fall below the Standby Account Bank Ratings.

The representations and warranties provided by the GDA Provider and the Standby GDA Provider, in the Guaranteed Deposit Account Contract and the Standby Guaranteed Deposit Account Contract, respectively, relate to, among other things: (a) organization and qualification; (b) corporate authority; (c) no conflicts with constating documents, applicable law or any order, writ or judgment; (d) experience, qualifications, facilities and other resources necessary to perform responsibilities under their respective agreements; (e) regulatory good standing; (f) material compliance with internal policies and procedures; (g) material compliance with all applicable laws, regulations; and (h) compliance with, and performance of, their obligations under the provisions of the Guide and the Transaction Documents to which they are a party and which are applicable to them.

Subject to the Bond Trustee's rights pursuant to the terms of the Security Agreement, the provisions of the Standby Guaranteed Deposit Account Contract may only be amended or modified upon the prior written consent of the Standby GDA Provider, and each of the parties thereto. Where the Guarantor LP determines that any such amendment or waiver is material, Rating Agency Confirmation shall be required in respect of such amendment.

Security Agreement

Pursuant to the terms of the Security Agreement entered into by the Guarantor LP, the Bond Trustee and the other Secured Creditors, the secured obligations of the Guarantor LP and all other obligations of the Guarantor LP 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 LP (the "**Charged Property**"), including without limitation the Covered Bond Portfolio, and any other Loans and their Related Security and Substitute Assets that the Guarantor LP may acquire from time to time and funds being held for the account of the Guarantor LP by its service providers and the amounts standing to the credit of the Guarantor LP in the Guarantor LP Accounts, subject to the right of the Guarantor LP (provided the Asset Coverage Test or the Amortization Test, as applicable, is met) to sell such Charged Property.

Release of Security

In the event of any sale of Loans and their Related Security by the Guarantor LP pursuant to and in accordance with the Transaction Documents, the Bond Trustee will (subject to the written request of the Guarantor LP), 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 LP Agreement – Method of sale of Selected Loans*", above; and

(b) in the case of the sale of Loans, the Guarantor LP 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.

The representations and warranties provided by the Guarantor LP to the Bond Trustee and the Secured Creditors in the Security Agreement, relate to, among other things: ownership of collateral; no encumbrances on collateral; perfection and control of the collateral; no requirement for authorization or consents; no material adverse change; governmental or official investigations; litigation; the conduct of Managing GP as a separate entity; compliance with constating documents, all applicable laws and agreements relevant to the execution, delivery and performance of the Security Agreement; validity of obligations under the relevant Transaction Documents; good faith in entering into Transaction Documents; no breach or default under any agreement; filing of any relevant Transaction Document with any court or other authority; consent to enter into relevant Transaction Documents; proper authorization to enter into the Security Agreement and the relevant Transaction Documents; that performance will not result in breach or default or creation of a lien upon the Collateral; and creation of first priority interest in the Collateral.

Enforcement

If a Guarantor LP Acceleration Notice is served on the Guarantor LP, 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).

Subject to the exceptions outlined below, the provisions in the Security Agreement may be amended or modified only by written agreement of all of the parties thereto. Where the Guarantor LP determines that any such amendment or waiver is material, Rating Agency Confirmation shall be required in respect of such amendment. 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 the Guarantor LP and the Issuer in making or sanctioning any modification to the Transaction Documents, the Covered Bonds of any one or more Series:

- 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 provisions of the Security Agreement, the prior consent of the Bond Trustee and the other Secured Creditors will not be required in relation to the accession of any New Seller to the Programme provided that the relevant conditions precedent set out in the Dealership Agreement and the Mortgage Sale Agreement are satisfied at the time of the intended accession. Further, the Bond Trustee may be obliged to concur in and to effect any modifications to the Transaction Documents that are requested by the Guarantor LP or the Cash Manager to accommodate the accession of a New Seller.

Custodial Agreement

Pursuant to the terms of the Custodial Agreement entered into between the Custodian, the Guarantor LP, the Issuer, and the Bond Trustee, the Custodian has agreed to act as custodian to perform the services of a custodian under the Guide including receiving, and storing and providing access to data and documents, including any replacements thereof or updates thereto, delivered by or on behalf of the Issuer or the Guarantor LP to the Custodian pursuant to the terms of the Transaction Documents or the requirements set out in the Guide (the "**Custodial Documents**").

In accordance with the Guide, the Custodian is required to be a federally or provincially chartered institution authorized to act in a fiduciary capacity with respect to, and be equipped to store safely and confidentially, valuable documents and be experienced and knowledgeable in the handling of mortgage and security documents (or such other entity as may be approved in accordance with the terms of the Guide). The Guide requires the Custodian be provided information and documentation with respect to the assets in the Covered Bond Portfolio, powers of attorney, registrable forms of mortgage assignment and opinions relating thereto and to store and provide access to such information and documentation to, among others, the Guarantor LP, the Asset Monitor and CMHC upon their reasonable requests.

Pursuant to the terms of the Custodial Agreement, the Custodian will remain responsible for the information and documentation delivered to it until the earlier of:

(a) the termination of the Custodial Agreement in accordance with its terms and the delivery of such information and documentation to a replacement custodian (it being acknowledged that the replacement custodian shall be responsible for the safe transfer of such information and documentation to its premises and systems);

(b) notice from the Guarantor LP, the Issuer and the Bond Trustee that the Programme has been terminated, whereupon the Custodian shall (i) release such information and documentation to the Issuer (or, in the case of information and documentation related to Loans or Substitute Assets, to their owner) or as it may direct in writing, or (ii) destroy such information and documentation in accordance with procedures satisfactory to the Issuer (or, in the case of data and documents related to Eligible Loans or Substitute Assets, to their owner) all in accordance with its written directions; or

(c) in relation to a particular Loan or Substitute Asset, its disposition by the Guarantor LP or its maturity (whereupon the Custodian shall either (i) release the particular information and documentation related to such Loan or Substitute Asset to its owner (or as it may direct in writing), or (ii) destroy such information and documentation in accordance with procedures satisfactory to its owner).

The Custodian may be replaced (a) by resigning from its appointment with 60 days' prior written notice, or (b) by the Guarantor LP (i) with the prior written consent of the Bond Trustee, or (ii) unilaterally upon a default by the Custodian in the performance or observance of any of its covenants and obligations under the Custodial Agreement, if such breach continues unremedied for 30 days. Should the Custodian resign or be removed, a replacement Custodian approved by the Bond Trustee and qualified to act as Custodian in accordance with the terms of the Guide will be appointed.

The provisions of the Custodial Agreement may only be amended or modified by written agreement of the parties thereto.

Corporate Services Agreement

Pursuant to the terms of the Corporate Services Agreement entered into between, *inter alios*, the Corporate Services Provider, the Liquidation GP, the Issuer, and the Guarantor LP, the Corporate Services Provider has agreed to provide corporate services to the Liquidation GP.

The Corporate Services Agreement will terminate if the Issuer and the Corporate Services Provider become affiliates (as such term is used in the *Bank Act*) and may otherwise be terminated by the Corporate Services Provider on the one hand or the other parties to the Corporate Services Agreement on the other hand, upon a breach, which if remediable is not remedied within 30 days or upon three months prior notice by the Corporate Service Provider or the other parties to the agreement.

The provisions of the Corporate Services Agreement may only be amended or modified upon the prior written consent of each of the parties thereto. Where the Guarantor LP determines that any such amendment or waiver is material, Rating Agency Confirmation shall be required in respect of such amendment.

CREDIT STRUCTURE

Under the terms of the Covered Bond Guarantee the Guarantor LP 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 LP Acceleration Notice is served. The Issuer will not be relying on payments from the Guarantor LP 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 Asset Coverage Test is intended to test the asset coverage of the Guarantor LP's assets in respect of the Covered Bonds;
- the Regulatory OC Minimum Calculation is intended to test whether the Regulatory OC Minimum is met;
- the Amortization Test is intended to test the asset coverage of the Guarantor LP's assets in respect of the Covered Bonds following the occurrence of a Covered Bond Guarantee Activation Event;
- a Reserve Fund (if the ratings or assessments of the Issuer by the Rating Agencies fall below the Reserve Fund Required Amount Ratings) will be established by the Guarantor LP (or the Cash Manager on its behalf) in the GDA Account to trap Available Revenue Receipts; and
- under the terms of the GDC, the GDA Provider has agreed to pay a variable rate of interest on all amounts held by the Guarantor LP in the GDA Account being a variable rate at a minimum of 0.2 per cent. above the daily compounded CORRA as calculated in accordance with the GDC or such greater amount as the Guarantor LP 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 LP 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 LP Event of Default occurs and a Guarantor LP Acceleration Notice is served), the Guarantor LP's obligations will only be to pay the Guaranteed Amounts as they fall Due for Payment.

See further "*Summary of the Principal Documents – The Trust Deed*" as regards the terms of the Covered Bond Guarantee. See further "*Cashflows – Allocation and distribution of Available Revenue*

Receipts and Available Principal Receipts following service of a Notice to Pay on the Guarantor LP – Guarantee Priority of Payments" as regards the payment of amounts payable by the Guarantor LP to holders of the Covered Bonds and other Secured Creditors following the occurrence of an Issuer Event of Default.

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 LP can meet its obligations under the Covered Bond Guarantee. Under the Guarantor LP Agreement, the Guarantor LP and its Partners (other than the Liquidation GP) must ensure that on each Calculation Date the Adjusted Aggregate Asset Amount will be in an amount equal to or in excess 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 Managing GP (or the Cash Manager on its behalf) will serve an Asset Coverage Test Breach Notice on the Guarantor LP, the Partners and the Bond Trustee. The Asset Coverage 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 a failure by the Seller to repurchase Loans pursuant to a Loan Repurchase Notice delivered in accordance with the terms of the Mortgage Sale Agreement. See further "*Summary of the Principal Documents – Guarantor LP Agreement – Asset Coverage Test*", and "*Summary of the Principal Documents - Mortgage Sale Agreement - Repurchase of Loans*".

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 LP 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 LP.

Regulatory OC Minimum Calculation

In respect of each Calculation Date, the Guarantor LP will calculate whether the Regulatory OC Minimum is met.

Amortization Test

The Amortization Test is intended to ensure that if, following an Issuer Event of Default, service of an Issuer Acceleration Notice on the Issuer and the service of a Notice to Pay on the Guarantor LP (but prior to service on the Guarantor LP of a Guarantor LP Acceleration Notice), the assets of the Guarantor LP 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 LP Event of Default will occur and all amounts owing under the Covered Bonds may be accelerated. Under the Guarantor LP Agreement, the Guarantor LP and the Seller must ensure that, on each Calculation Date following an Issuer Event of Default and the service of a Notice to Pay on the Guarantor LP, the Amortization Test Aggregate Asset 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 LP Agreement – Amortization Test*", above.

Reserve Fund

The Guarantor LP will be required (if the ratings or assessments of the Issuer by the Rating Agencies 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 up to an amount equal to the Reserve Fund Required Amount. The Guarantor LP 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 Available Revenue Receipts after the Guarantor LP has paid all of its obligations in respect of items ranking higher than the Reserve Ledger in the Pre-Acceleration Revenue Priority of Payments on each subsequent Guarantor LP 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 and service of a Notice to Pay on the Guarantor LP, amounts standing to the credit of the Reserve Fund will be added to certain other income of the Guarantor LP in calculating Available Revenue Receipts.

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 LP.

This section summarizes the Priorities of Payments of the Guarantor LP, as to the allocation and distribution of amounts standing to the credit of the Guarantor LP 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 LP; and

(d) following service of a Guarantor LP 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.

Guarantor LP Payment Dates occur monthly.

In accordance with the Guide and the Cash Management Agreement, the Guarantor LP is not permitted to hold cash in excess of the amounts necessary to meet its payment obligations for the immediately succeeding six month period, excluding amounts received between Guarantor LP Payment Dates. Pursuant to the terms of the Cash Management Agreement, the Cash Manager will invest any such excess cash in Eligible Loans or Substitute Assets, repay the Intercompany Loan or make distributions or as otherwise permitted by the Guide, as directed by the Guarantor LP, unless CMHC has granted the Guarantor LP permission to hold such excess cash.

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 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 LP or the Cash Manager on its behalf will, as of each Calculation Date, calculate the amount of Available Revenue Receipts available for distribution on the immediately following Guarantor LP Payment Date and the Reserve Fund Required Amount (if applicable).

Pre-Acceleration Revenue Priority of Payments

On each Guarantor LP Payment Date, the Guarantor LP (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 LP 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 LP and any Available Revenue Receipts standing to the credit of the Transaction Account), and (b) the amount of Available Revenue Receipts.

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 LP (or the Cash Manager on its behalf) on each Guarantor LP Payment Date (except for amounts due to third parties by the Guarantor LP 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 LP to third parties and incurred without breach by the Guarantor LP 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 LP in the immediately succeeding Guarantor LP Payment Period and to pay and discharge any liability of the Guarantor LP 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:

(a) 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 LP Payment Period, together with applicable HST (or other similar taxes) thereon to the extent provided therein;

(b) 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 LP Payment Period, together with applicable HST (or other similar taxes) thereon to the extent provided therein;

(c) 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 HST (or other similar taxes) thereon to the extent provided therein;

(d) 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 HST (or other similar taxes) thereon to the extent provided therein; and

(e) amounts due and payable to the Custodian pursuant to the terms of the Custodial Agreement together with applicable HST (or other similar taxes) thereon to the extent provided therein.

(d) *fourth*, in or towards payment due to the Interest Rate Swap Provider (including any termination payment due and payable by the Guarantor LP under the Interest Rate Swap

Agreement (but excluding any Excluded Swap Termination Amount)) pursuant to the terms of the Interest Rate Swap Agreement;

(e) *fifth*, to pay, as applicable, pro rata and *pari passu* according to the respective amounts thereof of 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 (including any termination payment due and payable by the Guarantor LP under the Covered Bond Swap Agreement but excluding any Excluded Swap Termination Amount) in accordance with the terms of the Covered Bond Swap Agreement;

(f) *sixth,* in or towards payment on the Guarantor LP 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;

(g) *seventh*, if a Servicer Event of Default has occurred, all remaining Available Revenue Receipts are 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);

(h) *eighth*, in or towards a credit to the Reserve Ledger on the GDA Account 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;

(i) *ninth*, payment of any Excluded Swap Termination Amounts due and payable by the Guarantor LP under the Swap Agreements;

(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 LP Agreement;

(k) *eleventh*, in or towards payment of the fee due to the Corporate Services Provider; and

(l) *twelfth*, towards payment to the Limited Partner of the sum (specified in the Guarantor LP Agreement) as profit for its interest in the Guarantor LP.

Any amounts received by the Guarantor LP under the Swap Agreements on or after the Guarantor LP Payment Date but prior to the next following Guarantor LP Payment Date will be applied, together with any provision for such payments made on any preceding Guarantor LP 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 LP 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 Swap Agreements on the Guarantor LP Payment Date or on any date prior to the next succeeding Guarantor LP Payment Date which are not put towards a payment or provision in accordance with paragraph (d) or (e) above or the preceding paragraph will be credited to

the Revenue Ledger and applied as Available Revenue Receipts on the next succeeding Guarantor LP Payment Date.

Amounts (if any) held by the Cash Manager for and on behalf of the Guarantor LP 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 (e) 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 LP 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 LP 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 LP Payment Date.

Pre-Acceleration Principal Priority of Payments

On each Guarantor LP Payment Date, the Guarantor LP (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 LP 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 LP and/or standing to the credit of the Transaction Account), and (b) the amount of Available Principal Receipts.

If a Guarantor LP 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 LP directly to the Bond Trustee (or the Issuing and Paying Agent at the direction of the Bond Trustee).

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 LP on each Guarantor LP 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*, to pay amounts in respect of principal outstanding on the Demand Loan pursuant to the terms of the Intercompany Loan Agreement;

(b) *second*, to acquire New Loans and their Related Security offered to the Guarantor LP, if necessary or prudent to ensure that, taking into account the other resources available to the Guarantor LP, the Asset Coverage Test is met and thereafter to acquire (in the discretion of the Guarantor LP or the Cash Manager on its behalf and subject to the restrictions in the Guarantor LP Agreement and Cash Management Agreement (see "*Summary of the Principal Documents – Guarantor LP Agreement*" and "*Cash Management Agreement*")) Substitute Assets up to the prescribed limit;

(c) *third*, 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 LP, the Asset Coverage Test is met;

(d) *fourth* in or towards a credit to the Reserve Ledger on the GDA Account 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 Ledge as calculated on the immediately preceding Calculation Date;

(e) *fifth*, in or towards repayment on the Guarantor LP 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; and

(f) *sixth*, subject to complying with the Asset Coverage Test, to make Capital Distributions.

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), (f), (j) (to the extent only that such amounts are payable to a Partner) or (l) of the Pre-Acceleration Revenue Priority of Payments or paragraphs (a), (b), (e) or (f) 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 LP

At any time after service of a Notice to Pay on the Guarantor LP, but prior to service of a Guarantor LP 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 LP Payment Date, the Guarantor LP 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 LP 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 (f) 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

On each Guarantor LP Payment Date after the service of a Notice to Pay on the Guarantor LP (but prior to service of a Guarantor LP Acceleration Notice), the Guarantor LP or the Cash Manager on its behalf will apply Available Revenue Receipts and Available Principal Receipts to make the following

payments and provisions 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 LP Payment Period under the provisions of the Trust Deed together with interest and applicable HST (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 under the provisions of the Agency Agreement together with applicable HST (or other similar taxes) thereon as provided therein; and

(ii) any amounts then due and payable by the Guarantor LP to third parties and incurred without breach by the Guarantor LP 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 LP in the immediately succeeding Guarantor LP Payment Period and to pay or discharge any liability of the Guarantor LP 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 LP Payment Period under the provisions of the Servicing Agreement together with applicable HST (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 in the immediately succeeding Guarantor LP Payment Period under the provisions of the Cash Management Agreement, together with applicable HST (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 HST (or other similar taxes) thereon to the extent provided therein;

(iv) amounts due and payable to the Asset Monitor (other than the amounts referred to in paragraph (j) below) pursuant to the terms of the Asset Monitor Agreement, together with applicable HST (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 HST (or other similar taxes) thereon to the extent provided therein;

(e) *fifth,* to pay *pro rata* and *pari passu* according to the *respective* amounts thereof:

(i) in or towards satisfaction *pro rata and pari passu* according to the respective amounts thereof of any amounts due and payable to the Interest Rate Swap Provider (including any termination payment due and payable by the Guarantor LP under the Interest Rate Swap Agreement but excluding any Excluded Swap Termination Amount) pursuant to the terms of the Interest Rate Swap Agreement;

(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 Interest that is Due for Payment (or will become Due for Payment in the immediately succeeding Guarantor LP Payment Period) under the Covered Bond Guarantee in respect of each Series of Covered Bonds; and

(iii) 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 LP under the Covered Bond Swap Agreement but excluding any Excluded Swap Termination Amount) in accordance with the terms of the Covered Bond Swap Agreement;

provided that if the amount available for distribution under this paragraph (e) (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 (e)(ii) 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 LP in respect of each relevant Series of Covered Bonds to the Covered Bond Swap Provider under (e)(iii) 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;

(f) *sixth*, 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 LP 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 LP 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) in respect of the amounts referred to in (f)(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 (f)(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 LP in respect of each relevant Series of Covered Bonds under (f)(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;

(g) *seventh*, to deposit the remaining moneys into the GDA Account for application on the next following Guarantor LP Payment Date in accordance with the Priorities of Payment 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);

(h) *eighth*, 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 LP to the relevant Swap Provider under the relevant Swap Agreement;

(i) *ninth*, 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;

(j) *tenth*, 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 LP Agreement and certain costs, expenses and indemnity amounts due by the Guarantor LP to the Asset Monitor pursuant to the Asset Monitor Agreement; and

(k) *eleventh*, thereafter any remaining moneys will be applied in accordance with the Guarantor LP Agreement.

Termination payments received in respect of the Swap Agreements, premiums received in respect of replacement Swap Agreements

If the Guarantor LP 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 LP Event of Default and service of a Guarantor LP Acceleration Notice) to pay a replacement Swap Provider to enter into a replacement Swap Agreement with the Guarantor LP, unless a replacement Swap Agreement has already been entered into on behalf of the Guarantor LP. If the Guarantor LP receives any premium from a replacement Swap Provider in respect of a replacement Swap Agreement, such premium will first be used to make any termination payment due and payable by the Guarantor LP with respect to the previous Swap Agreement, unless such termination payment has already been made on behalf of the Guarantor LP.

Any amounts received by the Guarantor LP which are not applied to pay a replacement Swap Provider to enter into a replacement Swap Agreement will be credited to the Revenue Ledger and applied as Available Revenue Receipts on the next succeeding Guarantor LP Payment Date.

Application of moneys received by the Bond Trustee following service of a Guarantor LP Acceleration Notice and enforcement of the Security

Following service of a Guarantor LP 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 eithers 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 HST (or other similar taxes) thereon as provided therein; and

(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 under or pursuant to the Agency Agreement together with applicable HST (or other similar taxes) thereon to the extent 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 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, together with applicable HST (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, together with applicable HST (or other similar taxes) thereon to the extent provided therein;

(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 applicable, the Standby Bank Account Agreement, together with applicable HST (or other similar taxes) thereon to the extent provided therein;

(iv) amounts due and payable to the Asset Monitor (other than the amounts referred to in paragraph (g) below) pursuant to the terms of the Asset Monitor Agreement, together with applicable HST (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 HST (or other similar taxes) thereon to the extent provided therein;

(d) *fourth*, to pay *pro rata* and *pari passu* according to the respective amounts thereof, of:

(i) to pay pro rata and *pari passu* any amounts due and payable to the Interest Rate Swap Provider (including any termination payment (but excluding any Excluded Swap Termination Amounts)) 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 (including any termination payment due and payable by the Guarantor LP 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 (d) (excluding any amounts received from the Swap Provider in respect of amounts referred to in (d)(i) and (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 (d)(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 LP in respect of each relevant Series of Covered Bonds under (d)(i) and (ii) above to the 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;

(e) *fifth*, 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 LP to the relevant Swap Provider under the relevant Swap Agreement;

(f) *sixth*, 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;

(g) *seventh*, 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 LP Agreement and certain costs, expenses and indemnity amounts due by the Guarantor LP to the Asset Monitor pursuant to the Asset Monitor Agreement; and

(h) *eighth*, thereafter any remaining moneys will be applied in or towards payment to the Partners pursuant to the Guarantor LP Agreement.

COVERED BOND PORTFOLIO

The Covered Bond Portfolio consists of Loans and their Related Security, and in some cases Substitute Assets up to a certain threshold amount. For details on the eligibility criteria and representations and warranties provided with respect to the Loans in the Covered Bond Portfolio, see "*Summary of the Principal Documents – Mortgage Sale Agreement – Eligibility Criteria" and* "*Summary of the Principal Documents – Mortgage Sale Agreement – Representations and Warranties*". The Asset Coverage Test, the Regulatory OC Minimum Calculation and the Amortization Test performed by the Cash Manager are intended to ensure that the assets and cashflows of the Guarantor LP, including the Loans and their Related Security in the Covered Bond Portfolio and cashflows in respect thereof, will be adequate to enable the Guarantor LP to meet its obligations under the Covered Bond Guarantee following the occurrence of a Covered Bond Guarantee Activation Event and the Valuation Calculation performed by the Cash Manager is intended to monitor exposure to interest rate and currency exchange rates.

Because the Covered Bond Portfolio is not a static pool of assets, the Cash Manager will prepare and provide monthly Investor Reports to the Bank, the Guarantor LP, the Bond Trustee, and the Rating Agencies that will set out certain information in relation to the Covered Bond Portfolio, the calculation of the Asset Coverage Test, the Regulatory OC Minimum Calculation, the Valuation Calculation, the Amortization Test (if applicable) and the Indexation Methodology, statistical information about the Loans in the Covered Bond Portfolio, performance information about the Loans, information on proceeds received on assets in the Covered Bond Portfolio and the application of such proceeds and other information prescribed by the requirements of the Guide. Investor Reports are available to covered bondholders at the Bank's website at https://www.rbc.com/investor-relations/covered-bonds.html on the 15th day of each month (or if such day is not a Business Day, the first following Business Day) in respect of the preceding month.

Characteristics of the Loans

Mortgage loans originated by the Bank are secured by a first mortgage on the residential property to which they relate and are full recourse against the property securing the mortgage loan and (subject to exceptions in Alberta and Saskatchewan, as described below) against the Borrower and if guaranteed to the guarantor.

Interest is calculated using either a fixed or variable rate. Fixed rate mortgage loans provide for interest based on a fixed annual rate agreed to at the time the mortgage loan is advanced with interest calculated semi-annually, not in advance. Variable rate mortgage loans provide for interest based on the Bank's annual rate of interest announced from time to time as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada (the "Bank's Prime Rate") plus or minus a set percentage, calculated on the outstanding balance when each regular payment is due. In the case of variable rate mortgage loans, the interest rate varies automatically with changes in the Bank's Prime Rate. If the Bank's Prime Rate changes between scheduled payment dates, the revised rate becomes effective from the date of such change and is reflected on the next payment date. The total monthly payment amount due will not change (only the split between interest and principal is adjusted) unless that amount is insufficient to cover the interest amount due on the mortgage. In some circumstances the interest rate on a variable rate mortgage loan may be capped at a maximum rate.

Mortgage loans can either be open or closed to pre-payment at any time without pre-payment charges and can be for terms up to 10 years (with a typical term of 5 years) with original amortization periods that do not exceed 40 years. As of the date of this Prospectus, new mortgage loans being originated by the Bank do not have original amortization periods that exceed 30 years. They provide for regular payments (e.g. weekly, bi-weekly or monthly) and early and/or increased payment options subject to pre-payment charges in certain circumstances. Payments are applied first to premiums for insurance obtained by the Borrower in connection with the loan, then to property taxes, if paid by the Bank on behalf of the Borrower, then interest, then to principal and lastly, to any fees or other charges payable pursuant

to the Related Security. In the case of variable rate mortgage loans, in the event that the Borrower's regular payment is insufficient to pay all interest when due, as outlined in the mortgage loan terms and conditions, the Bank will increase the regular payment amount payable by the Borrower by increments of two dollars to cover interest costs. Interest which is not paid when due is subject to interest.

The Bank may make more than one mortgage loan and provide home equity lines of credit to a Borrower under a single loan agreement. In such circumstances, each mortgage loan and home equity line of credit is subject to cross-default in the event payments on any loan are not made in accordance with their terms and prior to default the Bank is entitled to allocate payments received from the relevant Borrower among amounts owing by such Borrower under the loan agreement.

Where a mortgage loan is in default all amounts owing in respect of the mortgage loan will become due and payable and the Bank is allowed to require immediate payment of all amounts owing under all mortgage loans. In the case of multiple mortgage loans under a single loan agreement, any amounts obtained from enforcement are applied first to pay amounts owing under any such mortgage loans that are term mortgage loans (first to any insured mortgage loan and then to any uninsured mortgage loans in each case starting with the smallest outstanding balance) and then to amounts owing under any such mortgage loans that are home equity lines of credit, starting with the smallest outstanding balance. The Covered Bond Portfolio is not permitted to include mortgage loans that are insured mortgage loans or a conventional loan component under the RBC Homeline plan agreement that includes an insured mortgage component (See "*Description of the Canadian Regulated Covered Bond Regime – Eligible Assets*"). In Alberta and Saskatchewan the law restricts a lender's recourse against a Borrower where the proceeds from enforcement of the mortgage by way of a foreclosure action are insufficient to repay the amounts owing on a mortgage loan.

DESCRIPTION OF THE CANADIAN REGULATED COVERED BOND REGIME

Part I.1 of the *National Housing Act* (Canada) came into force on July 6, 2012. Together with the Guide published by CMHC, as administrator of the Canadian regulated covered bond regime, and first published in December 2012 and, as of the date of this Prospectus, most recently published in June 2017 as amended by changes CMHC advised were effective 1 January 2020, it constitutes the legal framework for the issue of covered bonds by certain Canadian issuers. The objective underlying the legal framework is to develop a robust Canadian covered bonds regime designed to promote appropriate disclosure and continuity of payment (and ultimate repayment) of issued covered bonds, without intimation of a guarantee on the part of the Canadian government.

On July 3, 2013, the Bank was accepted as a registered issuer under Part I.1 of the *National Housing Act* (Canada) and the Guide by CMHC and on July 3, 2013, the Programme was registered as a registered program under Part I.1 of the *National Housing Act* (Canada) and the Guide. All previously issued and outstanding covered bonds and future covered bonds issued under the Programme are and will be, as applicable, registered covered bonds under Part I.1 of the *National Housing Act* (Canada) and the Guide.

Overview

Part I.1 of the *National Housing Act* (Canada) and the Guide designate and elaborate on the role of CMHC, as administrator of the Canadian regulated covered bond regime and include various conditions, restrictions and requirements related to issuers, guarantor entities, terms of the covered bonds, the assets that can be included as covered bond collateral, review and reporting requirements and contractual arrangements made in respect of the covered bond collateral and the covered bonds.

In particular, the framework imposes certain disclosure requirements on registered issuers including the obligation to post information relating to the issuer, its program, covered bonds and covered bond collateral to a dedicated website. It also requires issuers to (amongst other things) enter into arrangements with a custodian to maintain records and documents relating to the transfer of the covered bond collateral and with a cover pool monitor qualified to be an auditor of the registered issuer under the *Bank Act* and Canadian auditing standards to conduct certain arithmetic testing of the asset coverage test and, as applicable, the amortization test, the Issuer's confirmation that the Regulatory OC Minimum (as defined below) is met, and to periodically review and report on the covered bond collateral for the registered program. Such review and reporting on the covered bond collateral will be based on covered bond collateral added to the cover pool for the registered program since the date of the last report in respect of the registered program.

The legal framework also imposes a requirement on registered issuers to carry out an asset coverage test, a valuation calculation, a measure of the cover pool's actual level of overcollateralization and an amortization test (as applicable) and to apply an index methodology to adjust the market value of properties for purposes of the asset coverage test, valuation calculation and amortization test. Registered issuers will also be required to confirm, at each time the asset coverage test is calculated, that the cover pool assets available to secure the covered bonds are at least equal to 103 per cent. of the outstanding Canadian dollar equivalent nominal amount of covered bonds outstanding (the "**Regulatory OC Minimum**"), as calculated in accordance with the Guide and to comply with disclosure requirements regarding such confirmations.

Eligible Issuers

Part I.1 of the *National Housing Act* (Canada) provides that a Canadian federal financial institution and a cooperative credit society incorporated and regulated by or under an act of the legislature of any Canadian province, may apply for registration. Registered issuers are required to undertake not to issue covered bonds outside of the framework.

Eligible Assets

The framework imposes restrictions on the assets that can be included as covered bond collateral by prohibiting mortgage loans insured by CMHC, Canada Guaranty Mortgage Insurance Company, Genworth Financial Mortgage Insurance Company Canada, the PMI Mortgage Insurance Company Canada, and mortgage loans where the mortgage loan together with any equal or prior ranking loans secured on the relevant property exceeded 80 per cent. of the value of the property at the time of the loan, from forming part of the covered bond collateral. In addition, mortgage loans included as covered bond collateral are required to be secured by a first ranking interest over Canadian residential property consisting of less than four residential units, to be current at the time they are transferred to the guarantor entity and to have been originated in accordance with the approved underwriting policies of the issuer at the time they were originated. In addition, the framework limits substitute assets forming part of the covered bond collateral to securities issued by the Government of Canada, repos of Government of Canada securities having terms acceptable to CMHC and in each case sums derived therefrom, having an aggregate face value of less than 10 per cent. of the aggregate covered bond collateral. Asset backed securities cannot be included in covered bond collateral or substitute assets in a registered covered bond program under Part I.1 of the *National Housing Act* (Canada).

Insolvency and Bankruptcy Protections

In the event of an insolvency or bankruptcy of the issuer, Part I.1 of the *National Housing Act* (Canada) contains provisions which limit the risk that the covered bond collateral will not be available to the covered bond holders and specified creditors of the registered covered bond program. Provided the registered issuer is not suspended from issuing at the time it issues the relevant covered bonds, these provisions expressly provide that (i) nothing in any law of Canada or a province relating to bankruptcy or insolvency or any court order relating to a reorganization, arrangement or receivership involving bankruptcy or insolvency, will prevent or prohibit the making of payments, the netting or setting off or compensation of obligations, or any dealing with covered bond collateral under the provisions of a contracts relating to covered bond issued under a registered program or the termination of those contracts, and (ii) the transfer of loans or other assets to a guarantor entity to be held as covered bond collateral, by a registered issuer or any of its affiliates, is effective against every person, is not voidable or, in Quebec, annullable, is not subject to any other remedies available to creditors of the registered issuer and does not constitute a fraudulent conveyance, unjust preference or other reviewable transaction.

Administration

As the administrator of the framework, CMHC performs certain supervision and enforcement related tasks in respect of the regime, including accepting issuers and their programs for registration and monitoring compliance with ongoing requirements. To assist it with these tasks, CMHC has the power to take certain actions including suspending the right of a registered issuer to issue covered bonds under a registered program and upon the request of the registered issuer to deregister a registered program or issuer (however, pursuant to the Guide, a registered program will only be deregistered if there are no covered bonds outstanding under the registered program and a registered issuer will only be deregistered if it has no registered program).

OSFI Covered Bond Limit

In addition to the legal framework, OSFI has imposed certain conditions on the issuance of covered bonds by Canadian federal deposit taking institutions ("**DTIs**"). Pursuant to letters issued by OSFI dated June 27, 2007, December 19, 2014, May 23, 2019, March 27, 2020 and April 6, 2021, the Total Assets pledged by a DTI 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 Guide and reported in the monthly investors' reports), must not, at any time, represent more than 5.5 per cent. of the relevant DTI's on-balance sheet assets (as reported on the regulatory balance sheet return of the relevant DTI) (collectively, the "**OSFI Covered Bond Limit**"). If at any time the OSFI Covered Bond Limit is exceeded, the relevant DTI must notify OSFI in a timely manner

and provide a plan showing how it proposes to eliminate the excess quickly. Excesses (above the OSFI Covered Bond Limit) due to factors not under the control of the relevant DTI, such as foreign exchange fluctuations, will not require the relevant DTI to take action to reduce the amount outstanding. OSFI expects pledging policies for any relevant DTIs to take into account the issuance of covered bonds and the pledging of additional collateral to meet higher overcollateralization requirements, consistent with the limits and conditions prescribed by OSFI. "**Total Assets**" is determined using a broadly equivalent measure based on data points from returns the relevant DTI is required to file with OSFI.

The full Programme amount (which is €75,000,000,000 or the equivalent amount in other currencies and includes the amount of covered bonds issued under the Prospectus) is less than the OSFI Covered Bond Limit for the Bank as of the date of this Prospectus. As of the date of this Prospectus the Issuer is also in compliance with the OSFI Covered Bond Limit. The Bank received board approval for, and has implemented, amendments to its pledging policies which take into account the issuance of covered bonds under the Programme and to take into account the issuance of covered bonds and the pledging of additional collateral to meet higher overcollateralization requirements, consistent with the limits and conditions prescribed by OSFI.

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 LP believe to be reliable, but none of the Issuer, the Guarantor LP, the Bond Trustee nor 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 LP 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 organised under the New York Banking Law, a "banking organisation" 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 organisations. 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**"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at http://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 Issuing and 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 Issuing and Paying Agent, the Issuer, the Guarantor LP, 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 has advised the Issuer that it is a private corporation, owned one-third by investment dealers, one-third by banks and one-third by trust companies through their respective industry associations. CDS is the exclusive clearing house for equity trading on the Toronto Stock Exchange and also clears a substantial volume of "over the counter" trading in equities and bonds and that it was incorporated in 1970 and is Canada's national securities clearing and depositary services organization functioning as a service utility for the Canadian financial community. CDS provides a variety of computer automated services for financial institutions and investment dealers active in domestic and international capital markets. CDS participants include banks (including the Canadian subcustodians), investment

dealers and trust companies and may include certain of the underwriters. 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 operates in Montreal, Toronto, Calgary and Vancouver to centralize securities clearing functions through a central securities depositary.

Euroclear and Clearstream

Euroclear and Clearstream 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 provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream 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. 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 of the principal of, and interest (if any) on, Registered Global Covered Bonds accepted by DTC or CDS, as the case may be, will be made to CDS or its nominee, or DTC or its nominee, as applicable, as the registered holder of such Covered Bond.

In the case of any payment to be made to DTC in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee 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 LP 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 LP 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 will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in 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. Similarly, because DTC and CDS can only act on behalf of Direct Participants in the DTC 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 such 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 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 Issuing and Paying Agent and any custodian ("**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 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 or Euroclear, 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 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 accountholders and DTC or CDS participants, as the case may be, 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 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 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 LP, the Agents or any Dealer will be responsible for any performance by DTC, CDS, Clearstream 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 material Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Act**") and Income Tax Regulations (the "**Regulations**") generally applicable to a holder of Covered Bonds who acquires beneficial ownership of Covered Bonds in the original offering, and who, for purposes of the Act and at all relevant times, (i) is not resident and is not deemed to be resident in Canada; (ii) deals at arm's length with the Bank and the Guarantor LP, and with any Canadian resident (or deemed Canadian resident) to whom the holder assigns or otherwise transfers the Covered Bonds; (iii) is not affiliated with the Bank or the Guarantor LP; (iv) is entitled to receive all payments (including any interest and principal) made on the Covered Bonds as beneficial owner; (v) 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; (vi) is not a "specified non-resident shareholder" (within the meaning of subsection 18(5) of the Act) of the Bank or any member of the Guarantor LP for purposes of the Act or a non-resident person not dealing at arm's length with a "specified shareholder" (within the meaning of subsection 18(5) of the Act) of the Bank or any member of the Guarantor LP; and (vii) is not an insurer carrying on an insurance business in Canada and elsewhere (a "**Non-resident Holder**").

This summary does not address the possible application of the "hybrid mismatch arrangement" rules contained in the Act to a Non-resident Holder (i) that disposes of a Covered Bond to a person or entity with which it does not deal at arm's length or to an entity that is a "specified entity" (as defined for purposes of such rules) in respect of the Non-resident Holder or in respect of which the Non-resident Holder is a "specified entity", (ii) that acquires, holds or disposes of a Covered Bond under, or in connection with, a "structured arrangement" (as defined for purposes of such rules), or (iii) in respect of which the Bank is a "specified entity". Such Non-resident Holders should consult their own tax advisers.

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 a form publicly announced prior to the date hereof (the "**Tax Proposals**") by or on behalf of the Minister of Finance (Canada) (included for this purpose in the reference to the Act and Regulations), and the administrative practices and policies published in writing by the Canada Revenue Agency prior to the date hereof. This summary assumes that such Tax Proposals will be enacted as currently proposed but no assurance can be given that this will be the case. However, no assurances can be given that the Proposed Amendments will be enacted as proposed or at all. This summary does not take into account or anticipate any other changes in law, whether by legislative, governmental or judicial action or interpretation, nor does it take into account provincial, territorial or foreign income tax legislation. Subsequent developments could have a material effect on the following description.

This 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 person including any Non-resident Holder. This summary describes only the Canadian federal withholding tax considerations associated with a Non-resident Holder acquiring, holding and disposing of a Covered Bond and does not describe any other Canadian federal income tax considerations which may be relevant to a prospective investor's decision to acquire Covered Bonds pursuant to this Prospectus. Prospective investors, including Non-resident Holders, should consult their own legal and/or tax advisers with respect to their particular circumstances.

The Canadian federal income tax considerations applicable to Covered Bonds may be described more particularly, when such Covered Bonds are offered, in the applicable Pricing Supplement or Drawdown Prospectus related thereto. In the event the Canadian federal income tax considerations are described in such Pricing Supplement or Drawdown Prospectus, the following description will be superseded by the description in the Pricing Supplement or Drawdown Prospectus to the extent indicated therein. In general, for the purpose of the Act, all amounts not otherwise expressed in Canadian dollars must be converted into Canadian dollars based on the single day exchange rate as quoted by the Bank of

Canada, for the applicable day or such other rate of exchange that is acceptable to the Minister of National Revenue (Canada).

Interest paid or credited or deemed to be paid or credited by the Bank on a Covered Bond (including amounts on account of, or in lieu of, or in satisfaction of interest) 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 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. A "prescribed obligation" is an "indexed debt obligation" (defined below) no amount payable in respect of which is contingent or dependent upon the use or production from property in Canada or is computed by reference to any of the criteria described in the preceding sentence, other than by reference to a change in the purchasing power of money. An "indexed debt 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 that is determined by reference to a change in the purchasing power of money.

In the event that a Covered Bond the interest (or deemed interest) payable on which is not exempt from Canadian withholding tax according to its terms is redeemed, cancelled or purchased by the Bank 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 on the Covered Bond to that time, be subject to non-resident withholding tax. The portion that comprises the excess will not be subject to withholding tax if the Covered Bond is considered to be an "excluded obligation" for purposes of the Act. A Covered Bond that: (a) is not an indexed debt obligation; (b) was issued for an amount not less than 97 per cent. of the principal amount (as defined in the Act) of the Covered Bond; and (c) 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, will be an excluded obligation for this purpose.

Amounts paid or credited or deemed to be paid or credited on a Covered Bond by the Guarantor LP 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 Bank to a Non-resident Holder on such Covered Bond, would have been exempt.

If applicable, the normal rate of Canadian non-resident withholding tax is 25 per cent. but such rate may be reduced under the terms of an applicable income tax treaty or convention between Canada and the country in which the Non-resident Holder is resident.

Generally, there are no other taxes on income (including capital gains) payable by a Non-resident Holder on interest, discount, or premium on a Covered Bond or the proceeds received by a Non-resident Holder on the disposition of a Covered Bond including a redemption, payment on maturity, conversion, cancellation or purchase.

Common Reporting Standard

Under the Organization 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 has implemented the OECD's Multilateral Competent Authority Agreement and Common Reporting Standard ("**CRS**"), which provides for the implementation of the automatic exchange of tax information. Canadian financial institutions are required to report certain information concerning certain investors resident in participating countries to the Canada Revenue Agency and to follow certain due diligence procedures. The Canada Revenue Agency then provides such information on a bilateral,

reciprocal basis to the tax authorities in the applicable investors' countries of residence, where such countries have enacted the CRS or otherwise as required under CRS.

United Kingdom

The following is a summary of the UK withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Covered Bonds. It is based on the Issuer's understanding of the current law as applied in England and Wales and the current published practice of His Majesty's Revenue and Customs ("**HMRC**") (which may not be binding on HMRC), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other UK tax aspects of acquiring, holding or disposing of Covered Bonds. The comments are made on the assumption that the Issuer of the Covered Bonds is not resident in the UK for UK tax purposes. The comments relate only to the position of persons who are absolute beneficial owners of the Covered Bonds and may not apply to certain classes of persons such as dealers or certain professional investors. The UK taxation treatment of prospective Covered Bondholders depends on their individual circumstances and may be subject to change in the future. 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. Covered Bondholders who are in any doubt as to their tax position should consult their professional advisers. Covered Bondholders who may be liable to taxation in jurisdictions other than the UK in respect of their acquisition, holding or disposal of the 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 where the Branch of Account is the Issuer's London branch

The Issuer, provided that it is and continues to be a bank within the meaning of section 991 of the UK Income Tax Act 2007 (the "**UK Act**"), and provided that interest on the Covered Bonds is and continues to be paid in the ordinary course of its business within section 878 of the UK Act, will be entitled to make payments of interest on the Covered Bonds without withholding or deduction on account of UK income tax.

Payments of interest on the Covered Bonds may be made without deduction of or withholding on account of UK income tax provided that the Covered Bonds carry a right to interest and are 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 (within the meaning of section 987 of the UK Act). The London Stock Exchange is a recognised stock exchange and the ISM is a multilateral facility operated by a regulated recognised stock exchange for the purposes of section 987 of the UK Act. The Covered Bonds will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange (which would include being admitted to trading on the London Stock Exchange Main Market). Provided, therefore, that the Covered Bonds carry a right to interest and remain so listed on a "recognised stock exchange" or are admitted to trading on a "multilateral trading facility" operated by a regulated recognised stock exchange, interest on the Covered Bonds will be payable without withholding or deduction on account of UK income tax whether or not the Issuer carries on a banking business in the UK and whether or not the interest is paid in the ordinary course of its business.

Interest on the Covered Bonds may also be paid without withholding or deduction on account of UK income tax where interest on the Covered Bonds is paid by 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 beneficial owner is within the charge to UK corporation tax as regards the payment of interest, provided that HM Revenue & Customs has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the beneficial owner is not within the charge to UK corporation tax in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In other cases, where Covered Bonds are issued by the London branch of the Issuer or the interest thereon otherwise has a UK source, there may be a requirement to withhold from payments of interest on the Covered Bonds on account of UK income tax at the basic rate (currently 20 per cent.) subject to reliefs or exemptions that may be available, for example under the provisions of any applicable double taxation treaty, or in certain other circumstances.

Payments by the Guarantor LP in respect of the Covered Bond Guarantee

The UK withholding tax treatment of payments by the Guarantor LP under the terms of the Covered Bond Guarantee in respect of interest on the Covered Bonds (or other amounts due under the Covered Bonds other than the repayment of amounts subscribed for the Covered Bonds) is uncertain. In particular, such payments by the Guarantor LP may not be eligible for the exemption in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if the Guarantor LP makes any such payments, these may be subject to UK withholding tax at the basic rate (currently 20 per cent.).

Certain Rules relating to UK Withholding Tax

Where Covered Bonds are to be, or may fall to be, redeemed at a premium, then, depending on the circumstances, any such element of premium may constitute a payment of interest for UK taxation purposes. Any such payments of interest, subject to the exemptions described above, may be subject to UK withholding tax and reporting requirements as outlined above.

The references to "interest" above mean "interest" as understood in UK tax law. The statements above 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 terms and conditions of the Covered Bonds or any related documentation.

The above description of the UK withholding tax position assumes that there will be no substitution of the Issuer or Guarantor LP and does not consider the tax consequences of any such substitution.

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, or in certain other circumstances.

The Issuer's understanding is that the ISM is currently a "multilateral trading facility" for the purposes of section 987 of the UK Act and accordingly the Exempt Covered Bonds will constitute "quoted Eurobonds" for the purposes of section 987 of the UK Act provided that they carry a right to interest, are and continue to be admitted to trading on the ISM and that the ISM is and remains a "multilateral trading facility" for those purposes.

Provision of Information

Covered Bondholders should note that where any person pays or credits interest to or receives interest (other than solely by clearing or arranging the clearing of a cheque) for the benefit of a Covered Bondholder, then that person may, in certain cases, be required to supply to HMRC details of the payment and certain details relating to the Covered Bondholder (including the Covered Bondholder's

name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of UK income tax and whether or not the Covered Bondholder is resident in the UK for UK taxation purposes. In certain circumstances, the details provided to HMRC may be passed by HMRC to the tax authorities of certain other jurisdictions.

For the above purposes, "interest" should be taken, for practical purposes, as including payments made by a guarantor in respect of interest on Covered Bonds.

If the Covered Bonds are treated as deeply discounted securities for the purposes of the Income Tax (Trading and other Income) Act 2005, any person in the UK (including any UK based paying agent) who pays amounts payable on redemption of the Covered Bonds to, or receives such amounts for the benefit of, another person may also be required by HMRC to provide certain information (which may include the name and address of the beneficial owner of the amount payable on redemption) to HMRC (although in this regard HMRC published guidance for the year 2021/2022 indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year). Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Covered Bondholder is resident for tax purposes.

In the UK, the International Tax Compliance Regulations 2015 (SI 2015/878) (as amended) implemented the CRS, EU Council Directive 2014/107/EU on the automatic exchange of tax information, and the UK/U.S. intergovernmental agreement on the Foreign Account Tax Compliance Act ("**FATCA**"). The regulations seek to unify the requirements of these arrangements and require prescribed UK financial institutions (including, where relevant, the London Branch of the Issuer) to identify specified account holders that are resident overseas and keep records and report specified information to HMRC. HMRC will automatically exchange the financial information reported by financial institutions with the tax authorities in the applicable investors' countries of residence where those countries have signed up to automatic exchange.

United States Federal Income Taxation

The following summary of the principal U.S. federal income tax consequences of the ownership and disposition of the Covered Bonds is based on the advice of Mayer Brown LLP. Except as specifically noted below, this discussion applies only to:

- Covered Bonds purchased on original issuance at their "issue price" (as defined below);
- Covered Bonds held as capital assets; and
- U.S. holders (as defined below).

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;
- real estate investment trusts;

- regulated investment companies;
- grantor trusts;
- dealers in securities or foreign currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- 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;
- Individual retirement accounts and other tax deferred accounts;
- tax exempt entities;
- persons that own, or are deemed to own, 10% or more of any class of the Issuer's stock;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes; or
- certain former citizens and residents of the United States.

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury Regulations, changes to any of which subsequent to the date of this document may affect the tax consequences described below. This discussion may not apply to all Covered Bonds that we may issue. If the tax consequences associated with a particular offering of Covered Bonds are different than those described below, they will be described in the applicable Drawdown Prospectus or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement. Consequently, persons considering the purchase of the Covered Bonds should consult the applicable Drawdown Prospectus or Pricing Supplement (as applicable) for any additional discussion regarding U.S. federal income taxation and should consult their tax advisers 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.

The tax treatment of certain Covered Bonds may be specified in the applicable Drawdown Prospectus or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement. Moreover, 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 U.S. 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;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or

- a trust if a court within the United States is able to exercise primary jurisdiction over its administration or if United States persons do not have the authority to control all of its substantial decisions.

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 advisers.

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 regular method of accounting for U.S. federal income tax purposes, *provided* that the interest is "qualified stated interest" (as defined below). Additional amounts paid pursuant to the obligations described under "*Terms and Conditions of the Covered Bonds – Taxation*" would be treated as ordinary interest income. Unless otherwise specified in an applicable Drawdown Prospectus or, in the case of Exempt Covered Bonds, an applicable Pricing Supplement, 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 prospective investors should consult their tax advisers 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 the public (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.*, ¼ of one per cent. 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.

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. The discount will be equal to the excess of the stated redemption price at maturity over the issue price of the short-term Covered Bond, unless a U.S. holder elects to compute this discount using tax basis instead of issue price. 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, but may be required to include any stated interest in income as the interest is received. 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.

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 (and the timing and amounts of the payments that comprise each possible payment schedule are known as of the issue 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 (and the timing and amounts of the payments that comprise each possible payment schedule are known as of the issue 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.

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 "*Taxation – 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 non-taxable 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 Bond 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 his 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 Covered Bonds that mature more than one year from their date of issuance 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.

To obtain the comparable yield and projected payment schedule for a particular Covered Bond, a U.S. holder should call Royal Bank of Canada, Investor Relations at 416-955-7802. 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 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 debt 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 itemized 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.

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 advisers 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 the 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 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 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 Covered Bond, to the extent of any discount not previously included in the holder's income. Holders should consult their own tax adviser with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such 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 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.

Individual holders that own "specified foreign financial assets" may be required to include certain information with respect to such assets with their U.S. federal income tax return. Investors are urged to consult their own tax advisor regarding such requirements with respect to the Covered Bonds.

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 advisers regarding the application of these rules to the acquisition, ownership or disposition of Covered Bonds.

Benchmark 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 benchmark or screen rate (as applicable) to an Alternative Base Rate (such change, a "**Benchmark Amendment**"). It is possible that a Benchmark Amendment will be treated as a deemed exchange of old Covered Bonds for new Covered Bonds, which may be taxable to U.S. holders.

Foreign Account Tax Compliance Act ("FATCA")

FATCA imposes a reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "**foreign financial institution**", or "**FFI**" (as defined by FATCA)) that is receiving a payment on an investor's behalf that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) in certain instances an investor who does not provide information sufficient to determine whether the investor is a U.S. person or, in the case of certain non-financial non-exempt entities, does not provide information sufficient to determine whether the investor has substantial US owners. The Issuer is classified as an FFI. The Issuer anticipates that any Covered Bonds issued in global form will be held by FFIs that are not non-Participating FFIs but there is no guarantee that a custodian or broker through which an investor holds a Covered Bond will not be a non-Participating FFI.

This withholding regime is now in effect for payments from sources within the United States and will, pursuant to proposed regulations upon which taxpayers may generally rely, apply to "foreign passthru payments" (a term not yet defined) beginning on 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. This withholding would potentially apply to payments in respect of (i) any Covered Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term for U.S. federal tax purposes) that are executed after the "grandfathering date", which, with respect to Covered Bonds that give rise solely to foreign passthru payments, is the date that is six months after the date on which the final U.S. Treasury regulations defining the term foreign passthru payment are published with the U.S. Federal Register, or are materially modified after the grandfathering date and (ii) any Covered Bonds characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Covered Bonds are executed on or before the grandfathering date and additional Covered Bonds of the same series are executed after that date that are not distinquishable from the previously issued Covered Bonds, the additional Covered Bonds may not be treated as grandfathered, which may have negative consequences for the Covered Bonds, including a negative impact on market price. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Covered Bonds.

The United States and a number of other jurisdictions, including Canada, have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). IGAs generally limit instances when FATCA withholding is required. Nevertheless, these IGAs currently contain no rules regarding the withholding, if any, that may be required on foreign passthru payments.

FATCA is particularly complex and some aspects of its application are uncertain at this time. The above description is based in part on regulations, official guidance and IGAs, all of which are subject to amendment or further interpretation by one or more governments or governmental agencies. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Covered Bonds.

The proposed financial transactions tax ("FTT")

On February 14, 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. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

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.

However, the FTT proposal remains subject to negotiation between the 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.

CERTAIN CONSIDERATIONS FOR ERISA AND OTHER EMPLOYEE BENEFIT PLANS

The *U.S. Employee Retirement Income Security Act of 1974*, as amended ("**ERISA**"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (each of the foregoing, an "**ERISA Plan**") and on those persons who are fiduciaries with respect to ERISA Plans. Each fiduciary of an ERISA Plan should consider the fiduciary standards of ERISA in the context of the ERISA Plan's particular circumstances before authorizing an investment in the Covered Bonds. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the ERISA Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (any of the foregoing and any ERISA Plans, a "**Plan**")) and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code) having certain relationships to such Plans, 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 by a Plan with respect to which any of the Issuer, the Dealers, the Arranger or the Bond Trustee or any of their respective affiliates are a party in interest or a disqualified person. A violation of these prohibited transaction rules could result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for 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 Plan fiduciary making the decision to acquire Covered Bonds and the circumstances under which such decision is made. Those exemptions include prohibited transaction class exemption ("**PTCE**") 96-23 (for certain transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company separate accounts), and PTCE 84-14 (for certain transactions determined by independent qualified asset managers).

In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide statutory exemptive relief for certain arm's-length transactions with a person that is a party in interest solely by reason of providing services to Plans or being an affiliate of such a service provider (the "**Service Provider Exemption**"). The Service Provider Exemption is generally applicable for otherwise-prohibited transactions between a Plan and a person or entity that is a party in interest or disqualified person with respect to such Plan solely by reason of providing services to the Plan (other than a party in interest that is a fiduciary, or its affiliate, that has or exercises discretionary authority or control or renders investment advice with respect to the assets of the Plan involved in the transaction), provided, that there is "adequate consideration" for the transaction. Any Plan fiduciary relying on the Service Provider Exemption and purchasing the Covered Bonds on behalf of a Plan must initially make a determination that (x) the Plan is paying no more than, and is receiving no less than, "adequate consideration" in connection with the transaction and (y) neither the Issuer, the Dealers, the Arranger or the Bond Trustee or any of their respective affiliates directly or indirectly exercises any discretionary authority or control or renders investment advice with respect to the assets of the Plan which such fiduciary is using to purchase, both of which are necessary preconditions to reliance on the Service Provider Exemption. If the Issuer, the Dealers, the Arranger or the Bond Trustee or any of their respective affiliates provides fiduciary investment management services with respect to a Plan, the Service Provider Exemption may not be available, and in that case, other exemptive relief would be required as precondition for purchasing the Covered Bonds. If the Covered Bonds are not traded on a generally-recognized market, the adequate consideration determination is to be made by the fiduciary in good faith in accordance with regulations to

be issued by the U.S. Department of Labor. Any Plan fiduciary considering reliance on the Service Provider Exemption is encouraged to consult with counsel regarding the availability of the exemption.

Governmental plans (as defined in Section 3(32) of ERISA) and 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 provisions of Section 4975 of the Code, may nevertheless be subject to local, state or other federal or non-U.S. laws that are substantially similar to ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing any Covered Bonds.

Because the Issuer, the Dealers, the Bond Trustee or any of their respective affiliates may be considered a party in interest with respect to many Plans, the Covered Bonds may not be acquired, held or disposed of by any Plan, unless such acquisition, holding or disposition is eligible for exemptive relief, including relief available under PTCE 96-23, 95-60, 91-38, 90-1, or 84-14 or the Service Provider Exemption, or such acquisition, holding or disposition is otherwise not prohibited. By its acquisition of any Covered Bonds (or any interest in a Covered Bond), each purchaser (whether in the case of the initial purchase or in the case of a subsequent transfer) (and its fiduciary, if applicable) 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 Plan or a governmental or other employee benefit plan which is subject to any U.S. federal, state, local, or non-U.S. law, that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**"); or (ii) its acquisition, holding and disposition of the Covered Bonds will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code unless an exemption is available and all conditions have been satisfied or, in the case of such a governmental or other employee benefit plan, will not result in violation of any Similar Law.

The foregoing discussion is general in nature and not intended to be all-inclusive. Any Plan fiduciary who proposes to cause a Plan to purchase 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 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 an applicable requirement of ERISA.

The sale of Covered Bonds to a plan is in no respect a representation by the Issuer, the Guarantor LP, 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.

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 RBC Europe Limited, RBC Capital Markets, LLC 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**"). 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 initially entered into on the Programme Establishment Date and most recently amended and restated on July 16, 2024 (as amended, supplemented or replaced, the "**Dealership Agreement**") and made between the Issuer and the Dealers. Any 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.

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 LP.

In addition, in the ordinary course of their business activities, the Dealers and/or 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 or for the accounts of their customers. Such investments and *Securities Activities* may involve securities and/or instruments of the Bank or Bank's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Bank routinely hedge their credit exposure to the Bank consistent with their customary risk management policies. Typically, such Dealers and/or 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. The Dealers and/or 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.

The Issuer may sell Covered Bonds to one or more of the Dealers including RBC Europe Limited, RBC Capital Markets, LLC and RBC Dominion Securities Inc., which are each affiliates of the Bank. The terms of the Programme were negotiated at arm's length between the Issuer and the Dealers. In addition to any proceeds from any offering of the Covered Bonds under the Programme being applied, directly or indirectly, for the benefit of RBC Europe Limited, RBC Capital Markets, LLC and/or RBC Dominion Securities Inc. in its capacity as an affiliate of the Bank, RBC Europe Limited, RBC Capital Markets, LLC and/or RBC Dominion Securities Inc. will receive a portion of any fees and commissions payable in connection with any such offering of Covered Bonds in its capacity as a Dealer.

Canada

Except as otherwise indicated in the applicable Final Terms or Pricing Supplement, the Covered Bonds have not been and will not be qualified for sale under the securities laws of any province or territory of Canada and each Dealer has represented and agreed that it has not offered, sold or distributed, and that it will not offer, sell or distribute 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. Each Dealer has agreed not to distribute or deliver this document, 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

Rule 144A / Regulation S Transfer Restrictions

The Covered Bonds have not been registered under the *Securities Act* and may not be offered or sold within the U.S. 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 requirement of the *Securities Act*. Accordingly, the Covered Bonds are being (1) sold to persons within the United States or to U.S. persons that are "qualified institutional buyers" (as defined in Rule 144A) ("**QIBs**") in compliance with Rule 144A and (2) offered and sold outside the United States to persons other than U.S. persons in reliance upon Regulation S under the *Securities Act*.

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 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 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 and is not acquiring the new Covered Bonds for the account or benefit of a U.S. person and is acquiring the new Covered Bonds outside of the U.S. pursuant to Regulation S under the *Securities Act*;

(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 any applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(c) that neither the Issuer nor the Guarantor LP 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, 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 only, prior to the date that 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 (i) to the Issuer or any affiliate thereof, (ii) 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, (iii) outside the United States in compliance with Rule 903 or 904 under the *Securities Act*, (iv) pursuant to the exemption from registration provided by Rule 144 under the *Securities Act* (if available) or (v) 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) (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA, (ii) a "plan" as defined in and subject to Section 4975 of the Code, (iii) an entity whose underlying assets include the assets of any such employee benefit plan subject to ERISA or other plan subject to Section 4975 the Code, or (iv) a governmental or other benefit plan which is subject to any U.S. federal, state, local or non-U.S. law, that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**"), or (B) its acquisition, holding and disposition of the Covered Bonds will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code unless an exemption is available and all conditions have been satisfied or, in the case of such a governmental or other employee benefit plan, will not result in a violation of any Similar Law;

(h) 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 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 OR SOLD 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 THE SECURITIES 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 THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "AGENCY AGREEMENT") 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 SECURITIES 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 904 UNDER THE *SECURITIES ACT*, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE *SECURITIES ACT* (IF AVAILABLE), (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE *SECURITIES ACT*, OR (6) 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, 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 REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, 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 COVERED BOND (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER (AND ITS FIDUCIARY, AS APPLICABLE) 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 COVERED BOND (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 TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR OTHER PLAN SUBJECT TO SECTION 4975 OF THE CODE, OR (IV) A GOVERNMENTAL OR OTHER BENEFIT PLAN WHICH IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW, THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS COVERED BOND WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE UNLESS AN EXEMPTION IS AVAILABLE AND ALL CONDITIONS HAVE BEEN SATISFIED OR, IN THE CASE OF SUCH A GOVERNMENTAL OR OTHER EMPLOYEE BENEFIT PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW.

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.

(i) 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 904 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 ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "AGENCY AGREEMENT") AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE *SECURITIES ACT* OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE *SECURITIES ACT*. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE COVERED BONDS OF THE TRANCHE OF WHICH THIS COVERED BOND 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 COVERED BOND (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER (AND ITS FIDUCIARY, AS APPLICABLE) 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 COVERED BOND (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 TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR OTHER PLAN SUBJECT TO SECTION 4975 OF THE CODE, OR (IV) A GOVERNMENTAL OR OTHER BENEFIT PLAN WHICH IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW, THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS COVERED BOND WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE UNLESS AN EXEMPTION IS AVAILABLE AND ALL CONDITIONS HAVE BEEN SATISFIED OR, IN THE CASE OF SUCH A GOVERNMENTAL OR OTHER EMPLOYEE BENEFIT PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW.

(j) 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.

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 (or the approximate equivalent in another Specified Currency).

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 *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 any U.S. state securities laws and may not be offered or sold 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*.

The Covered Bonds in bearer form are subject to United States 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 completion of the distribution of Covered Bonds comprising any Tranche, 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 Rule 144A (if available).

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).

Prohibition of sales to EEA Retail Investors

Unless the Final Terms or Pricing Supplement in respect of any Covered Bonds specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", the 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 the Base Prospectus as completed by the Final Terms or Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II (as amended); or

(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 EU Prospectus Regulation; and

(b) the expression an "**offer**" includes 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.

If the Final Terms or Pricing Supplement in respect of any Covered Bonds specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", then in relation to each Member State of the EEA (each, a "**Member State**"), the Dealer has represented and agreed, and each additional 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 document 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 EU Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors, as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation;

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the publication by the Issuer or any Dealer(s) of a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Covered Bonds to the public**" 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 and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended).

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", the 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 Base Prospectus as completed by the Final Terms or Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(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; and

(b) the expression an "**offer**" includes 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.

If 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 the 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 Base 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 Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of 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 and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law of the UK by virtue of the EUWA.

Selling Restrictions addressing additional UK Securities Laws

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 LP or, in the case of the Issuer, would not, if the Issuer was not an authorised 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.

The Kingdom of Norway

Notwithstanding the section "Prohibition of sales to EEA Retail Investors" above, Covered Bonds may not be offered or sold within Norway or to or for the account of benefit of persons domiciled in Norway unless in compliance with all laws, regulations and guidelines applicable to the offering of Covered Bonds in Norway, including, but not limited to, the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended from time to time) (Nw. *verdipapirhandelloven*) (the "Norwegian Securities Trading Act"), the Norwegian implementation of the EU Prospectus Regulation in section 7-1 of the Norwegian Securities Trading Act and any other applicable Norwegian legislation.

Covered Bonds governed by Norwegian law and/or denominated in NOK may not be offered or sold within Norway or to or for the account or benefit of persons domiciled in Norway unless the requirements in the Norwegian Registration of Financial Instruments Act of 15 March 2019 no. 6 (as amended or replaced from time to time, the "CSD Act") (Nw. *verdipapirsentralloven*) are complied with, including, but not limited to, the requirement to register such Covered Bonds in book-entry form in a licensed central securities depository in accordance with regulation (EU) no. 909/2014 (as amended from time to time, the "**CSDR**") regardless of the Covered Bonds being traded on a trading venue and only permit physical bonds or documents of title evidencing the Covered Bonds in accordance with the CSD Act and the CSDR.

Hong Kong

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(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 (the “**SFO**”) and any rules made under the SFO; 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 “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; 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 SFO and any rules made under the SFO.

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 represented, warranted and agreed, and each further Dealer appointed under the Programme will be required, to will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer 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.

Unless otherwise stated in the Final Terms (or Pricing Supplement, in the case of Exempt Covered Bonds) in respect of any Covered Bonds and in each such case notified to the Dealers prior to any offer of 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 CMP Regulations 2018) and 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).

Belgium

Other than in respect of Covered Bonds for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent 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, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Covered Bonds, and that it has not distributed, and will not distribute, any prospectus memorandum, information circular, brochure or any similar documents in relation to the Covered Bonds, directly or indirectly, to any Belgian Consumer.

Republic of France

This Base Prospectus is not required to be and has not been submitted to the clearance procedure of the *Autorité des marchés financiers* in France.

Each Dealer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Covered Bonds to the public in France (other than to qualified investors as defined below), and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France (other than to qualified investors as defined below), the Prospectus, the applicable Final Terms and Pricing Supplement or any other offering material relating to the Covered Bonds, and that such offers, sales and distributions have been and will be made in France pursuant to Article L. 411-2 1° of the French *Code monétaire et financier* only to qualified investors (*investisseurs qualifiés*), other than individuals, as defined in Article 2 of the EU Prospectus Regulation and Article L.411-2 of the French *Code monétaire et financier*.

Republic of Italy

The offering of the Covered Bonds has not been registered pursuant to Italian securities legislation and, accordingly, no Covered Bonds have been offered, sold or delivered, and will not be offered, sold or delivered, nor may copies of this document or any other document relating to the Covered Bonds be distributed in Italy except:

(a) to Qualified Investors (*investitori qualificati*), as defined pursuant to Article 2 of the EU Prospectus Regulation and any applicable provision of Italian laws and regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the EU Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of May 14, 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Covered Bonds or distribution of copies of this Prospectus or any other document relating to the Covered Bonds in the Republic of Italy under (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Legislative Decree No. 58 of February 24, 1998, as amended (the "**Financial Services Act**"), CONSOB Regulation No. 20307 of February 15, 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time and/or any other Italian authority.

Provisions relating to the secondary market in Italy

The following applies to Exempt Covered Bonds with a Specified Denomination of less than €100,000 (or its equivalent in another currency):

Please note that in accordance with Article 100-bis of the Financial Services Act, to the extent it is applicable where no exemption from the rules on public offerings applies, Covered Bonds which are initially offered and placed in Italy or abroad to qualified investors only but in the following year are systematically ("sistematicamente") distributed on the secondary market in Italy, become subject to the public offer and the prospectus requirement rules provided under the EU Prospectus Regulation. 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.

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 EU Prospectus Regulation.

Japan

No registration pursuant to Article 4, Paragraph 1 of the *Financial Instruments and Exchange Act* of Japan (Law No. 25 of 1948, as amended) (the "**FIEA**") has been made or will be made with respect to 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 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 Article 6, Item 5 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949 of Japan, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of any 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.

Switzerland

(a) Unless otherwise specifically provided in a Pricing Supplement in respect of Exempt Covered Bonds only and subject to paragraph (b), 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 (as amended, the "FinSA"), (ii) 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, (iii) neither this Prospectus nor any applicable Final Terms or, in the case of Exempt Covered Bonds, Pricing Supplement nor any other offering or marketing material relating to the Covered Bonds constitutes a prospectus pursuant to the FinSA, and (iv) neither this Prospectus nor any Final Terms or Pricing Supplement nor any other offering or marketing material relating to the Covered Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

(b) The Issuer nor the Guarantor LP and the relevant Dealer(s) may agree in respect of any Covered Bonds to be issued that (i) such Covered Bonds may be publicly offered in Switzerland within the meaning of FinSA, and/or (ii) an application may be made by or on behalf of the Issuer nor the Guarantor LP to admit such Covered Bonds on a trading venue (exchange or multilateral trading facility) in Switzerland, provided that the Issuer nor the Guarantor LP and the relevant Dealer(s) comply with the applicable requirements of the FinSA in connection with such public offering and/or application for admission to trading, including, without limitation, any requirement to prepare and publish a prospectus in accordance with FinSA and the listing rules of the relevant trading venue in Switzerland.

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) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Covered Bonds 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 draft, preliminary or definitive prospectus, offering circular, advertisement or any other offering material relating to the Covered Bonds in Australia, unless:

(i) 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 Chapter 7 of the Corporations Act;

(ii) 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);

(iii) such action does not require any document to be lodged with ASIC, and

(iv) 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.

General

No action has been or will be taken in any country or jurisdiction by the Issuer, the Guarantor LP, 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 and such action not been taken. The Dealership Agreement provides that each Dealer will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or has in its possession or distributes offering material, in all cases at their own expense.

The Dealership Agreement also 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 paragraph headed "General", above.

Selling restrictions may be supplemented or modified by the agreement of the Issuer and the relevant Dealer(s).

Persons into whose hands this document or any Final Terms or Pricing Supplement comes are required by the Issuer and the Dealers 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.

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 admitted 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. The admission of the Programme in respect of the Covered Bonds to trading on the Main Market and the ISM is expected to be granted on or around July 16, 2024.

2 The establishment and renewal of the Programme, qualification of the Programme as a registered covered bond program under Part I.1 of the *National Housing Act* (Canada) and the Guide, and the issue of Covered Bonds up to the current Programme Size, has been authorized by resolutions of the Board of Directors of the Issuer passed on August 24, 2007, February 27, 2013, July 10, 2013, July 8, 2015, March 17, 2020 and April 7, 2020, respectively. The giving of the Covered Bond Guarantee has been duly authorized by resolution of the Managing GP on behalf of the Guarantor LP dated on the Programme Establishment Date and further resolution of the Managing GP on behalf of the Guarantor LP on or about the date of each amendment and restatement of the Trust Deed, being most recently on July 16, 2024. On July 3, 2013, the Issuer was accepted as a registered issuer under Part I.1 of the *National Housing Act* (Canada) and the Guide by CMHC and on July 3, 2013, the Programme was registered as a registered program under Part I.1 of the *National Housing Act* (Canada) and the Guide. The Issuer and the Guarantor LP 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 Guarantor LP.

3 Other than (i) the matters disclosed under the subsection entitled “Tax examinations and assessments” in Note 22 of the 2023 Audited Consolidated Financial Statements set out on page 220 of the Issuer's 2023 Annual Report, (ii) the legal and regulatory matters disclosed (with the exception of the subsection entitled “Other matters”) in Note 25 of the 2023 Audited Consolidated Financial Statements set out on pages 223 and 224 of the Issuer's 2023 Annual Report and (iii) the legal and regulatory matters disclosed in the subsection entitled “Legal and regulatory matters” in Note 13 of the Issuer’s Second Quarter 2024 Unaudited Interim Condensed Consolidated Financial Statements set out on page 81 of the Issuer’s Second Quarter 2024 Report to Shareholders and in each case incorporated by reference herein, there are no, nor have there been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months prior to the date of this document which may have, or have had during the recent past, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer or the Guarantor LP or of the Issuer and its subsidiaries taken as a whole or the Guarantor LP.

4 There has been no significant change in the financial performance or financial position of the Issuer and its consolidated subsidiaries, including the Guarantor LP, taken as a whole since April 30, 2024, the last day of the financial period in respect of which the most recent unaudited interim condensed consolidated financial statements of the Issuer have been prepared. There has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries, including the Guarantor LP, taken as a whole since October 31, 2023, the last day of the financial period in respect of which the most recent published audited annual consolidated financial statements of the Issuer have been prepared.

5 For the period of 12 months following the date of this Prospectus, all of the following documents will, when published, be available for inspection at https://www.rbc.com/investor-relations/covered-bonds.html and may also be inspected during normal business hours at the specified office of the Issuing and Paying Agent and the Registrar and obtained from the executive and head offices of the Issuer, namely:

(a) the Bank Act (being the charter of the Issuer) and by-laws of the Issuer and the constating documents of the Guarantor LP;

(b) the Agency Agreement (which includes the form of the Global Covered Bonds, the definitive Bearer Covered Bonds, the Certificates, the Coupons and the Talons);

(c) the Dealership Agreement;

(d) the Transaction Documents (including, without limitation, the Trust Deed containing the Covered Bond Guarantee);

(e) the latest Annual Report of the Issuer containing two years of audited annual consolidated financial statements, which includes audited annual comparative consolidated financial statements of the Issuer, management's report on internal control over financial reporting and the related Independent Auditor's Report and the Report of Independent Registered Public Accounting Firm (the Guarantor LP is not required to prepare audited accounts pursuant to (i) applicable Canadian law and (ii) exemptive relief from the Canadian securities regulatory authorities from certain financial disclosure prescribed by applicable securities law in Canada);

(f) the most recent quarterly report of the Issuer including the unaudited interim condensed consolidated financial statements; the Guarantor LP is not required to prepare any unaudited interim accounts pursuant to applicable Canadian law;

(g) each Final Terms for a Tranche of Covered Bonds that is admitted to trading on the Main Market or any other regulated market in the UK and each Pricing Supplement for ISM Covered Bonds;

(h) a copy of the Prospectus together with any supplement to the Prospectus or Drawdown Prospectus; and

(i) a copy of the Registration Document.

In addition, copies of this Prospectus, any documents incorporated by reference, each Final Terms for Covered Bonds admitted to trading on the Main Market or any other regulated market in a Member State and each Pricing Supplement for Exempt Covered Bonds admitted to trading on the ISM will also be available for inspection 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.htm/ or the National Storage Mechanism at https://data.fca.org.uk/#/nsm/nationalstoragemechanism. Copies of the Issuer's periodic financial reporting can also be viewed by accessing the Issuer's disclosure documents through the Internet (A) on the Canadian System for Electronic Document Analysis and Retrieval at www.sedarplus.com (an internet based securities regulatory filing system) or (B) at the SEC's website at http://www.sec.gov. Please note that websites and URLs referred to herein do not form part of the Base Prospectus.

6 The Covered Bonds have been accepted for clearance through Euroclear and Clearstream 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, Registered Covered Bonds have been accepted by CDS for trading in book-entry form. The Issuer may make an application for any Registered Covered Bonds to be accepted for trading in book-entry form by DTC. 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 1 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 55 Water Street, New York, New York, 10041-0099, United State of America. The address of CDS is 85 Richmond Street West, Toronto, Ontario, Canada M5H 2C9.

7 The price and amount of Covered Bonds to be issued under the Prospectus will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

8 Bearer Covered Bonds (other than Temporary Global Covered Bonds) and any Coupon appertaining thereto 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 characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

9 Settlement arrangements will be agreed between the Issuer, the relevant Dealer(s) or Covered Bondholder(s), as applicable, and the Issuing and Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Covered Bonds.

10 The Issuer will provide post-issuance information to Holders of Covered Bonds in the form of monthly Investor Reports, which will be available on the Issuer's website at https://www.rbc.com/investor-relations/covered-bonds.html on the 15th day of each month (or if such day is not a Business Day, the first following Business Day). The Investor Reports will set out certain information in relation to the Covered Bond Portfolio, the calculation of the Asset Coverage Test, the Valuation Calculation, the Amortization Test (if applicable), the indexation methodology, statistical information about the Loans in the Covered Bond Portfolio, performance information about the Loans, information on proceeds received on assets in the Covered Bond Portfolio and the application of such proceeds and other information prescribed by the requirements of the Guide. The Issuer has no intention of providing any other post-issuance information to Holders of Covered Bonds.

11 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.

12 The Legal entity identifier (LEI) of the Issuer is ES7IP3U3RHIGC71XBU11.

13 Pursuant to the *Canada Deposit Insurance Corporation Act* (Canada) and the *Bank Recapitalization (Bail-in) Conversion Regulations* and the *Bank Recapitalization (Bail-in)*

Issuance Regulations and the *Compensation Regulations* thereunder, which provide for Canada's bail-in regime for domestic systemically important banks, covered bonds are excluded from a bail-in conversion under the regime. As such, the Covered Bonds are not subject to conversion under the Canadian bail-in regime.

GLOSSARY

"**2023 AIF**"	The meaning given to it in "*Documents Incorporated by Reference*" on page 86;
"**2023 Annual Report**"	The meaning given to it in "*Documents Incorporated by Reference*" on page 86;
"**2023 Audited Consolidated Financial Statements**"	The meaning given to it in "*Documents Incorporated by Reference*" on page 87;
"**2023 MD&A**"	The meaning given to it in "*Documents Incorporated by Reference*" on page 87;
"**30/360**"	The meaning given in Condition 5.10 on page 127;
"**360/360**"	The meaning given in Condition 5.10 on page 127;
"**30E/360**"	The meaning given in Condition 5.10 on page 127;
"**30E/360 (ISDA)**"	The meaning given in Condition 5.10 on page 128;
"**C$**" **and** "**Canadian dollars**"	The lawful currency for the time being of Canada;
"**€**", "**Euro" or** "**euro**"	The lawful currency for the time being of the UK or the Partner states of the European Union that have adopted or may adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended by the Treaty on European Union, as amended;
"**€STR**"	The meaning given on the cover page or in "*Terms and Conditions of the Covered Bonds*" on pages 116 or 118, as the context requires;
"**£**", "**GBP**", "**Pound Sterling**" **and** "**Sterling**"	The lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;
"**NOK**"	The lawful currency for the time being of Norway;
"**U.S.$**" **and** "**U.S. 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**"	Royal Bank of Canada;
"**Accrual Period**"	The meaning given in Condition 5.10 on page 125;
"**Accrual Yield**"	The rate defined, or determined in accordance with the provisions of, the relevant Final Terms or Pricing Supplement;
"**Accrued Interest**"	In respect of a Loan as at any 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 288;
"**Actual/360**"	The meaning given in Condition 5.10 on page 126;
"**Actual/360 (Observation Period)**"	The meaning given in Condition 5.10 on page 127;
"**Actual/365 (Fixed)**"	The meaning given in Condition 5.10 on page 127;
"**Actual/365 (Sterling)**"	The meaning given in Condition 5.10 on page 126;
"**Actual/Actual**" **or** "**Actual/Actual**	The meaning given in Condition 5.10 on page 126;

(ISDA)"	
"**Actual/Actual (ICMA)**"	The meaning given in Condition 5.10 on page 128;
"**Additional Loan Advance**"	A further drawing (including, but not limited to, Further Advances) in respect of Loans sold by the Seller to the Guarantor LP;
"**Adjusted Aggregate Asset Amount**"	The meaning given in "*Summary of the Principal Documents*" on page 246;
"**Adjusted Required Redemption Amount**"	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 LP in respect of the relevant Series of Covered Bonds less (where applicable) amounts standing to the credit of the Guarantor LP Accounts and the Canadian Dollar Equivalent of the principal balance of any Substitute Asset (excluding all amounts to be applied on the next following Guarantor LP 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 LP under the Interest Rate Swap Agreement;
"**Agency Agreement**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 98;
"**Agent**"	Each of the Paying Agents, the Registrar, the Exchange Agent and the Transfer Agent;
"**Alternative Base Rate**"	The meaning given in Condition 13.02 on page 151;
"**Amortization Test**"	The test as to whether the Amortization Test Aggregate Asset 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 Asset Amount**"	The meaning given in "*Summary of the Principal Documents*" on page 250;
"**Amortization Test True Balance**"	The meaning given in "*Summary of the Principal Documents*" on page 250;
"**Amortized Face Amount**"	The meaning given in Condition 6.10 on page 136;
"**Arranger**"	RBC Europe Limited and RBC Capital Markets LLC (together "**RBC Capital Markets**");
"**ARRC**"	The meaning given in "*Risk Factors*" on page 70;
"**Arrears of Interest**"	As at any date in respect of any Loan, interest (other than Capitalized Interest or Accrued Interest) on that Loan which is currently due and payable and unpaid on that date;
"**ASIC**"	Australian Securities and Investments Commission;
"**Asset Coverage Test**"	The test as to whether the Adjusted Aggregate Asset 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;

"**Asset Coverage Test Breach Notice**"	The notice required to be served by the Managing GP (or the Cash Manager on its behalf) if the Asset Coverage Test has not been met on two consecutive Calculation Dates;
"**Asset Monitor**"	PricewaterhouseCoopers LLP; 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 amended and restated asset monitor agreement entered into on May 31, 2016 on between the Asset Monitor, the Guarantor LP, the Cash Manager, the Issuer and the Bond Trustee, as the same may be amended, varied, supplemented, restated or extended from time to time;
"**Asset Percentage**"	The meaning given in "*Summary of the Principal Documents*" on page 249;
"**Asset Percentage Adjusted True Balance**"	The meaning given in "*Summary of the Principal Documents*" on page 247;
"**Australian Deed Poll**"	The Australian deed poll of the Issuer dated as of August 7, 2013, as supplemented by supplemental Australian deed polls dated April 20, 2020, May 4, 2022 and July 11, 2022;
"**Australian Documents**"	A supplemental trust deed made as of July 31, 2015 and first addendum thereto dated July 11, 2022, between the Issuer, the Guarantor LP and the Bond Trustee, the Australian Deed Poll and an amended and restated supplemental agency agreement made on July 11, 2022 between the Issuer and BTA Institutional Services Australia Limited (ABN 48 002 916 396), in its capacity as Issuing and Paying Agent and Registrar in respect of Australian dollar denominated Exempt Covered Bonds, each as amended and/or supplemented and/or restated or replaced from time to time;
"**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 Seller 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 beginning in the month in which the relevant Calculation Date falls); and (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 or invest in Substitute Assets), (ii) any Cash Capital Contributions and (iii) the proceeds from any sale of Loans pursuant to the terms of the Guarantor LP Agreement or the Mortgage Sale Agreement but excluding any amount of principal received under the Covered Bond Swap Agreement;
"**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 LP including all amounts of interest received on the Guarantor LP Accounts, the Substitute Assets and in the previous Calculation Period but excluding amounts received by the Guarantor LP under the Interest Rate Swap Agreement and in respect of interest received by the Guarantor LP under the Covered Bond Swap Agreement; (c) prior to the service of a Notice to Pay on the Guarantor LP amounts standing to the credit of the Reserve Fund in excess of the Reserve Fund Required Amount; (d) any other Revenue Receipts not referred to in paragraphs (a) to (c) (inclusive) above received during the previous Calculation Period and standing to the credit of the Revenue Ledger; and (e) following the service of a Notice to Pay on the Guarantor LP, amounts standing to the credit of the Reserve Fund; less (f) Third Party Amounts, which shall be paid on receipt in cleared funds to the Seller;
"**Bank**"	Royal Bank of Canada;
"**Bank Account Agreement**"	The bank account agreement entered into on the Programme Establishment Date between the Guarantor LP, the Account Bank, the Cash Manager and the Bond Trustee, as the same may be amended, varied, supplemented, restated or extended from time to time, and, if applicable, unless the context requires otherwise, the Stand-by Bank Account Agreement;
"***Bank Act***"	*Bank Act* (Canada);
"**Banking Day**"	The meaning given in Condition 5.10 on page 125;
"**Base Prospectus**"	The meaning given on the cover page;
"**Base Rate Modification**"	The meaning given in Condition 13.02 on page 151;
"**Base Rate Modification Certificate**"	The meaning given in Condition 13.02 on page 151;
"**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;
"**Belgian Consumer**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 320;
"**Benchmark Amendment**"	The meaning given in "*Taxation*" on page 307;
"Benchmark Replacement"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 156;
"Benchmark Replacement Adjustment"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 156;

"Benchmark Replacement Conforming Changes"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 157;
"Benchmark Replacement Date"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 157;
"**Benchmark Transition Event"**	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 157;
"**Beneficial Owner**"	The meaning given in "*Book-Entry Clearance Systems*" on page 289;
"**BIA**"	The meaning given in *"Risk Factors"* on page 80;
"**Bond Basis**"	The meaning given in Condition 5.10 on page 127;
"**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 to repay such Loan or any part of it;
"**Branch of Account**"	The meaning given in Condition 18.01 on page 167;
"**Bureau Score**"	The meaning given in "*Loan Origination and Lending Criteria*" on page 212;
"Business Centre"	The business centre or centres specified in the applicable Final Terms or Pricing Supplement;
"**Business Day**"	The meaning given in Condition 5.10 on page 125;
"**Business Day Convention**"	The meaning given in Condition 5.10 on page 125;
"**Calculation Agent**"	In relation to all or any Series of the Covered Bonds, the person specified as calculation agent in relation to such Covered Bonds in the applicable Final Terms or Pricing Supplement or, if applicable, any successor to such person in its capacity as such;
"**Calculation Amount**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**Calculation Date**"	The meaning given in Condition 7.01 on page 139;
"**Calculation Period**"	The period from, but excluding, the Calculation Date of the previous month to, and including, the Calculation Date of the month and, for greater certainty, references to the "**immediately preceding calculation period**" or the "**previous calculation period**" are references to the Calculation Period ending on the relevant Calculation Date;
"**Call Centre**"	The meaning given in "*Loan Origination and Lending Criteria*" on page 210;
"**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 134;
"**Call Option Period**"	The meaning given in Condition 6.04 on page 134;
"**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 the relevant Covered Bond Swap Rate relating to such Covered Bond, and (ii) Canadian dollars, the applicable amount in Canadian dollars;
"**Canadian Registrar and Transfer Agent**"	BNY Trust Company of Canada, acting through its offices located at 1 York Street, 6th Floor, Toronto, Ontario, Canada M5J 0B6;
"**Capital Account Ledger**"	The ledger maintained by the Cash Manager on behalf of the Guarantor LP 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 LP 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 LP 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 Contributions in Kind**"	A contribution of Loans and their Related Security on a fully-serviced basis to the Guarantor LP 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 LP for such Loans and their Related Security on that Transfer Date;
"**Capital Distribution**"	Any return on a Partner's Capital Contribution in accordance with the terms of the Guarantor LP Agreement;
"**Capitalized Arrears**"	For any Loan at any date, interest or other amounts which are overdue in respect of that Loan and which as at that date have been added to the Capital Balance of the Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower;
"**Capitalized Expenses**"	In relation to a Loan, the amount of any expense, charge, fee, premium or payment (excluding, however, any Arrears of Interest) capitalized and added to the Capital Balance of that Loan in accordance with the relevant Mortgage Conditions;
"**Capitalized Interest**"	For any Loan at any date, interest which is overdue in respect of that Loan and which as at that date has been added to the Capital Balance of that Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower (excluding for the avoidance of doubt any Arrears of Interest which have not been so capitalized on that date);
"**Cash Capital Contributions**"	A Capital Contribution made in cash;
"**Cash Management Agreement**"	The cash management agreement entered into on the Programme Establishment Date and most recently amended and restated on September 8, 2017, between the Guarantor LP, the Bank in its capacity as the Cash Manager and the Bond Trustee, as the same may be amended, varied, supplemented,

	restated or extended from time to time;
"**Cash Manager**"	Royal Bank of Canada, in its capacity as cash manager under the Cash Management Agreement together with any successor cash manager appointed from time to time;
"**CCAA**"	The meaning given in *"Risk Factors"* on page 80;
"**CDIC**"	Canada Deposit Insurance Corporation, a Canadian Crown corporation;
"**CDS**"	CDS Clearing and Depositary Services Inc.;
"**CGCB**"	The meaning given in Condition 2.07 on page 104;
"**Charged Property**"	The property charged by the Guarantor LP pursuant to the Security Agreement;
"**Clearing Systems**"	DTC, CDS, Euroclear and/or Clearstream;
"**Clearstream**"	Clearstream Banking S.A.;
"**CMHC**"	Canada Mortgage and Housing Corporation;
"**CMP Regulations 2018**"	The meaning given on page 7;
"**Code**"	The meaning given in *"Taxation"* on page 298;
"**Common Depositary**"	The common depositary for Euroclear and Clearstream;
"**Common Safekeeper**"	A common safekeeper for Euroclear and/or Clearstream;
"**Conditions**"	Terms and conditions of the Covered Bonds as described under "*Terms and Conditions of the Covered Bonds*";
"**Contractual Currency**"	The meaning given in Condition 16 on page 166;
"**Corporate Services Agreement**"	The corporate services agreement entered into on the Programme Establishment Date between, *inter alios*, the Corporate Services Provider, the Liquidation GP, the Bank and the Guarantor LP, as the same may be amended, varied, supplemented or restated from time to time;
"**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**"	Corporations Act 2001 of Australia;
"**CORRA**"	The Canadian overnight repo rate average, as published by the Bank of Canada, as the administrator of CORRA (or any successor administrator), on the website of the Bank of Canada or any successor website;
"**Couponholders**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 100;
"**Coupons**"	The meaning given in Condition 1.06 on page 102;
"**Covered Bond**"	Each covered bond issued or to be issued pursuant to the Dealership Agreement and/or which is or is to be constituted under the Trust Deed (including, for greater certainty, N Covered Bonds), which covered bond may be represented by a Global Covered Bond or any Definitive Covered Bond and includes any

	replacements of a Covered Bond issued pursuant to Condition 6.12 and Condition 12 or the relevant Conditions applicable to any N Covered Bond, as applicable;
"**Covered Bond Guarantee**"	A direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and irrevocable guarantee by the Guarantor LP 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, service of an Issuer Acceleration Notice on the Issuer and service of a Notice to Pay on the Guarantor LP; and (ii) a Guarantor LP Event of Default and service of a Guarantor LP Acceleration Notice on the Issuer and the Guarantor LP (and each a "Covered Bond Guarantee Activation Event" as the context requires);
"**Covered Bond Portfolio**"	The portfolio of Loans and their Related Security, acquired by the Guarantor LP pursuant to the terms of the Mortgage Sale Agreement (other than Loans and their Related Security that have been redeemed in full) and each additional New Loan and its Related Security acquired by the Guarantor LP;
"**Covered Bond Swap**"	Each transaction between the Guarantor LP, the relevant Covered Bond Swap Provider and the Bond Trustee pursuant to a Covered Bond Swap Agreement;
"**Covered Bond Swap Agreement**"	The agreement(s) (including any further replacement agreements) entered into between the Guarantor LP and the Covered Bond Swap Provider(s) in the form of an ISDA Master Agreement, as the same may be amended, varied, supplemented, restated or extended from time to time, including a schedule and confirmations in relation to each Tranche or Series of Covered Bonds;
"**Covered Bond Swap Early Termination Event**"	The meaning given in "*Summary of the Principal Documents*" on page 263;
"**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 relating to such Covered Bond or Series of Covered Bonds specified in the applicable Covered Bond Swap, or if the relevant Covered Bond Swap has terminated, the applicable spot rate;
"**Covered Bondholders**"	The holders for the time being of the Covered Bonds;
"**CRS**"	The meaning given in "*Taxation*" on page 295;
"**CSDR**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 319;
"**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;
"**Custodian**"	The meaning given in "*Book-Entry Clearance Systems*" on page 292;
"**Cut-off Date**"	The second Business Day following the Calculation Date preceding a relevant Transfer Date or (in the case of a Product Switch or Further Advance) Guarantor LP Payment Date, as the case may be;
"**Day Count Fraction**"	The meaning given in Condition 5.10 on page 126;
"**DBRS Canada**"	DBRS Limited;
"**Dealers**"	RBC Europe Limited, RBC Capital Markets, LLC 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. References in this document 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**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 311;
"**Demand Loan**"	The meaning given in "*Summary of the Principal Documents*" on page 223;
"**Demand Loan Contingent Amount**"	The meaning given in "*Summary of the Principal Documents*" on page 224;
"**Demand Loan Repayment Event**"	The meaning given in "*Summary of the Principal Documents*" on page 224;
"**Designated Maturity**"	In relation to ISDA Determination, the meaning given in the ISDA Definitions, or, in relation to Screen Rate Determination, the meaning given in Condition 5.06 on page 123;
"**Determination Date**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**Determination Period**"	The meaning given in Condition 5.10 on page 129;
"**Direct Debiting System**"	The meaning given in "*The Servicer*" on page 215;
"**Direct Participants**"	The meaning given in "*Book-Entry Clearance Systems*" on page 289 and includes participants of CDS, as the context requires;
"**Directors**"	The Board of Directors for the time being of the Issuer;
"**Distribution Compliance Period**"	The period that ends 40 days after the completion of the distribution of each Tranche of Covered Bonds, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);
"**Drawdown Prospectus**"	The meaning given in *"Overview of the Programme"* on page 26;
"**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 LP to pay any Guaranteed

	Amounts following the service of a Notice to Pay on the Guarantor LP, (a) prior to the occurrence of a Guarantor LP Event of Default, on: (i) the date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, or, if later, the day which is two London Business Days following service of a Notice to Pay on the Guarantor LP in respect of such Guaranteed Amounts or if the applicable Final Terms or Pricing Supplement specified 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 (ii) in relation to any Guaranteed Amounts in respect of the Final Redemption Amount payable on the Final Maturity Date for a Series of Covered Bonds only, the Extended Due for Payment Date, but only (i) if in respect of the relevant Series of Covered Bonds the Covered Bond Guarantee is subject to an Extended Due for Payment Date pursuant to the terms of the applicable Final Terms or Pricing Supplement and (ii) to the extent that the Guarantor LP has been served a Notice to Pay no later than the date falling one Business Day prior to the Extension Determination Date 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 LP 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 London Business Days after service of such Notice to Pay on the Guarantor LP or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition (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 (b) below; or (b) following the occurrence of a Guarantor LP Event of Default, the date on which a Guarantor LP Acceleration Notice is served on the Issuer and the Guarantor LP;
"**Early Redemption Amount**"	The meaning given in the relevant Final Terms or Pricing Supplement;
"**ECB**"	European Central Bank;
"**EEA**"	The meaning given on page 6;
"**Eligible Loan**"	A Loan which at the time of determination satisfies each of the Eligibility Criteria;

"**Eligibility Criteria**"	The meaning given in "*Summary of the Principal Documents*" on page 226;
"**EMMI**"	European Money Markets Institute;
"**Enforcement Proceeds**"	The meaning given in "*Summary of the Principal Documents*" on page 234;
"**ERISA**"	The meaning given to it in *"Certain Considerations for ERISA and Other Employee Benefit Plans"* on page 309;
"**ERISA Plan**"	The meaning given to it in *"Certain Considerations for ERISA and Other Employee Benefit Plans"* on page 309;
"**ESMA**"	European Securities and Markets Authority;
"**EU**"	European Union;
"**EU BMR**"	The meaning given in "*Risk Factors*" on page 67;
"**EU CRA Regulation**"	Means Regulation (EC) No. 1060/2009, as amended*;*
"**EU Prospectus Regulation**"	The meaning given on the cover page;
"**EURIBOR**"	Euro-zone interbank offered rate;
"**Euro**"	The meaning given in Condition 5.10 on page 129;
"**Eurobond Basis**"	The meaning given in Condition 5.10 on page 127;
"**Euroclear**"	Euroclear Bank S.A/N.V.;
"**Eurodollar Convention**"	The meaning given in Condition 5.10 on page 126;
"**Eurosystem**"	The meaning given in "*Risk Factors*" on page 78;
"**Euro-zone**"	The meaning given in Condition 5.10 on page 129;
"**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 Agent**"	Royal Bank of Canada, in its capacity as exchange agent (which expression shall include any successor exchange agent);
"**Exchange Date**"	The meaning specified in the relevant Final Terms or Pricing Supplement;
"**Exchange Event**"	The meaning given in *"Form of the Covered Bonds*" on page 92;
"**Excluded Holder**"	The meaning given in Condition 18.03 on page 167;
"**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**"	Means Covered Bonds for which no prospectus is required pursuant to the UK Prospectus Regulation or the EU Prospectus Regulation, which includes unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any regulated market (including N Covered Bonds), including Covered Bonds listed on other stock exchanges outside the EEA or the UK;
"**Existing Covered Bonds**"	The Covered Bonds of all Series then outstanding;
"**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 fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of the holders of the Covered Bond 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;
"**FATCA**"	The meaning given in "*Taxation*" on page 298;
"**FATCA Withholding Tax Rules**"	The meaning given in Condition 8.01 on page 143;
"**FCA**"	Financial Conduct Authority in its capacity as competent authority under the *Financial Services and Markets Act 2000*, as amended;
"**FIEA**"	Means the *Financial Instruments and Exchange Act* of Japan (Law No. 25 of 1948, as amended);
"**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 of any Tranche of Covered Bonds as described under *"Terms and Conditions of the Covered Bonds*" and which, with respect to Covered Bonds to be admitted to the Official List and admitted to trading by 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;
"**Fitch Ratings, Inc**"	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 107;
"**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);
"**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 for each Tranche and/or Series of Covered Bonds in the relevant Specified Currency governed by the Interest Rate Swap Agreement incorporating the ISDA Definitions; or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (c) on such other basis as may be agreed between the Issuer and the relevant Dealer(s), as set out in the applicable Final Terms or Pricing Supplement;
"**Floating Rate Option**"	The meaning given in the ISDA Definitions;
"**Following Business Day Convention**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Foreign Financial Institution**" or "**FFI**"	The meaning given in "*Taxation*" on page 307;
"**FRBNY**"	Federal Reserve Bank of New York;
"**FRN Convention**"	The meaning given in Condition 5.10 on page 126;
"**FSMA**"	*Financial Services and Markets Act* 2000, as amended;
"**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 (to the extent maintained) designated as such in the name of the Guarantor LP 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;
"**GDA Provider**"	Royal 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;
"**Guarantee Loan**"	The meaning given in "*Summary of the Principal Documents*" on page 223;
"**Guarantee Priority of Payments**"	The meaning given in Condition 6.01 on page 133;
"**Guaranteed Amounts**"	Prior to the service of a Guarantor LP 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 LP 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 LP under the Trust Deed;
"**Guaranteed Deposit Account Contract**" **or** "**GDC**"	The guaranteed investment contract between the Guarantor LP, the GDA Provider, the Bond Trustee and the Cash Manager entered into on the Programme Establishment Date and most recently amended and restated on July 16, 2024, as the same may be amended, varied, supplemented or restated from time to time;
"**Guarantor LP**"	RBC Covered Bond Guarantor Limited Partnership;
"**Guarantor LP Acceleration Notice**"	The meaning given in Condition 7.02 on page 140;
"**Guarantor LP Accounts**"	The GDA Account, the Transaction Account (to the extent maintained) and any additional or replacement accounts opened in the name of the Guarantor LP, including the Standby GDA Account and the Standby Transaction Account;
"**Guarantor LP Agreement**"	The amended and restated limited partnership agreement in respect of the Guarantor LP entered into on the Programme Establishment Date and most recently amended and restated on September 8, 2017, between the Managing GP, the Liquidation GP and the Bank and any other Parties who accede thereto in accordance with its terms, as the same may be amended, varied, supplemented, restated or extended from time to time;
"**Guarantor LP Event of Default**"	The meaning given in Condition 7.02 on page 140;
"**Guarantor LP Payment Date**"	The 17th day of each month or if not a Business Day the next following Business Day;
"**Guarantor LP Payment Period**"	The period from and including a Guarantor LP Payment Date to but excluding the next following Guarantor LP Payment Date;
"**Guide**"	The Canadian Registered Covered Bond Programs Guide as published by CMHC on June 23, 2017, as the same may be amended, supplemented or replaced from time to time;
"**Guideline B-20**"	The meaning given on page 82;

"**Holder**"	The meaning given in Condition 1.02 on page 101;
"**holders of the Covered Bonds**"	The holders for the time being of the Covered Bonds;
"**HMRC**"	The meaning specified in *"Taxation*" on page 296;
"**HST**"	Goods and services tax or harmonized sales tax payable under Part IX of the *Excise Tax Act* (Canada);
"**ICSD**"	International Central Securities Depositary;
"**Index**"	The meaning specified in the most recently published Investor Report;
"**Index Methodology**"	Means, at any relevant time, the indexation methodology determined by the Issuer and the Guarantor LP that complies with the Guide and is disclosed to Covered Bondholders in the Investor Report immediately preceding such time, and changes to such indexation methodology may only be made 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, and as of the date of this document is the indexation methodology disclosed in this document;
"**Indirect Participants**"	The meaning given in "*Book-Entry Clearance Systems*" on page 289;
"**Initial Advance**"	In respect of any Loan, the original principal amount advanced by the Seller to the relevant Borrower;
"**Initial Swap Provider Downgrade Event Ratings**"	The relevant Swap Provider is assigned a rating or assessment below the following minimums (i) Counterparty Risk Assessment of P-1(cr) short-term and A-2(cr) long-term by Moody's, (ii) Derivative Counterparty Ratings of F1(dcr) short-term and A-(dcr) long-term, or, if Fitch has not then assigned a Derivative Counterparty Rating, issuer default ratings of F1 short-term and A- long-term, in each case by Fitch; (iii) ratings on its unsecured, unsubordinated, and unguaranteed debt obligations of R-1(low) short-term and A long-term by DBRS; provided, for greater certainty, that in each case, only one of such ratings or assessments, as the case may be, from each of Moody's, Fitch and DBRS, respectively, is required to be at or above such ratings or assessments;
"**Insolvency Event**"	In respect of the Seller, the Servicer or the Cash Manager: (a) an order is made or an effective resolution passed for the winding up of the relevant entity; or (b) the relevant entity stops or threatens to stop payment to its creditors generally or the relevant entity ceases or threatens to cease to carry on its business or substantially the whole of its business; or (c) an encumbrancer takes possession or a receiver, administrator, administrative receiver or other similar officer is appointed to the whole or any material part of the undertaking, property and assets of the relevant entity or a distress, diligence or execution is levied or enforced upon or sued out against the whole or any material part of the chattels or property of the

	relevant entity and, in the case of any of the foregoing events, is not discharged within 30 days; or (d) the relevant entity is unable to pay its debts as they fall due, other than where the Seller, Servicer or the Cash Manager is the Issuer;
"**Intercompany Loan Agreement**"	The amended and restated loan agreement initially entered into on the Programme Establishment Date and amended and restated on March 25, 2020, between the Issuer, the Guarantor LP and the Bond Trustee, as the same may be amended, varied, supplemented, restated or extended from time to time;
"**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 5.10 on page 129;
"**Interest Determination Date**"	The meaning given in Condition 5.10 on page 129;
"**Interest Payment Date**"	The meaning given in Condition 5.10 on page 129;
"**Interest Period**"	The meaning given in Condition 5.10 on page 129;
"**Interest Rate Swap Agreement**"	The agreement(s) (including any further replacement agreements) entered into between the Guarantor LP and the Interest Rate Swap Provider(s) in the form of an ISDA Master Agreement, including a schedule and confirmations in relation to each Tranche or Series of Covered Bonds, as the same may be amended, varied, supplemented or restated from time to time;
"**Interest Rate Swap Early Termination Event**"	The meaning given in "*Summary of the Principal Documents*" on page 261;
"**Interest Rate Swap Provider**"	The provider(s) of the Interest Rate Swap under the Interest Rate Swap Agreement;
"**Investor Reports**"	The monthly report made available on the Issuer's website at https://www.rbc.com/investor-relations/covered-bonds.html and made available to the Bond Trustee and the Rating Agencies, detailing, *inter alia*, the results of the Asset Coverage Test and other information require by the Guide;
"**IRS**"	U.S. Internal Revenue Service;
"**ISDA**"	International Swaps and Derivatives Association, Inc.;
"**ISDA Definitions**"	The meaning given in Condition 5.10 on page 130;
"**ISDA Determination**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**ISDA Master Agreement**"	The 2002 Master Agreement, as published by ISDA, as the same may be amended, varied, supplemented, restated or extended from time to time;
"**ISDA Rate**"	The meaning given in Condition 5.04 on page 121;
"**Issue Date**"	Each date on which the Issuer issues Covered Bonds to purchasers of the Covered Bonds;

"**Issue Price**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Issuer**"	Royal Bank of Canada;
"**Issuer Acceleration Notice**"	The meaning given in Condition 7.01 on page 138;
"**Issuer Event of Default**"	The meaning given in Condition 7.01 on page 138;
"**Issuing and Paying Agent**"	The Bank of New York Mellon, London Branch, acting through its offices at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom, in its capacities as issuing and principal paying agent, together with any successor;
"**Latest Valuation**"	In relation to any Property that is security for an Eligible Loan in the Covered Bond Portfolio, the value given to that Property by the most recent valuation addressed to the Seller or obtained from an independently maintained valuation or property risk assessment model, acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market (whether upon origination or renewal of such Eligible Loan or subsequently thereto) or, if not capable of determination in accordance therewith, on the basis of the most recent sale price of the Property;
"**Ledger**"	Each of the Revenue Ledger, the Principal Ledger, the Reserve Ledger and the Capital Account Ledgers;
"**Legended Covered Bonds**"	The meaning given in "*U.S. Information*" on page 3;
"**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;
"**LGP Trust**"	The meaning given in "*Structure Overview*" on page 21;
"**LIBOR**"	London Interbank Offered Rate;
"**Limited Partner**"	Royal Bank of Canada, in its capacity as a limited partner of the Guarantor LP, individually and together with such other person or persons who may from time to time, become limited partner(s) of the Guarantor LP;
"**Liquidation GP**"	6848320 Canada Inc., in its capacity as liquidation general partner of the Guarantor LP together with any successor liquidation general partner;
"**Loan**"	Any mortgage loan, including Canadian first lien residential mortgages and home equity lines of credit referenced by its mortgage 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 mortgage 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 and Related Security 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 PPSA, and the mortgage documentation, Mortgage Deed and other Related Security documents in respect thereof and evidence of paper or electronic registration from the applicable land registry office, land titles office or similar place of public record in which the related Mortgage is registered together with a copy of other evidence, if applicable, of any applicable insurance policies in respect thereof to which the Seller or the Guarantor LP, 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 LP served on the Seller offering to sell Loans and their Related Security for an offer price equal to the greater of the then fair market value of such Loans and the Adjusted Required Redemption Amount;
"**Loan Repurchase Notice**"	A notice from the Guarantor LP to the Seller delivered pursuant to the Mortgage Sale Agreement identifying a Loan or its Related Security in the Covered Bond Portfolio which, as at the relevant Transfer Date, (i) does not comply with the Representations and Warranties set out in the Mortgage Sale Agreement, or (ii) is subject to an adverse claim other than a Permitted Security Interest or arising through the Purchaser, which materially and adversely affects the interest of the Purchaser in such Loan or the value of the affected Loan;
"**London Banking Day**"	A 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;
"**LTV**"	The meaning given in "*Loan Origination and Lending Criteria*" on page 210;
"**LTV Adjusted True Balance**"	The meaning given in "*Summary of the Principal Documents*" on page 246;
"**Main Market**"	The meaning given on the cover page;
"**Managing GP**"	RBC Covered Bond GP Inc., in its capacity as managing general partner of the Guarantor LP together with any successor managing general partner;
"**Market Value**"	In respect of any Property that is security for an Eligible Loan in the Covered Bond Portfolio, means in respect of any such determination prior to June 30, 2014, its Latest Valuation, and in respect of any such determination on or after June 30, 2014, its Latest Valuation adjusted in accordance with the Indexation Methodology;
"**Master Definitions and Construction Agreement**"	The master definitions and construction agreement initially entered into on the Programme Establishment Date and most recently amended and restated on July 16, 2024 between the

	parties to the Transaction Documents (other than the Covered Bondholders), as the same may be amended, varied, supplemented or restated from time to time;
"**Maximum Rate of Interest**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Maximum Redemption Amount**"	The meaning specified in the applicable Final Terms or Pricing Supplement;
"**Member State**"	The meaning given on page 317;
"**MiFID II**"	The meaning given on page 6;
"**MiFID II Product Governance Rules**"	The meaning given on page 6;
"**Minimum Rate of Interest**"	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 given in Condition 5.10 on page 125;
"**Monthly Payment Date**"	In relation to a Loan, the date 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 USA**"	Moody's Investors Service Inc.;
"**Mortgage**"	In respect of any Loan each first fixed charge by way of legal mortgage or hypothecary instrument sold, transferred and assigned by the Seller to the Guarantor LP pursuant to the Mortgage Sale Agreement or the Guarantor LP 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 or instrument, as applicable;
"**Mortgage Sale Agreement**"	The mortgage sale agreement entered into on the Programme Establishment Date between the Seller, the Guarantor LP and the Bond Trustee, as the same may be amended, varied, supplemented or restated from time to time;
"**Mortgage Terms**"	The terms of the applicable Mortgage;
"**N Covered Bond**"	A Registered Covered Bond in definitive form made out in the name of a specified Covered Bondholder issued, or as the case may require, to be issued by the Issuer in accordance with the provisions of any agreement between the Issuer and the Covered Bondholder, the Agency Agreement and the Trust

	Deed, in the form of a German "*Namensschuldverschreibung*" substantially in the form set out in the Trust Deed and registered in the Register maintained by the Registrar;
"**N Covered Bond Agreement**"	The meaning given in the "Form of the Covered Bonds", in this document;
"**N Covered Bond Assignment**"	An assignment agreement substantially in the form attached to the relevant N Covered Bond delivered in accordance with the Conditions in respect of the relevant Series of N Covered Bond;
"**Negative Carry Factor**"	The meaning given in "*Summary of the Principal Documents*" on page 249;
"**New Loan Type**"	A new type of mortgage loan originated or acquired by the Seller, which the Seller intends to transfer to the Guarantor LP, the terms and conditions of which are materially different (in the opinion of the Seller, acting reasonably) from the Loans. For the avoidance of doubt, a mortgage loan will not constitute a New Loan 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 Loans**"	Loans, other than the Loans comprised in the Covered Bond Portfolio, which the Seller may assign or transfer to the Guarantor LP pursuant to the Mortgage Sale Agreement;
"**New Seller**"	Any person that accedes to the relevant Transaction Documents and sells loans and their Related Security to the Guarantor LP in the future;
"**NGCB**"	The meaning given in "*Form of the Covered Bonds*" on page 91;
"**NIBOR**"	Norwegian Interbank Offered Rate;
"**Non-Eligible Loan**"	Any Loan in the Covered Bond Portfolio that is not an Eligible Loan;
"**non-EU CRAs**"	Moody's USA, Fitch Ratings, Inc and DBRS Canada;
"**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 294;
"**NORE**"	Norske Finansielle Referanser AS;
"**Notice to Pay**"	The meaning given in Condition 7.01 on page 139;
"**NSS**"	The New Safekeeping Structure;
"**OECD**"	The meaning given in "*Taxation*" on page 295;
"**Official List**"	Official list of the FCA;
"**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 (a)(i) of the definition of "Due for Payment";
"**OSFI**"	The meaning given in *"Risk Factors"* on page 51;
"**OSFI Covered Bond Limit**"	The meaning given in "*Description of the Canadian Regulated Covered Bond Regime*" on page 287;
"**Outstanding**" or "**outstanding**"	In relation to the Covered Bonds of all or any Series, means all the Outstanding Principal Amount of the Covered Bonds of such Series issued other than: (a) those Covered Bonds which have been redeemed pursuant to the Trust Deed; (b) those Covered Bonds in respect of which the date (including, where applicable, any deferred date) for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Bond Trustee or to the Issuing and Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relative Covered Bondholders in accordance with Condition 14 (*Notices*)) and remain available for payment against presentation of the relevant Covered Bonds and/or Receipts and/or Coupons; (c) those Covered Bonds which have been purchased and cancelled in accordance with Condition 6.08 (*Cancellation of Redeemed and Purchased Covered Bonds*); (d) those Covered Bonds which have become void or in respect of which claims have become prescribed, in each case under Condition 10 (*Prescription*); (e) those mutilated or defaced Covered Bonds which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 12 (*Replacement*); (f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Covered Bonds outstanding and without prejudice to the status for any other purpose of the relevant Covered Bonds) those Covered Bonds which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 12 (*Replacement*); and (g) any Global Covered Bond to the extent that it shall have been exchanged for Definitive Covered Bonds or another Global Covered Bond pursuant to its provisions, the provisions of the Trust Deed and the Agency Agreement; and PROVIDED THAT for each of the following purposes, namely: (i) the right to attend and vote at any meeting of the holders of the Covered Bonds of any Series; (ii) the determination of how many and which Covered Bonds of any Series are for the time being outstanding for the purposes of Clauses 10.1 and 10.2 of the Trust Deed, Condition 7 (*Events of Default*) and 13 (*Meetings of Holders of the Covered Bonds, Modification and Waiver*) and paragraphs 2, 5, 6 and 9 of Schedule 4 to the Trust Deed;

	(iii) any discretion, power or authority (whether contained in the Trust Deed or vested by operation of law) which the Bond Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Covered Bonds of any Series; and (iv) the determination by the Bond Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series, those Covered Bonds of the relevant Series (if any) which are for the time being held by or on behalf of the Issuer or the Guarantor LP, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding;
"**Outstanding Principal Amount**"	The meaning given in Condition 5.10 on page 130;
"**Participant**"	A Direct and/or Indirect Participant;
"**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 LP from time to time, and the successors and assigns of each thing;
"**Paying Agents**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 99;
"**Payment Day**"	The meaning given in Condition 9.12 on page 147;
"**Payment in Kind**"	The meaning given in "*Structure Overview*" on page 17;
"**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 LP in accordance with the terms of the Guarantor LP Agreement;
"**Performing Loan**"	Any Loan in the Covered Bond Portfolio which is not a Non-Performing Loan;
"**Permanent Global Covered Bond**"	The meaning given in "*Form of the Covered Bonds*" on page 91;
"**Plan**"	The meaning given to it in *"Certain Considerations for ERISA and Other Employee Benefit Plans"* on page 309;
"**Post-Enforcement Priority of Payments**"	The meaning given in "*Cashflows*" on page 281;
"**Post Issuer Event of Default Yield Shortfall Test**"	The meaning given in *"Summary of the Principal Documents"* on page 241;
"**Potential Guarantor LP Event of Default**"	The meaning given in Condition 13 on page 164;
"**Potential Issuer Event of Default**"	The meaning given in Condition 13 on page 164;
"**Pre-Acceleration Principal Priority of Payments**"	The meaning given in "*Cashflows*" on page 277;
"**Pre-Acceleration Revenue Priority of Payments**"	The meaning given in "*Cashflows*" on page 275;
"**Preceding Business Day Convention**"	The meaning given in Condition 5.10 on page 126;

"**Pricing Supplement**"	Pricing Supplement of any Tranche of Exempt Covered Bonds as described under "Terms and Conditions of the Covered Bonds" 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 6;
"**Principal Amount Outstanding**"	In respect of a Covered Bond the principal amount of that Covered Bond on the relevant Issue Date thereof less principal amounts received by the relevant holder of the Covered Bonds in respect thereof;
"**Principal Financial Centre**"	The meaning given in Condition 5.10 on page 130;
"**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 LP and/or in the Guarantor LP Accounts;
"**Principal Receipts**"	(a) principal repayments under the Loans (including payments of arrears, Capitalized Interest, Capitalized Expenses and Capitalized Arrears); (b) recoveries of principal from defaulting Borrowers under Loans being enforced (including the proceeds of sale of the relevant Property); (c) any repayments of principal (including payments of arrears, Capitalized Interest, Capitalized Expenses and Capitalized Arrears) received pursuant to any insurance policy 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 LP (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 LP 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; (f) any change in the repayment method of the Loan;
"**Programme**"	€75,000,000,000 global Covered Bond Programme;
"**Programme Establishment Date**"	October 25, 2007;

"**Programme Resolution**"	The meaning given in Condition 13 on page 150;
"**Property**"	A freehold, leasehold or commonhold property which is subject to a Mortgage;
"**Prospectus**"	Means this document;
"**PTCE**"	The meaning given to it in *"Certain Considerations for ERISA and Other Employee Benefit Plans"* on page 309;
"**Purchaser**"	Any third party or the Seller to whom the Guarantor LP offers to sell Loans and their Related Security;
"**Put Notice**"	The meaning given in Condition 6.06 on page 135;
"**Put Option**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**PwC**"	PricewaterhouseCoopers LLP;
"**QIB**"	A "qualified institutional buyer" within the meaning of Rule 144A;
"**Randomly Selected Loans**"	Loans and, if applicable, their Related Security, in the Covered Bond Portfolio, selected on a basis that 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 (i) identifying such Loans and their Related Security as having been acquired by the Guarantor LP from a particular Seller, if applicable; (ii) identifying Non-Performing Loans and their Related Security; (iii) identifying Related Loans and their Shared Security; or (iv) otherwise identifying Loans and their Related Security on a basis that would not (or would not reasonably be expected to) adversely affect the interests of the holders of Covered Bonds;
"**Rating Agency**" or "**Rating Agencies**"	The meaning given in Condition 6.01 on page 133;
"**Rating Agency Confirmation**"	The meaning given in Condition 20 on page 168;
"**Rate of Interest**"	The meaning given in Condition 5.10 on page 130;
"**Rate Option**"	The meaning given in the applicable Final Terms or Pricing Supplement or if not specified in the Final Terms or Pricing Supplement, the ISDA Definitions;
"**RBC Capital Markets**"	RBC Europe Limited and RBC Capital Markets, LLC or either of them, as applicable;
"**Record Date**"	The meaning given in Condition 9.09 on page 146;
"**Redemption Amount**"	The meaning given in Condition 6.09 on page 136;
"**Redemption/Payment Basis**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**Reference Banks**"	The meaning given in Condition 5.10 on page 130;
"**Reference Rate**"	The meaning given in Condition 5.10 on page 130;
"**Reform Act**"	2018 U.S. Economic Growth, Regulatory Relief and Consumer Protection Act;
"**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 99;
"**Registered Global Covered Bonds**"	The Rule 144A Global Covered Bonds together with the Regulation S Global Covered Bonds;
"**Registrar**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 99;
"**Registration Document**"	The meaning given in "*Documents Incorporated by Reference*" on page 86;
"**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 316;
"**Regulation S Global Covered Bond**"	The meaning given in "*Form of the Covered Bonds*" on page 93;
"**Regulations**"	The meaning given in "*Taxation*" on page 294;
"**Regulatory OC Minimum**"	The meaning given in "*Description of the Canadian Regulated Covered Bond Regime"* on page 286;
"**Regulatory OC Minimum Calculation**"	The meaning given in "*Summary of the Principal Documents*" on page 251;
"**Related Loans**"	The meaning given in "*Summary of the Principal Documents*" on page 234;
"**Related Security**"	In relation to a Loan, the security for the repayment of that Loan including the relevant Mortgage, any guarantees and any security relating to any such guarantee and all other matters applicable thereto acquired as part of the Covered Bond Portfolio;
"**Relevant Account Holder**"	The meaning given in Condition 1.02 on page 101;
"**Relevant Banking Day**"	The meaning given in Condition 2.07 on page 104;
"**Relevant Date**"	The meaning given in Condition 8.02 on page 143;
"**Relevant Jurisdiction**"	The meaning given in Condition 18.03 on page 167;
"**Relevant Screen Page**"	The meaning given in the applicable Final Terms or Pricing Supplement;
"**Relevant Time**"	The meaning given in Condition 5.10 on page 131;
"**Replacement Agent**"	The meaning given in Condition 12 on page 149;
"**Representations and Warranties**"	The representations and warranties of the Seller set out in the Mortgage Sale Agreement;
"**Requesting Party**"	The meaning given in Condition 20 on page 168;
"**Required Redemption Amount**"	The meaning given in "*Summary of the Principal Documents*" on page 255;
"**Reserve Fund**"	The reserve fund that the Guarantor LP will be required to establish in the GDA Account which will be credited with part of an advance from the proceeds of the Intercompany Loan (in the

	Guarantor LP's discretion) 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 is assigned a rating or assessment below the following minimums (x) a Counterparty Risk Assessment of P-1(cr) by Moody's, (y) deposit ratings below of F1 short-term and A- long-term or, if Fitch has not then assigned a deposit rating, issuer default ratings of F1 short-term and A- long-term, in each case by Fitch; or (z) ratings on its unsecured, unsubordinated, and unguaranteed debt obligations of R-1(mid) short-term and A(low) long-term by DBRS; provided, for greater certainty, that in the case of (y) and (z), only one of such ratings from each of Fitch and DBRS, respectively, is required to be at or above such ratings (the "**Reserve Fund Required Amount Ratings**"), and then, for so long as such ratings are below the Reserve Fund Required Amount Ratings, an amount equal to the Canadian Dollar Equivalent of scheduled interest due on any 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 Fund Required Amount Ratings**"	The meaning given in the definition of "Reserve Fund Required Amount";
"**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 Revenue Receipts to the Reserve Fund and the debiting of such Reserve Fund in accordance with the terms of the Guarantor LP Agreement;
"**Reset Date**"	The meaning given in the ISDA Definitions;
"**Retained Loans**"	The meaning given in "*Summary of the Principal Documents*" on page 234;
"**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 LP and/or in the Guarantor LP Accounts;
"**Revenue Receipts**"	(a) payments of interest (including Accrued Interest and Arrears of Interest as at the relevant Transfer Date of a Loan) and other fees due from time to time under the Loans and other amounts received by the Guarantor LP in respect of the Loans other than the Principal Receipts; (b) recoveries of interest from defaulting Borrowers under Loans being enforced; and (c) recoveries of interest and/or principal 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 "*Form of the Covered Bonds*" on page 93;
"**S&P Europe**"	S&P Global Ratings Europe Limited;

"**S&P USA**"	Standard & Poor's Financial Services LLC;
"**SARON**"	The meaning given on the cover page or in "*Terms and Conditions of the Covered Bonds*" on page 119, as the context requires;
"**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 LP Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their 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 Final 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 LP Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their maturity date and, if the Final Terms or Pricing Supplement specifies that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the Final Maturity Date of the Covered Bonds had been the Extended Due for Payment Date;
"**Screen Rate Determination**"	If specified as applicable in the applicable Final Terms or Pricing Supplement, the manner in which the Rate of Interest on Floating Rate Covered Bonds will be determined in accordance with Condition 5.03 (Interest on Floating Rate Covered Bonds) of the Conditions;
"**SEC**"	U.S. Securities and Exchange Commission;
"**Second Quarter 2024 MD&A**"	The meaning given in "*Documents Incorporated by Reference*" on page 87;

"**Second Quarter 2024 Report to Shareholders**"	The meaning given in "*Documents Incorporated by Reference*" on page 87;
"**Second Quarter 2024 Unaudited Interim Condensed Consolidated Financial Statements**"	The meaning given in "*Documents Incorporated by Reference*" on page 87;
"**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 Couponholders, the Issuer, the Seller, the Servicer, the Account Bank, the GDA Provider, the Stand-by Account Bank, the Stand-by GDA Provider, the Cash Manager, the Swap Providers, the Corporate Services Provider, the Paying Agents and any other person which becomes a Secured Creditor pursuant to the Security Agreement except, pursuant to the terms of the Guarantor LP Agreement, to the extent and for so long as such person is a Limited Partner;
"***Securities Act***"	U.S. *Securities Act of 1933*, as amended;
"**Security**"	The meaning given in "*Summary of the Principal Documents*" on page 267;
"**Security Agreement**"	The Security Agreement entered into on the Programme Establishment Date between the Guarantor LP, the Bond Trustee and certain other Secured Creditors, as the same may be amended, varied, supplemented or restated from time to time;
"**Seller**"	Royal Bank of Canada, any New Seller, or other Limited Partner, 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 LP;
"**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;
"**Series**"	Series as described under *"Terms and Conditions of the Covered Bonds*" means 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 and, notwithstanding the foregoing, means in the case of N Covered Bonds, each N Covered Bond made out in the name of a specific Covered Bondholder;
"**Series Reserved Matter**"	The meaning given to it in Condition 13 on page 164;
"**Service Provider Exemption**"	The meaning given to it in *"Certain Considerations for ERISA and Other Employee Benefit Plans"* on page 309;
"**Servicer**"	Royal Bank of Canada, 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 241;
"**Servicer Termination Event**"	The meaning given in "*Summary of the Principal Documents*" on page 241;

"**Servicing Agreement**"	The servicing agreement entered into on the Programme Establishment Date between the Guarantor LP, the Servicer and the Bond Trustee, as the same may be amended, varied, supplemented or restated from time to time;
"**SFA**"	The meaning given on page 172;
"**SOFR**"	The meaning given on the cover page or in "*Terms and Conditions of the Covered Bonds*" on page 113, as the context requires;
"**SONIA**"	The meaning given on the cover page or in "*Terms and Conditions of the Covered Bonds*" on page 108, as the context requires;
"**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;
"**Standby Account Bank**"	Bank of Montreal, acting through its Toronto branch at 100 King Street West, 1 First Canadian Place, Toronto, Ontario, Canada M5J 2Y1, 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 265;
"**Standby Account Bank Ratings**"	The meaning given in "*Summary of the Principal Documents*" on page 266;
"**Standby Bank Account Agreement**"	The standby bank account agreement entered into on the Programme Establishment Date and most recently amended and restated on September 8, 2017, between the Guarantor LP, the Standby Account Bank, the Standby GDA Provider, the Cash Manager and the Bond Trustee, as the same may be amended, varied, supplemented or restated from time to time;
"**Standby GDA Account**"	The meaning given in "*Summary of the Principal Documents*" on page 265;
"**Standby GDA Provider**"	Bank of Montreal, acting through its Toronto branch at 100 King Street West, 1 First Canadian Place, Toronto, Ontario, Canada M5J 2Y1, 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 standby guaranteed investment contract entered into on the Programme Establishment Date and most recently amended

	and restated on July 16, 2024, between the Standby Account Bank, the Standby GDA Provider, the Guarantor LP, the Cash Manager and the Bond Trustee, as the same may be amended, varied, supplemented or restated from time to time;
"**Standby Transaction Account**"	The meaning given in "*Summary of the Principal Documents*" on page 265;
"**Subsequent Swap Provider Downgrade Event Ratings**"	The relevant Swap Provider is assigned a rating or assessment below the following minimums (i) Counterparty Risk Assessment of P-2(cr) short-term and A-3(cr) long-term by Moody's; (ii) Derivative Counterparty Ratings of F2(dcr) short-term and BBB+(dcr) long-term, or, if Fitch has not then assigned a Derivative Counterparty Rating to the Swap Provider, issuer default ratings of F2 short-term and BBB+ long-term, in each case by Fitch; or (iii) ratings on its unsecured, unsubordinated, and unguaranteed debt obligations of R-2(middle) short-term and BBB long-term by DBRS; provided, for greater certainty, that in each case, only one of such ratings or assessments, as the case may be, from each of Moody's, Fitch and DBRS, respectively, is required to be at or above such ratings or assessments;
"**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 as substitute assets under the Guide, including securities issued by the Government of Canada, repos of Government of Canada securities having terms acceptable to CMHC and sums derived from Government of Canada securities or repos of Government of Canada securities;
"**Superintendent**"	The meaning given in "*Risk Factors*" on page 79;
"**Swap Agreements**"	The Covered Bond Swap Agreement together with the Interest Swap Agreement, as the same may be amended, varied, supplemented or restated from time to time, 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 LP as collateral to secure 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 LP 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 Event Ratings**"	Collectively means the Initial Swap Provider Downgrade Event Ratings and the Subsequent Swap Provider Downgrade Event Ratings;

"**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 Swap Provider, and each a "**Swap Provider**";
"**T2 Business Day**"	The meaning given in Condition 5.10 on page 131;
"**Talon**"	The meaning given in Condition 1.06 on page 102;
"Tax Proposals"	The meaning given in "*Taxation*" on page 294;
"**Taxes**"	The meaning given in Condition 18 on page 167;
"**TEFRA**"	*United States 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, with 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, with 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 91;
"**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 LP; which amounts may be paid daily from moneys on deposit in the Guarantor LP Accounts or the proceeds of the sale of Substitute Assets;
"**Total Assets**"	The meaning given in *"Description of the Canadian Regulated Covered Bond Regime"* on page 288;

"**Total Credit Commitment**"	The combined aggregate amount available to be drawn by the Guarantor LP 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 $165,000,000,000 as of the date of this Prospectus;
"**Tranche**" **or** "**Tranches**"	Means all Covered Bonds which are identical in all respects (including as to listing), and shall, where the context so requires, be deemed to refer to a Series of N Covered Bonds, provided that for greater certainty, N Covered Bonds are only issuable in Series;
"**Transaction Account**"	The account (to the extent maintained) designated as such in the name of the Guarantor LP 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**"	Means, collectively: (a) Mortgage Sale Agreement; (b) Servicing Agreement; (c) Asset Monitor Agreement; (d) Intercompany Loan Agreement; (e) Guarantor LP Agreement; (f) Cash Management Agreement; (g) Interest Rate Swap Agreement; (h) Covered Bond Swap Agreement; (i) Guaranteed Deposit Account Contract; (j) Bank Account Agreement; (k) Standby Guaranteed Deposit Account Contract; (l) Standby Bank Account Agreement; (m) Corporate Services Agreement; (n) Security Agreement and any other Security Documents; (o) Trust Deed; (p) Agency Agreement; (q) Dealership Agreement; (r) U.S. Underwriting Agreement; (s) Custodial Agreement; (t) each set of Final Terms (as applicable in the case of each Tranche of listed Covered Bonds subscribed pursuant to a subscription agreement; (u) each Pricing Supplement; (v) each subscription agreement (as applicable in the case of each Tranche of listed Covered Bonds subscribed pursuant to a subscription agreement); (w) Master Definitions and Construction Agreement; and (x) Security Sharing Agreement;
"**Transfer Agent**"	The Bank of New York Mellon, London Branch, acting through its offices located at 160 Queen Victoria Street, London EC4V

	4LA, England as Transfer Agent together with any successor;
"**Transfer Certificate**"	The meaning given in Condition 2.09 on page 105;
"**Transfer Date**"	Each date of transfer of any New Loans and their Related Security to the Guarantor LP in accordance with the Mortgage Sale Agreement;
"**Trigger Event Date**"	The date (a) the Covered Bond Swap Provider is assigned a rating or assessment below the following minimums (A) a Counterparty Risk Assessment of Baa1(cr) long-term by Moody's; (B) a Derivative Counterparty Rating of BBB+(dcr) long-term or, if Fitch has not then assigned a Derivative Counterparty Rating to the Covered Bond Swap Provider, an issuer default rating of BBB+ long-term, in each case by Fitch; or (C) a rating in respect of its long-term unsecured, unsubordinated and unguaranteed debt obligations of BBB(high) by DBRS; or (b) an Issuer Event of Default occurs, unless, in each case, other than in the case of an Issuer Event of Default that is a pending or actual insolvency, the Guarantor LP (x) has Loans and their Related Security or Substitute Assets having, in the aggregate, a LTV Adjusted True Balance or being in a principal amount, respectively, that exceeds the amount of assets required to meet the Asset Coverage Test and/or Amortization Test, as applicable, by the amount of the mark-to-market exposure of the Covered Bond Swap Provider in respect of the Covered Bond Swap Agreement that would exist if cashflows were being exchanged under the Covered Bond Swap Agreement, while such circumstances exist, and (y) the Bank has notified the Guarantor LP within ten (10) Business Days following such event that the amount of the Demand Loan will be reduced by the amount of such assets for the duration of such period;
"**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 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 Business Day immediately preceding that given date and excluding any retentions made but not released and any Additional Loan Advances committed to be made but not made by the end of the Business Day immediately preceding that given date;
"**Trust Deed**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 98;
"**Trustee Expenses**"	The meaning given in "*Summary of the Principal Documents*" on page 220;
"**UK BMR**"	The meaning given on the cover page;
"**UK Prospectus Regulation**"	The meaning given on the cover page;
"**U.S. Paying Agent**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 98;
"**U.S. Registrar**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 98;
"**U.S. Underwriting Agreement**"	The U.S. Underwriting Agreement governed by the laws of the state of New York and entered into in respect of issuances of covered bonds under the Programme which are registered with the SEC;
"**U.S. Volcker Rule**"	§ 619 (12 U.S.C. § 1851) of the U.S. *Dodd–Frank Wall Street Reform and Consumer Protection Act*;
"**Valuation Calculation**"	The meaning given in "*Summary of the Principal Documents*" on page 251;
"**WURA**"	The meaning given in *"Risk Factors"* on page 80; and
"**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.

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