

**AMENDED AND RESTATED  
TRUST DEED**

**RELATING TO A**

**CAD 40 BILLION**

**GLOBAL COVERED BOND PROGRAMME**

**DATED JULY 14, 2016**

**THE TORONTO-DOMINION BANK**  
**as Issuer**

**and**

**TD COVERED BOND (LEGISLATIVE) GUARANTOR  
LIMITED PARTNERSHIP**  
**as Guarantor**

**and**

**COMPUTERSHARE TRUST COMPANY OF CANADA**  
**as Bond Trustee**

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**THIS AMENDED AND RESTATED TRUST DEED** was made on June 25, 2014, as amended, and is amended and restated as of July 14, 2016

**BETWEEN:**

- (1) **The Toronto-Dominion Bank**, a Canadian chartered bank having its executive offices at 66 Wellington Street West, P.O. Box 1, TD Bank Tower, Toronto, Ontario, Canada M5K 1A2 (the “**Issuer**”);
- (2) **TD Covered Bond (Legislative) Guarantor Limited Partnership**, a limited partnership constituted under the *Limited Partnerships Act* (Ontario) and having its principal place of business at 66 Wellington Street West, 21<sup>st</sup> Floor, TD Bank Tower, Toronto, Ontario, Canada M5K 1A2 herein represented by its managing general partner, **TD Covered Bond (Legislative) GP Inc.** (the “**Guarantor**”);
- (3) **Computershare Trust Company of Canada**, a company incorporated under the laws of Canada, whose registered office is at 100 University Avenue, 11th Floor, Toronto, Ontario, Canada M5J 2Y1 (in its capacity as the Bond Trustee for the Covered Bondholders, the Receiptholders and the Couponholders, the “**Bond Trustee**” which expressions shall, wherever the context so admits, include such company and all other persons or companies for the time being the bond trustee or bond trustees) as bond trustee for the Covered Bondholders, the Receiptholders and the Couponholders.

**WHEREAS:**

- (1) The Issuer has established a Programme pursuant to which the Issuer may from time to time issue Covered Bonds as set out herein. Covered Bonds up to a maximum nominal amount (calculated in accordance with Section 2 of the Dealership Agreement) from time to time outstanding of 40 billion CAD Dollars (subject to increase as provided in the Dealership Agreement) (the “**Programme Limit**”) may be issued pursuant to the Programme.
- (2) By a resolution of the Board of Directors of TD Covered Bond (Legislative) GP Inc. in its capacity as managing general partner of the Guarantor passed on June 13, 2014 the Guarantor has resolved to guarantee all Covered Bonds issued under the said Programme and all other amounts payable by the Issuer hereunder in the circumstances described herein.
- (3) The Bond Trustee has agreed to act as bond trustee for the benefit of the Covered Bondholders, the Receiptholders and the Couponholders upon and subject to the terms and conditions of a trust deed dated June 25, 2014, as amended pursuant to (i) an amending agreement to trust deed dated January 8, 2015, and (ii) a second amending agreement to trust deed dated July 14, 2015 (the “**2014 Trust Deed**”).
- (4) In connection with the renewal of the Programme on or about July 14, 2016, the parties to the 2014 Trust Deed wish to amend and restate the 2014 Trust Deed in its entirety by entering into this Agreement, and the Bond Trustee has agreed to act as bond trustee for

the benefit of the Covered Bondholders, the Receiptholders and the Couponholders upon and subject to the terms and conditions of this Agreement.

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

**1. Definitions and Interpretations**

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

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

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

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

- 1.2 (a) All references herein to principal and/or principal amount and/or interest in respect of the Covered Bonds or to any moneys payable by the Issuer or the Guarantor hereunder shall, unless the context otherwise requires, be construed in accordance with Condition 8.04.
- (b) All references herein to any statute or any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such modification or re-enactment.
- (c) All references herein to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than the Province of Ontario, Canada, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to herein.
- (d) All references herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits (but not in the case of any NGCB), be deemed to include references to any additional or alternative clearing system as is approved by the Issuer, the Issuing and Paying Agent and the Bond Trustee or as may otherwise be specified in the applicable Final Terms.
- (e) Unless the context otherwise requires words or expressions used in the trust presents shall bear the same meanings as in the *Bank Act* (Canada).
- (f) In this Trust Deed references to Schedules, Clauses, paragraphs and sub paragraphs shall be construed as references to the Schedules to this Trust Deed and to the Clauses, paragraphs and sub paragraphs of this Trust Deed respectively.

- (g) Wherever in these presents there is a requirement for the consent of, or a request from, the Covered Bondholders, then, for so long as any of the Registered Covered Bonds is represented by a Registered Global Covered Bond registered in the name of DTC or its nominee, DTC may mail an Omnibus Proxy to the Issuer in accordance with and in the form used by DTC as part of its usual procedures from time to time. Such Omnibus Proxy shall assign the right to give such consent or, as the case may be, make such request to DTC's direct participants as of the record date specified therein and any such assignee participant may give the relevant consent or, as the case may be, make the relevant request in accordance with these presents.
- (h) In this Trust Deed tables of contents and Clause headings are included for ease of reference and shall not affect the construction hereof.
- 1.3 The Amended and Restated Master Definitions and Construction Agreement made between, *inter alios*, the parties to this Trust Deed on July 14, 2016 (as the same may be amended, varied or supplemented from time to time with the consent of the parties thereto) is expressly and specifically incorporated into this Trust Deed and, accordingly, the expressions defined in the Master Definitions and Construction Agreement (as so amended, varied or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Trust Deed, including the recitals hereto and this Trust Deed shall be construed in accordance with the interpretation provisions set out in Clause 2 of the Master Definitions and Construction Agreement. In the event of inconsistency between the Master Definitions and Construction Agreement and this Trust Deed, this Trust Deed shall prevail.
- 1.4 All references herein to the “**relevant currency**” shall be construed as references to the currency in which payments in respect of the Covered Bonds, Receipts and/or Coupons of the relevant Series are to be made as indicated in the applicable Final Terms.
- 1.5 All references herein to Covered Bonds having a “listing” or being “listed” on a Stock Exchange shall (i) in relation to the London Stock Exchange, be construed to mean that such Covered Bonds have been admitted to the Official List by the UK Listing Authority and admitted to trading on the London Stock Exchange's market for listed securities or (ii) in relation to any Stock Exchange in the EEA, be construed to mean that such Covered Bonds have been admitted to trading on a market which is a regulated market for purposes of Directive 2004/39/EC or (iii) to any other Stock Exchange, be construed to mean that the Covered Bonds have been listed on that Stock Exchange and/or to trading on the relevant market, as the case may be, and all references in the trust presents to “listing” and “listed” shall include references to “quotation” and “quoted” respectively.
- 1.6 This Agreement amends and restates the 2014 Trust Deed in respect of all Covered Bonds issued under the Programme on or after the date hereof (other than any such Covered Bonds issued so as to be consolidated and form a single Series with any Covered Bonds issued prior to the date hereof). This amendment and restatement does not affect any Covered Bonds issued under the Programme prior to the date of this Agreement or any Covered Bonds issued under the Programme after the date of this Agreement which

are to be consolidated and form a single Series with any Covered Bonds issued prior to the date of this Agreement.

## **2. Amount and Issue of the Covered Bonds**

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

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

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

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

In accordance with Section 314(b) of the Trust Indenture Act, the Issuer and the Guarantor shall, (A) promptly upon the execution and delivery of this Trust Deed and thereafter (B) and for so long as U.S. Registered Covered Bonds are outstanding within three months after the anniversary of such initial opinion, furnish to the Bond Trustee an opinion of counsel stating in the opinion of such counsel, appropriate steps have been taken to protect the title of the Bond Trustee to the Security and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary.

### **2.2 Covenant to Repay Principal and to Pay Interest:**

The Issuer covenants with the Bond Trustee that it shall, as and when the Covered Bonds of any Series or any of them or any instalment of principal in respect thereof becomes due to be redeemed, or on such earlier date as the same or any part thereof may become due and repayable thereunder, in accordance with the Conditions, unconditionally pay or



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

- (a) except for Excess Proceeds, every payment (whether by the Issuer or the Guarantor) of principal or interest or other sum due in respect of the Covered Bonds made to or to the order of the applicable Paying Agent in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the relative covenant by the Issuer contained in this Clause or (as the case may be) by the Guarantor under the Guarantee in relation to the Covered Bonds of such Series except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Covered Bondholders, Receipholders or Couponholders (as the case may be);
- (b) every payment of Excess Proceeds in accordance with the Conditions and Clause 11.2 to or to the order of the Bond Trustee shall be in satisfaction (for the benefit of the Issuer only and not the Guarantor) *pro tanto* of the relative covenant by the Issuer in this Clause contained in respect of the Excess Proceeds which are due and payable in relation to the Covered Bonds of such Series (but as provided in Clause 11.2, shall not do so for the purposes of the subrogation rights of the Guarantor contemplated by Clause 7.8 and shall not reduce or discharge any obligations of the Guarantor);
- (c) in the case of any payment of principal which is not made to the Bond Trustee or the applicable Paying Agent on or before the due date or which is made on or after accelerated maturity following an Issuer Event of Default or Guarantor Event of Default, interest shall continue to accrue on the Principal Amount Outstanding of the relevant Covered Bonds (except in the case of Zero Coupon Covered Bonds to which the provisions of Condition 5.10 shall apply) (both before and after any demand, maturity, decree, judgment or other order of a court of competent jurisdiction) at the rates aforesaid up to and including the date which the Bond Trustee determines in its absolute discretion to be the date on and after which payment is to be made in respect thereof as stated in a notice given to the holders of such Covered Bonds (such date to be not later than 14 days after the day on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Bond Trustee or the applicable Paying Agent); and

- (d) in any case where payment of the whole or any part of the principal amount of any Covered Bond is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by (c) above) interest shall accrue on the Principal Amount Outstanding of such Covered Bond (except in the case of Zero Coupon Covered Bonds to which the provisions of Condition 5.10 shall apply) payment of which has been so withheld or refused (both before and after any decree, judgment or other order of a court of competent jurisdiction) at the rates aforesaid from the date of such withholding or refusal until the date on which, upon further presentation of the relevant Covered Bond (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Covered Bond is not required as a precondition of payment), the seventh day after the date on which the applicable Paying Agent having received the funds required to make such payment, notice is given to the relevant Covered Bondholder(s) in accordance with Condition 14 (*Notices*) that the applicable Paying Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Covered Bondholder(s)).

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

### 2.3 **Bond Trustee's Requirements Regarding Paying Agents etc:**

- (a) At any time after an Issuer Event of Default or Potential Issuer Event of Default shall have occurred and is continuing or the Bond Trustee shall have received any money from the Issuer which it proposes to pay under Clause 11 to the relevant Covered Bondholders, Receiptholders and/or Couponholders, the Bond Trustee may:
- (i) by notice in writing to the Issuer, the Guarantor, the Issuing and Paying Agent and the other Agents require the Issuing and Paying Agent and the other Agents pursuant to the Agency Agreement (A) to act thereafter as Issuing and Paying Agent and other Agents respectively of the Bond Trustee in relation to payments of such moneys to be made by or on behalf of the Bond Trustee under the terms hereof *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out of pocket expenses of the Issuing and Paying Agent and the other Agents shall be limited to the amounts for the time being held by the Bond Trustee on the trusts hereof relating to the Covered Bonds of the relevant Series and available for such purpose) and thereafter to hold all Covered Bonds, Receipts and Coupons and all sums, documents and records held by them in respect of Covered Bonds, Receipts and Coupons on behalf of the Bond Trustee, or (B) to deliver up all Covered Bonds, Receipts and Coupons and all sums, documents and records held by them in respect of the Covered Bonds, Receipts and Coupons to the Bond Trustee or as the Bond Trustee shall direct in such notice provided that

such notice shall be deemed not to apply to any documents or records which the Issuing and Paying Agent and/or the other Agents is/are obliged not to release by any law or regulation; or

- (ii) by notice in writing to the Issuer require it (but not the Guarantor) to make all subsequent payments in respect of the Covered Bonds, Receipts and Coupons to or to the order of the Bond Trustee and not to the Issuing and Paying Agent and with effect from the issue of any such notice to the Issuer and until such notice is withdrawn proviso (a) to Clause 2.2 relating to the Covered Bonds shall cease to have effect in respect of the Issuer.
- (b) At any time after a Guarantor Event of Default or Potential Guarantor Event of Default shall have occurred and is continuing or the Bond Trustee shall have received any money from the Guarantor which it proposes to pay under Clause 11 to the relevant Covered Bondholders, Receiptholders and/or Couponholders, the Bond Trustee may:
- (i) by notice in writing to the Issuer, the Guarantor, the Issuing and Paying Agent and the other Agents require the Issuing and Paying Agent and the other Agents pursuant to the Agency Agreement (A) to act thereafter as Issuing and Paying Agent and other Agents respectively of the Bond Trustee in relation to payments of such moneys to be made by or on behalf of the Bond Trustee under the terms hereof *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out of pocket expenses of the Issuing and Paying Agent and the other Agents shall be limited to the amounts for the time being held by the Bond Trustee on the trusts hereof relating to the Covered Bonds of the relevant Series and available for such purpose) and thereafter to hold all Covered Bonds, Receipts and Coupons and all sums, documents and records held by them in respect of Covered Bonds, Receipts and Coupons on behalf of the Bond Trustee, or (B) to deliver up all Covered Bonds, Receipts and Coupons and all sums, documents and records held by them in respect of the Covered Bonds, Receipts and Coupons to the Bond Trustee or as the Bond Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the Issuing and Paying Agent and/or the other Agents is/are obliged not to release by any law or regulation; or
  - (ii) by notice in writing to the Guarantor require it to make all subsequent payments in respect of the Covered Bonds, Receipts and Coupons to or to the order of the Bond Trustee and not to the Issuing and Paying Agent and with effect from the issue of any such notice to the Guarantor and until such notice is withdrawn proviso (a) to Clause 2.2 relating to the Covered Bonds shall cease to have effect.

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

2.5 **Currency of payments:**

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

2.6 **Further Covered Bonds:**

The Issuer shall be at liberty from time to time (but subject always to the provisions hereof) without the consent of the Covered Bondholders, Receiptholders or Couponholders to create and issue further Covered Bonds having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single series with the outstanding Covered Bonds of such Series.

2.7 **Separate Series:**

Subject to the provisions of the next sentence, the Covered Bonds of each Series shall form a separate Series of Covered Bonds and accordingly, unless for any purpose the Bond Trustee in its absolute discretion shall otherwise determine, the provisions of this sentence and of Clauses 3 to 23 (both inclusive) and Schedule 3 and Schedule 4 shall apply *mutatis mutandis* separately and independently to the Covered Bonds of each Series. However, for the purposes of this Clause 2.7, Condition 7 (*Events of Default*) (insofar as it relates to a Programme Resolution) Condition 13 (*Meetings of Holders of Covered Bonds, Modification and Waiver*), Clauses 18(n), 24 and 26 and 10.1 and (insofar as it relates to Condition 7 (*Events of Default*) or to a Programme Resolution or Clauses 10.1, 24 or 26) Schedule 4, the Covered Bonds shall be deemed to constitute a single Series and the provisions of such Conditions and Clause shall apply to all the Covered Bonds together as if they constituted a single Series. In such Clauses and Schedule the expressions **Covered Bonds, Covered Bondholders, Receipts, Receiptholders, Coupons, Couponholders, Talons and Talonholders** shall be construed accordingly.

3. **Forms of the Covered Bonds**

3.1 **Bearer Global Covered Bonds:**

- (a) The Bearer Covered Bonds of each Tranche will initially be represented by a single Temporary Global Covered Bond or a single Permanent Global Covered

Bond, as indicated in the applicable Final Terms. Each Temporary Global Covered Bond shall be exchangeable, upon a request as described therein, for either Bearer Definitive Covered Bonds together with, where applicable, Receipts and (except in the case of Zero Coupon Covered Bonds) Coupons and, where applicable, Talons attached, or a Permanent Global Covered Bond in each case in accordance with the provisions of such Temporary Global Covered Bond. Each Permanent Global Covered Bond shall be exchangeable for Bearer Definitive Covered Bonds together with, where applicable, Receipts and (except in the case of Zero Coupon Covered Bonds) Coupons and, where applicable, Talons attached, in accordance with the provisions of such Permanent Global Covered Bond. All Bearer Global Covered Bonds shall be prepared, completed and delivered to a common depository (in the case of a CGCB) or a Common Safekeeper (in the case of a NGCB) for Euroclear and Clearstream, Luxembourg in accordance with the provisions of the Dealership Agreement or to another appropriate depository in accordance with any other agreement between the Issuer and the relevant Dealer(s) and, in each case, the Agency Agreement.

- (b) Each Temporary Global Covered Bond shall be printed or typed in the form or substantially in the form set out in Part 1 of Schedule 2 and may be a facsimile. Each Temporary Global Covered Bond shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by a person duly authorized by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Issuing and Paying Agent and shall, in the case of NGCB, be effectuated by the Common Safekeeper acting on instructions of the Issuing and Paying Agent. Each Temporary Global Covered Bond so executed and authenticated shall be binding and valid obligations of the Issuer and the Guarantee in respect thereof shall be binding and valid obligations of the Guarantor and title to such Temporary Global Covered Bond shall pass by delivery.
- (c) Each Permanent Global Covered Bond shall be printed or typed in the form or substantially in the form set out in Part 2 of Schedule 2 and may be a facsimile. Each Permanent Global Covered Bond shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by a person duly authorized by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Issuing and Paying Agent and shall, in the case of NGCB, be effectuated by the Common Safekeeper acting on instructions of the Issuing and Paying Agent. Each Permanent Global Covered Bond so executed and authenticated shall be a binding and valid obligation of the Issuer and the Guarantee in respect thereof shall be a binding and valid obligation of the Guarantor and title to such Permanent Global Covered Bond shall pass by delivery.

### 3.2 **Registered Global Covered Bonds:**

- (a) Subject as provided below, Registered Covered Bonds of a Tranche that are initially offered and sold in the United States in reliance on Rule 144A under the

Securities Act shall be represented by a Rule 144A Global Covered Bond and Registered Covered Bonds of a Series that are initially offered and sold in offshore transactions in reliance on Regulation S under the Securities Act shall be represented by a Regulation S Global Covered Bond. Registered Covered Bonds issued pursuant to the U.S. Registration Statement shall be represented by a U.S. Registered Global Covered Bond. Registered Global Covered Bonds will either be deposited with (i) a custodian for, and registered in the name of a nominee of, DTC or (ii) a common depository or common safekeeper, as the case may be, for, and registered in the name of a nominee for a common depository or common safekeeper, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms.

- (b) Registered Global Covered Bonds shall be exchangeable and transferable only in accordance with, and subject to, the provisions of the Registered Global Covered Bonds and the Agency Agreement and the rules and operating procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, including the requirement that all Registered Definitive Covered Bonds issued in exchange for a Legended Covered Bond shall bear a legend in the same form *mutatis mutandis* as that set out in the Rule 144A Global Covered Bond.
- (c) Each Registered Global Covered Bond shall be printed or typed in the form or substantially in the form set out in Part 1, Part 2, Part 4 or Part 6 (as applicable) of Schedule 3 and may be a facsimile. Each Registered Global Covered Bond shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by a person duly authorized by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar. Each Registered Global Covered Bond as executed and authenticated shall be a binding and valid obligation of the Issuer and the Guarantee in respect thereof shall be a binding and valid obligation of the Guarantor.

### 3.3 **Definitive Covered Bonds:**

- (a) The Bearer Definitive Covered Bonds, the Receipts, the Coupons and the Talons shall be to bearer in the respective forms or substantially in the respective forms set out in Part 3, Part 4, Part 5 and Part 6, respectively, of Schedule 2. The Bearer Definitive Covered Bonds, the Receipts, the Coupons and the Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the relevant Conditions may be incorporated by reference into such Bearer Definitive Covered Bonds unless not so permitted by the relevant Stock Exchange (if any), or the Bearer Definitive Covered Bonds shall be endorsed with or have attached thereto the relevant Conditions, and, in either such case, the Bearer Definitive Covered Bonds shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Bearer Definitive Covered Bonds, the Receipts, the Coupons and the Talons shall pass by delivery.

- (b) Except with respect to N Covered Bonds, which shall be issued in accordance with Section 3.4, the Registered Definitive Covered Bonds shall be in registered form and shall be issued in the form or substantially in the form set out in Part A or B (as applicable) of Part 3 or, in the case of U.S. Registered Definitive Covered Bonds, Part 5, or, in the case of Canadian Registered Definitive Covered Bonds, Part 7, of Schedule 3, shall be serially numbered, shall be endorsed with a legend in the same form *mutatis mutandis* as that set out on the Rule 144A Global Covered Bond (in the case of those issued in exchange for Rule 144A Global Covered Bonds) and a Form of Transfer and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the relevant Conditions may be incorporated by reference into such Registered Definitive Covered Bonds unless not permitted by the relevant Stock Exchange (if any), or the Registered Definitive Covered Bonds shall be endorsed with or have attached thereto the relevant Conditions and, in either case, the Registered Definitive Covered Bonds shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Registered Definitive Covered Bonds shall pass upon registration of transfer in the Register kept by the Registrar in respect thereof in accordance with the provisions of the Agency Agreement and these presents.
- (c) The Definitive Covered Bonds shall be signed manually or in facsimile by a person duly authorized by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Issuing and Paying Agent (in the case of Bearer Definitive Covered Bonds) or the Registrar (in the case of Registered Definitive Covered Bonds). The Definitive Covered Bonds so executed and authenticated, and the Receipts, the Coupons and Talons, upon execution and authentication of the relevant Bearer Definitive Covered Bonds, shall be binding and valid obligations of the Issuer and the Guarantee in respect thereof shall be a binding and valid obligation of the Guarantor. The Receipts, the Coupons and the Talons shall not be signed. No Bearer Definitive Covered Bond and none of the Receipts, Coupons or Talons appertaining to such Bearer Definitive Covered Bond shall be binding or valid until such Bearer Definitive Covered Bond shall have been executed and authenticated as aforesaid. No Bearer Covered Bond may be exchanged for a Registered Covered Bond or *vice versa*.

### 3.4 N Covered Bonds:

- (a) N Covered Bonds, shall be issued in the form or substantially in the form set out in Part 1 of Schedule 6, with such changes or in such other form as shall be agreed to by the Issuer, the Guarantor and the Bond Trustee with (i) the relevant N Covered Bond Conditions, (ii) the form of the N Covered Bond Assignment Agreement and (iii) the form of notification of the inclusion of N Covered Bonds in the restricted assets of the Holder (as set out in Part 5 of Schedule 6) annexed thereto and shall specify the name of the relevant Covered Bondholder. Each N Covered Bond shall form a Series of Covered Bonds and shall be issued separately to each N Covered Bondholder and not by way of uniform issue

subdivided into identical N Covered Bonds. Each N Covered Bond executed and authenticated in accordance with Section 3.3(c) shall be a binding and valid obligation of the Issuer and the Guarantee in respect thereof shall be a binding and valid obligation of the Guarantor.

- (b) Each N Covered Bond shall only be transferable by way of assignment and surrender of the certificate representing the N Covered Bond to the Registrar together with delivery to the Registrar of a duly completed and executed N Covered Bond Assignment Agreement in the form attached to the relevant N Covered Bond. Subject to the foregoing, title to the N Covered Bond shall pass upon registration of transfer in the Register kept by the Registrar in respect thereof.

### 3.5 **Facsimile Signatures:**

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

### 3.6 **Persons to be treated as Covered Bondholders:**

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent, the Registrar, the Exchange Agent, the Transfer Agents and the other Paying Agents, as applicable (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) may (i) (a) for the purpose of making payment thereon or on account thereof deem and treat the bearer of any Bearer Global Covered Bond, Bearer Definitive Covered Bond, Receipt or Coupon and the registered holder of any Registered Global Covered Bond and (b) for the purpose of voting, giving consents and making requests pursuant to these presents deem and treat the registered holder of any Registered Global Covered Bond, as the absolute owner thereof and of all rights thereunder free from all encumbrances, and shall not be required to obtain proof of such ownership or as to the identity of the bearer or, as the case may be, the registered holder and (ii) for all other purposes deem and treat:

- (a) the bearer of any Bearer Definitive Covered Bond, Receipt, Coupon or Talon and the registered holder of any Registered Definitive Covered Bonds or N Covered Bond; and/or
- (b) each person for the time being shown in the records of Euroclear or Clearstream, Luxembourg or, as the case may be, DTC or (except in the case of a NGCB) such other additional or alternative clearing system approved by the Issuer, the Bond Trustee, and the Issuing and Paying Agent, as having a particular nominal amount of Covered Bonds credited to his securities account,



as the absolute owner thereof free from all encumbrances and shall not be required to obtain proof of such ownership (other than, in the case of any person for the time being so shown in such records, a certificate or letter of confirmation signed on behalf of Euroclear or Clearstream Luxembourg or, as the case may be, DTC or any other form of record made by either of them) or as to the identity of the bearer of any Bearer Global Covered Bond, Bearer Definitive Covered Bond, Receipt, Coupon or Talon or of the registered holder of any Registered Global Covered Bond or Registered Definitive Covered Bond.

### **3.7 Certificates of Euroclear and Clearstream, Luxembourg or DTC:**

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

## **4. Fees, Duties and Taxes**

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

## **5. Covenant of Compliance**

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

## 6. Cancellation of Covered Bonds and Records

- 6.1 The Issuer shall procure that all Covered Bonds issued by it and which are (i) redeemed or (ii) purchased by or on behalf of the Issuer, or any of its Subsidiaries and surrendered for cancellation or (iii) which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 12 (*Replacement of Covered Bonds*) (together in each case, in the case of Bearer Definitive Covered Bonds, with all unmatured Receipts and Coupons attached thereto or delivered therewith), and all Receipts and Coupons paid in accordance with the relevant Conditions or which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 12 (*Replacement of Covered Bonds*), shall forthwith be cancelled by or on behalf of the Issuer and a certificate signed by two Authorized Signatories of the Issuer stating:
- (a) the aggregate principal amount of Covered Bonds which have been redeemed and the aggregate amounts in respect of Receipts and Coupons which have been paid;
  - (b) the serial numbers of such Covered Bonds in definitive form and Receipts distinguishing between Bearer Covered Bonds and Registered Covered Bonds;
  - (c) the total numbers (where applicable, of each denomination) by maturity date of such Receipts and Coupons;
  - (d) the aggregate amount of interest paid (and the due dates of such payments) on Global Covered Bonds and/or Registered Definitive Covered Bonds;
  - (e) the aggregate nominal amount of Covered Bonds (if any) which have been purchased by or on behalf of the Issuer or any of its Subsidiaries and cancelled and the serial numbers of such Covered Bonds in definitive form and, in the case of Bearer Definitive Covered Bonds, the total number (where applicable, of each denomination) by maturity date of the Receipts, Coupons and Talons attached thereto or surrendered therewith;
  - (f) the aggregate nominal amounts of Covered Bonds and Receipts and the aggregate amounts in respect of Coupons which have been so surrendered and replaced and the serial numbers of such Covered Bonds in definitive form and the total number (where applicable, of each denomination) by maturity date of such Coupons and Talons;
  - (g) the total number (where applicable, of each denomination) by maturity date of the unmatured Coupons missing from Bearer Definitive Covered Bonds bearing interest at a fixed rate which have been redeemed or surrendered and replaced and the serial numbers of the Bearer Definitive Covered Bonds to which such missing unmatured Coupons appertained; and
  - (h) the total number (where applicable, of each denomination) by maturity date of Talons which have been exchanged for further Coupons or Receipts,

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

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

## **7. Covered Bond Guarantee**

- 7.1 (a) In consideration of the Advances to be made by the Issuer to the Guarantor pursuant to the Intercompany Loan Agreement, the payment of any Excess Proceeds to the Guarantor pursuant to Clause 11.2 and the payment by the Issuer to the Guarantor of the Guarantee Fee, the Guarantor unconditionally and irrevocably guarantees to the Bond Trustee, for the benefit of the Covered Bondholders, payment of the Guaranteed Amounts as and when the same become Due for Payment.
- (b) The Guarantor shall, as guarantor:
- (i) following the occurrence of a Covered Bond Guarantee Activation Event, pay or procure to be paid on each Scheduled Payment Date (or on such later date provided for in Clause 8.1(b)) (in the manner described in Clause 8) to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders), an amount equal to those Guaranteed Amounts which shall have become Due for Payment in accordance with the terms hereof and of the Covered Bonds, but which have not been paid by the Issuer on the relevant date for payment (PROVIDED THAT, for greater certainty, no Notice to Pay shall be so served until an Issuer Acceleration Notice has been served by the Bond Trustee on the Issuer in accordance with Condition 7.01); and
  - (ii) following the service by the Bond Trustee of a Guarantor Acceleration Notice, in accordance with Condition 7.02, on the Issuer and the Guarantor, in respect of the Covered Bonds which have become immediately due and repayable, pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders) in the manner described in Clause 8.1, the Guaranteed Amounts,

(the “**Covered Bond Guarantee**”).

- 7.2 In relation to the Covered Bonds of each Series, the Covered Bond Guarantee:
- (a) is a continuing guarantee;
  - (b) extends (in the case of the Guarantor) to the ultimate balance of the Guaranteed Amounts due to be paid by the Issuer on the relevant Scheduled Payment Dates in accordance with the terms hereof, the Covered Bonds, the Receipts or the Coupons, regardless of any intermediate payment or discharge in whole or in part of any Guaranteed Amounts due to be paid on the relevant Scheduled Payment Date;
  - (c) shall not be discharged except by complete performance of the obligations in this Trust Deed, is additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person (whether from the Guarantor or otherwise); and
  - (d) shall remain in force, in relation to the Covered Bond Guarantee, until all moneys payable by the Guarantor pursuant to the terms of the Covered Bond Guarantee shall have been irrevocably paid.
- 7.3 The Guarantor shall in respect of any payment due to be made pursuant hereto not be released from its obligations under or pursuant hereto in any circumstances (notwithstanding anything which but for this provision would release the Guarantor or would affect its liability under or pursuant hereto in respect of such payment) except upon the receipt by or for the account of the Bond Trustee of the full amount of such payment from the Issuer and the Guarantor in the currency, at the place and in the manner provided for herein PROVIDED THAT (except in the case of Excess Proceeds) every payment of principal, premium or interest in respect of the Covered Bonds, Receipts and/or Coupons made to the Paying Agents in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the liability of the Guarantor hereunder and shall be deemed for the purpose of this Clause 7.3 to have been paid to the order of the Bond Trustee, except to the extent that the subsequent payment thereof to the Covered Bondholders, the Receiptholders or the Couponholders in accordance with the Conditions is not made.
- 7.4 If any payment received by the Bond Trustee, the Paying Agents or any Covered Bondholder, Receiptholder or Couponholder pursuant to the provisions hereof, on the subsequent bankruptcy, sequestration, liquidation, insolvency, corporate reorganisation or other such similar event of the Issuer, the Guarantor or any of its general partners, be set aside or avoided in whole or in part under any laws relating to bankruptcy, sequestration, liquidation, insolvency, corporate reorganisation or other similar event, such payment shall not be considered as having discharged or diminished the liability of the Issuer or, as the case may be, the Guarantor and the Covered Bond Guarantee shall continue to apply in accordance with its terms as if the underlying payment in respect of which the liability of the Guarantor hereunder arose had at all times remained owing by such Issuer.

- 7.5 Without prejudice to the generality of the foregoing provisions of this Clause, the Guarantor agrees that if any or all of the Guaranteed Amounts are not duly paid by the Issuer and such Guaranteed Amounts are not recoverable under Section 7.1 in accordance with the terms of Section 7.1, for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bond Trustee, for the benefit of the Covered Bondholders, from any loss (excluding indirect or consequential losses) resulting from the failure of the Guarantor to pay such Guaranteed Amounts in accordance with the terms of Section 7.1 and if for any reason whatsoever, the Bond Trustee, for the benefit of the Covered Bondholders, is not indemnified by the Guarantor in accordance with this Section 7.5, the Guaranteed Amounts will be recoverable from the Guarantor in the manner set out in Section 7.1, as a separate and distinct obligation of the Guarantor recoverable from the Guarantor, as if it were principal debtor and not merely as surety or guarantor and shall be absolute and unconditional, irrespective of, and unaffected by, any invalidity, irregularity, illegality or unenforceability of, or defect in, any provisions hereof or any other Transaction Document (including any Covered Bond, Receipt or Coupon), or the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee, any of the Covered Bondholders, Receiptholders or Couponholders in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer or any action to enforce the same or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor. Accordingly, the validity of the Covered Bond Guarantee shall not be affected by any invalidity, irregularity or unenforceability of all or any of the obligations of the Issuer hereunder or any other Transaction Document and the Covered Bond Guarantee shall not be discharged nor shall the liability of the Guarantor hereunder be affected by any act, thing or omission or means whatsoever whereby its liability would not have been discharged if it had been guarantor, indemnitor or principal debtor.
- 7.6 The liability of the Guarantor under the Covered Bond Guarantee shall not be lessened, affected, impaired or discharged by:
- (a) any time, waiver or indulgence granted to the Issuer by the Bond Trustee, any of the Covered Bondholders, the Receiptholders or Couponholders;
  - (b) any dealings or transactions between the Issuer and the Bond Trustee, any of the Covered Bondholders, Receiptholders or Couponholders whether or not the Guarantor shall be a party to or cognisant of the same;
  - (c) the dissolution of the Issuer or any change in the status, functions, control or ownership of the Issuer or any consolidation, amalgamation, merger, conveyance or transfer by the Issuer;
  - (d) any composition, compromise or arrangement between the Issuer and its creditors or any reorganization or restructuring of its business and affairs or any Insolvency Event regarding the Issuer;

- (e) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (f) any incapacity or lack of powers, authority or legal personality of the Issuer or any other person;
- (g) any variation (however fundamental) or replacement of this Trust Deed, the Covered Bonds, the Receipts or the Coupons;
- (h) any failure on the part of the Issuer to pay all or any part of any guarantee fee payable by it to the Guarantor in connection herewith or any other Transaction Document;
- (i) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of the Issuer hereunder or any other Transaction Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Guarantor's obligations under the Covered Bond Guarantee be construed as if there were no such circumstance;
- (j) any modification or amendment of or supplement to the Guaranteed Amounts, including any increase or decrease in the principal, the rates of interest or other amounts payable thereunder;
- (k) the existence of any claim, set off or other rights which the Guarantor may have at any time against the Issuer, the Bond Trustee or any other Person, whether in connection herewith or any unrelated transactions;
- (l) any limitation, postponement, prohibition, subordination or other restriction on the rights of the Bond Trustee or any Covered Bondholder, Receiptholder or Couponholder to payment of the Guaranteed Amounts;
- (m) any release, substitution or addition of any cosigner, endorser or other guarantor of the Guaranteed Amounts;
- (n) any defence arising by reason of any failure of the Bond Trustee or any Covered Bondholder, Receiptholder or Couponholder, to make any presentment, demand for performance, notice of non-performance, protest, and any other notice, including notice of all of the following: acceptance of this Covered Bond Guarantee, partial payment or non-payment of all or any part of the Guaranteed Amounts and the existence, creation or incurring of new or additional Guaranteed Amounts;
- (o) any defence arising by reason of any failure of the Bond Trustee or any Covered Bondholder, Receiptholder or Couponholder to proceed against the Issuer or any

other person, to proceed against, apply or exhaust any security held from the Issuer or any other person for the Guaranteed Amounts, to proceed against, apply or exhaust any security held from the Guarantor or any other person for this Covered Bond Guarantee or to pursue any other remedy in the power of the Bond Trustee or any Covered Bondholder, Receiptholder or Couponholder whatsoever;

- (p) any law which provides that the obligation of a guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal obligation or which reduces a guarantor's obligation in proportion to the principal obligation;
- (q) any defence arising by reason of any limitation, postponement or prohibition on the Bond Trustee's right, or the right of any Covered Bondholder, Receiptholder or Couponholder, to payment of the Guaranteed Amounts or any part thereof, or by reason of the cessation from any cause whatsoever of the liability of the Issuer or any other person with respect to all or any part of the Guaranteed Amounts, or by reason of any act or omission of the Bond Trustee or any Covered Bondholder, Receiptholder or Couponholder or others which directly or indirectly results in the discharge or release of the Issuer or any other person or all or any part of the Guaranteed Amounts or any security or guarantee therefor, whether by contract, operation of law or otherwise;
- (r) any defence arising by reason of any interest of the Bond Trustee or any Covered Bondholder, Receiptholder or Couponholder in any property, whether as owner thereof or the holder of a security interest therein or lien or encumbrance thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment by the Bond Trustee of any right to recourse or collateral;
- (s) any defence arising by reason of the failure of the Bond Trustee or any Covered Bondholder, Receiptholder or Couponholder to marshal any assets;
- (t) any defence based upon any failure of the Bond Trustee or any Covered Bondholder, Receiptholder or Couponholder to give to the Issuer or the Guarantor notice of any sale or other disposition of any property securing any or all of the Guaranteed Amounts or any guarantee thereof, or any defect in any notice that may be given in connection with any sale or other disposition of any such property, or any failure of the Bond Trustee or any Covered Bondholder, Receiptholder or Couponholder to comply with any provision of applicable law in enforcing any security interest in or lien upon any such property, including any failure by the Bond Trustee to dispose of any such property in a commercially reasonable manner;
- (u) any dealing whatsoever with any security, whether negligently or not, or any failure to do so;

- (v) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Issuer or any other person, including any discharge of, or bar against collecting, any of the Guaranteed Amounts, in or as a result of any such proceeding; or
- (w) any other act or omission to act or delay of any kind by the Issuer, the Bond Trustee, any Covered Bondholder, Receiptholder or Couponholder or any other person or any other circumstance whatsoever, whether similar or dissimilar to the foregoing, which might, but for the provisions of this Section 7.6, constitute a legal or equitable discharge, limitation or reduction of the Guarantor's obligations hereunder (other than the Guaranteed Amounts).

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

- 7.8 (a) To the extent that the Guarantor makes, or there is made on its behalf, a payment under the Covered Bond Guarantee, the Issuer will on such payment being made become indebted to the Guarantor for an amount equal to such payment unless such amount shall have been set off with amounts owing under the Intercompany Loan Agreement. Until all amounts which may be or become payable by the Issuer hereunder, the Covered Bonds, Receipts and/or Coupons have been irrevocably paid in full, the Guarantor hereby waives irrevocably and unconditionally:
- (i) all rights of subrogation, indemnity, contribution or otherwise (arising under this Clause 7.8(a)(i) or under common law, equity, statute or otherwise whatsoever) which it might otherwise have against the Issuer by virtue of any payment made by the Guarantor pursuant to the Covered Bond Guarantee; and
  - (ii) all rights to claim, rank, prove or vote as creditor of the Issuer or its estate in competition with the Bond Trustee (on behalf of the Covered Bondholders) or to claim a right of set off,

subject always to the rights of the Guarantor to set off amounts owing by the Issuer to the Guarantor, in accordance with the Priorities of Payments, (x) in respect of amounts paid by the Guarantor under the Covered Bond Guarantee, against any amounts repayable by the Guarantor under the terms of the Intercompany Loan Agreement and (y) against amounts payable by the Guarantor



to any Swap Provider (provided that such Swap Provider is the Issuer) under the terms of any Interest Rate Swap Transaction or Covered Bond Swap Transaction, which shall remain unaffected.

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

## 8. Payments Under the Covered Bond Guarantee

- 8.1 (a) The Issuer shall notify the Bond Trustee in writing (copied to the Guarantor), no later than close of business on the fifth Toronto Business Day before each Interest Payment Date, of the amount of Scheduled Interest and/or Scheduled Principal which is due and payable by the Issuer on such Interest Payment Date and shall confirm whether or not it shall have sufficient funds to make such payments of Scheduled Interest and/or Scheduled Principal on such Interest Payment Date. If the amount available for payment by the Issuer in respect of Scheduled Interest and/or Scheduled Principal on such Interest Payment Date will be insufficient to meet the amount of Scheduled Interest and/or Scheduled Principal due and payable on such Interest Payment Date (the “**Shortfall**”), the Issuer shall inform the Bond Trustee in writing (copied to the Guarantor) of the amount of the Shortfall. Following the occurrence of an Issuer Event of Default and service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer pursuant to Condition 7.01, the Bond Trustee shall promptly deliver a Notice to Pay to the Issuer and the Guarantor with a copy to the Paying Agents requiring the Guarantor to pay the Guaranteed Amounts on the later of (i) the day which is two Toronto Business Days after service of the Notice to Pay on the Guarantor; and (ii) the date on which the Guaranteed Amounts would otherwise be Due for Payment.
- (b) Following the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer and the service by the Bond Trustee of a Notice to Pay on the Guarantor but prior to a Guarantor Event of Default and delivery by the Bond Trustee of a Guarantor Acceleration Notice, payment by the Guarantor of the Guaranteed Amounts pursuant to the Covered Bond Guarantee shall be made in accordance with the Guarantee Priority of Payments set out in Section 6.4 of the Guarantor Agreement on the earlier of (i) the second Toronto Business Day following service of a Notice to Pay on the Guarantor, or, if later, the Scheduled Payment Date on which the relevant Guaranteed Amount is Due for Payment; and (ii) the Extension Determination Date.
- 8.2 The Bond Trustee shall direct the Guarantor to pay (or to procure the payment of) all sums payable under the Covered Bond Guarantee to the Paying Agents subject always to the provisions of Clause 2.3.

- 8.3 At least one Business Day before the date on which the Guarantor is obliged to make a payment under the Covered Bond Guarantee, it shall notify or procure the notification of the Paying Agents of the irrevocable instructions to the Account Bank through which payment to the Paying Agents is to be made.
- 8.4 All payments of Guaranteed Amounts by or on behalf of the Guarantor will be made without withholding or deduction for, or on account of, any present or future tax, duties, assessment or other governmental charges of whatever nature, imposed or levied by or on behalf of Canada or any province or territory thereof, or in the case of Covered Bonds issued by a branch of the Issuer located outside Canada, the country in which such branch is located, or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Guarantor will not pay any additional amounts to the Bond Trustee or any holder of Covered Bonds, Receipts and/or Coupons in respect of the amount of such withholding or deduction. If any such withholding or deduction is required, the Guarantor shall pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. In the event that such withholding or deduction is required, the Issuer shall be required to pay such additional amounts as will result in the holders of Covered Bonds, Receipts 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 in accordance with Condition 8.01.
- 8.5 The Issuer shall not be discharged from its obligations under the Covered Bonds, Receipts or Coupons and this Trust Deed by any payment made by the Guarantor under the Covered Bond Guarantee PROVIDED THAT this Clause 8.5 shall operate only for the purpose of the subrogation rights of the Guarantor contemplated by Clause 7.8.
- 8.6 Except in relation to Excess Proceeds, any payment made by the Guarantor to the Covered Bondholders, Receiptholders or the Couponholders in respect of the Covered Bonds, Receipts or Coupons may be made in accordance with the Conditions and the Agency Agreement, and any payments so made shall be a good discharge *pro tanto* of the relative covenant by the Guarantor (as the case may be) contained in Clauses 7 or 8 (as the case may be) save to the extent that there is default in the subsequent payment thereof in accordance with the trust presents to the relevant Covered Bondholders, Receiptholders or Couponholders (as the case may be).

## 9. Non Payment

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

## **10. Proceedings, Action and Indemnification**

- 10.1 The Bond Trustee may at any time after an Issuer Acceleration Notice (in the case of the Issuer) or a Guarantor Acceleration Notice (in the case of the Guarantor), at its discretion and without further notice, take such proceedings as it may think fit against or in relation to the Issuer or, as the case may be, the Guarantor to enforce the provisions of this Trust Deed, the Covered Bonds, the Receipts and the Coupons. However, the Bond Trustee shall not be bound to take any such enforcement proceedings in relation to this Trust Deed, the Covered Bonds, the Receipts, the Coupons or any other Transaction Document unless directed or requested to do so (i) by an Extraordinary Resolution (with the Covered Bonds of all Series taken together as a single Series as provided in Clause 2.7) or (ii) in writing by the holders of not less than twenty five per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series as aforesaid) and in either case then only if it shall be indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.
- 10.2 Subject to Clause 10.1, the Bond Trustee shall not be bound to take any other action hereunder or any other Transaction Document unless directed or requested to do so (i) by an Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series or (ii) in writing by the holders of not less than twenty five per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series and in either case then only if it shall be indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.
- 10.3 Only the Bond Trustee may enforce the provisions hereof. No Covered Bondholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor to enforce the performance of any of the provisions hereof or to directly enforce the provisions of the Security Agreement or any other Transaction Document unless the Bond Trustee having become bound as aforesaid to take proceedings fails to do so within 30 days and such failure is continuing (in which case each of such Covered Bondholder, Receiptholder or Couponholder shall be entitled to take any such steps and proceedings as it shall deem necessary other than the presentation of a petition for the winding up of, or for an administration order or liquidation in respect of, the Issuer, the Guarantor or any of the General Partners).
- 10.4 Notwithstanding the foregoing, for so long as there are U.S. Registered Covered Bonds outstanding, in accordance with Section 316(b) of the Trust Indenture Act, the right of any holder to receive payment of principal and interest on the Covered Bonds on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of the Covered Bondholders, provided that no such right of enforcement shall exist (i) in respect of a postponement of an interest payment which has been consented to by the Covered Bondholders in accordance with the Trust Deed or (ii) to the extent that the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the security granted

pursuant to this Trust Deed or the Security Agreement upon any property subject to such security.

## 11. Application of Moneys

- 11.1 All moneys (other than Excess Proceeds which shall be applied in the manner set out in Clause 11.2 below) received by the Bond Trustee hereunder from the Issuer or, as the case may be, the Guarantor or any administrator, administrative receiver, receiver, liquidator, trustee in sequestration or other similar official appointed in relation to the Issuer or the Guarantor (including any moneys which represent principal or interest in respect of Covered Bonds, Receipts or Coupons which have become void or in respect of which claims have become prescribed under Condition 10 (*Prescription*) and including the proceeds of any enforcement of the Security) shall, unless and to the extent attributable, in the opinion of the Bond Trustee and only as expressly permitted by the CMHC Guide, to a particular Series of the Covered Bonds, be apportioned *pari passu* and rateably between each Series of the Covered Bonds, and all moneys received by the Bond Trustee hereunder from the Issuer or, as the case may be, the Guarantor to the extent attributable, in the opinion of the Bond Trustee and only as expressly permitted by the CMHC Guide, to a particular Series of the Covered Bonds or which are apportioned to such Series as aforesaid, be held by the Bond Trustee upon trust to apply them:

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

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

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

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

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

- 11.2 (a) Following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice, any moneys received by the Bond Trustee from the Issuer or any administrator, administrative receiver, receiver, liquidator, trustee in sequestration or other similar official appointed in relation to the Issuer (the “**Excess Proceeds**”) shall be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Guarantor (or the Cash Manager on its behalf) for the account of the Guarantor, as soon as practicable, and shall be held

by the Guarantor in the Guarantor Accounts and the Excess Proceeds shall thereafter form part of the Security and shall be paid and used by the Guarantor (or the Cash Manager on its behalf) in the same manner as all other moneys from time to time held by the Cash Manager and/or standing to the credit of the Guarantor in the Guarantor Accounts. Any Excess Proceeds received by the Bond Trustee shall discharge the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (to the extent of the amount so received) (subject to restitution of the same if such Excess Proceeds will be required to be repaid by the Guarantor as contemplated by Clause 7.8). However, the obligations of the Guarantor under the Covered Bond Guarantee are direct and, following a Covered Bond Guarantee Activation Event, unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds shall not reduce or discharge any such obligations.

- (b) By subscribing for Covered Bond(s), each Covered Bondholder shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Guarantor in the manner as described above.
- (c) For the avoidance of doubt, any payments by the Guarantor to the Covered Bondholders out of the Excess Proceeds, shall reduce the Guaranteed Amounts *pro tanto*.

## 12. Notice of Payments

- 12.1 The Bond Trustee shall give notice to the relevant Covered Bondholders in accordance with Condition 14 (*Notices*) of the day fixed for any payment to them under Clause 11.1. Such payment may be made in accordance with Condition 9 (*Payments*) and any payment so made shall be a good discharge to the Bond Trustee.
- 12.2 The Bond Trustee shall in accordance with Condition 14 (*Notices*):
  - (a) within 60 days after the end of each calendar year following the first date on which U.S. Registered Covered Bonds are issued and for so long as there are U.S. Registered Covered Bonds outstanding, deliver to each Covered Bondholder a brief report that complies with Section 313(a) of the Trust Indenture Act, and such report shall be dated as of a date convenient to the Bond Trustee and be delivered by mail where required pursuant to Section 313(c) of the Trust Indenture Act. For so long as there are U.S. Registered Covered Bonds outstanding, the Trustee shall comply with Sections 313(b), 313(c) and 313(d) of the Trust Indenture Act, including without limitation with respect to the filing of reports with the U.S. Securities and Exchange Commission; and
  - (b) give notice to the relevant Covered Bondholders in accordance with Condition 14 (*Notices*) of the day fixed for any payment to them under Clause 11.1. Such payment may be made in accordance with Condition 9 (*Payments*) and any payment so made shall be a good discharge to the Bond Trustee.

For so long as U.S. Registered Covered Bonds are outstanding, Covered Bondholders may communicate as provided in Section 312(b) of the Trust Indenture Act with other Covered Bondholders with respect to their rights under this Trust Deed or under the Covered Bonds. For so long as U.S. Registered Covered Bonds are outstanding, the Issuer, the Guarantor, the Bond Trustee, the Registrar and any other Person shall have the protection of Section 312(c) of the Trust Indenture Act.

### **13. Partial Payments**

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

### **14. Covenants by the Issuer**

The Issuer hereby covenants with the Bond Trustee that, so long as any of the Covered Bonds remain outstanding, the maximum Asset Percentage shall be 97%.

### **15. Covenants by the Issuer and the Guarantor**

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

- (a) at all times maintain an Issuing and Paying Agent, Registrar(s), Exchange Agent(s), Transfer Agent(s) and other Paying Agents with specified offices in accordance with the Conditions and at all times maintain any other agents required by the Conditions;
- (b) give notice in writing to the Bond Trustee of the occurrence of any Issuer Event of Default or Potential Issuer Event of Default or Guarantor Event of Default or Potential Guarantor Event of Default (as applicable) without waiting for the Bond Trustee to take any further action;
- (c) at all times keep proper books of account;
- (d) give to the Bond Trustee at all times such information as it shall reasonably require for the purpose of the discharge of the duties, powers, trusts, authorities and discretions vested in it hereunder or by operation of law provided always that the foregoing shall not oblige the Issuer or the Guarantor to give any information non-disclosure of which is required by any applicable law;

- (e) without limiting Section 15(d), for so long as U.S. Registered Covered Bonds are outstanding, deliver or cause to be delivered, to the Bond Trustee, pursuant to Section 312 of the Trust Indenture Act, at least once every six months commencing on the date which is six months following the date on which U.S. Registered Covered Bonds are first issued and at such other times as the Bond Trustee may request in writing, a list in such form as the Bond Trustee may reasonably request in writing of all information in the possession or control of the Issuer and the Guarantor, or of any of the Paying Agents or Registrars, as to the names and addresses of the Covered Bondholders and requiring the Bond Trustee to preserve, in as current a form as is reasonably practicable, all such information so furnished to it or received by it;
- (f) if requested by the Bond Trustee, and unless publicly available, send to the Bond Trustee (if same are produced) (i) as promptly as practicable after the time of issue or publication thereof and in any event within 180 days after the end of each of its financial years (or financial periods, as appropriate, in the event of a change of accounting reference date) a copy (by email) (in addition to any copies to which it may be entitled as a holder of any security in or of any Issuer or Guarantor) in the English language of each report and accounts for the relevant financial year/financial period (as appropriate) containing a balance sheet and profit and loss account of the Issuer; (ii) in the case of the Issuer only, as promptly as practicable after the issue or publication thereof a copy (by email) of every balance sheet, profit and loss account, report or other notice, statement or circular issued to the shareholders of the Issuer in their capacity as such; and (iii) upon the execution hereof and thereafter forthwith upon any change of the same a list of the Authorized Signatories of the Issuer, or as the case may be, the Guarantor, however, there shall be no obligation upon the Bond Trustee to review any financial statement, report, balance sheet, profit and loss account, report or other notice received by the Bond Trustee pursuant to this paragraph (f) of Clause 15;
- (g) so far as permitted by law at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the reasonable opinion of the Bond Trustee to give effect to the terms and conditions of the trust presents;
- (h) procure that the applicable Paying Agent or Registrar, as the case may be, notifies the Bond Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Covered Bonds or any of them or in respect of the Receipts (if any) and/or the Coupons (if any), receive unconditionally in the manner provided by the Agency Agreement the full amount of the moneys payable on such due date on all such Covered Bonds, Receipts or, as the case may be, all such Coupons;
- (i) in relation to any Covered Bonds agreed by the Issuer and the relevant Dealer to be listed and admitted to trading on any Stock Exchange(s), use all reasonable efforts to procure the admission of the relevant Covered Bonds to listing and trading on such Stock Exchange(s) and to maintain the same until none of the

Covered Bonds of the relevant Series is outstanding provided that, if it should be impracticable or unduly burdensome to maintain any such listing, the Issuer shall use all reasonable efforts to procure and maintain as aforesaid a listing or a quotation for the relevant Covered Bonds on such other Stock Exchange(s) as it and the relevant Dealer(s) may reasonably agree. However, if such alternative listing is not available or is, in the opinion of the Issuer, impractical or unduly burdensome, an alternative listing for such Covered Bonds may not be obtained;

- (j) observe and comply with its obligations, and use all reasonable endeavours to procure that the Paying Agents, Transfer Agent(s), Registrars, Exchange Agent(s) and Calculation Agent(s) observe and comply with all their respective obligations under the Agency Agreement and not modify or amend the same without the previous consent in writing of the Bond Trustee;
- (k) send to the Bond Trustee a copy of the form of any notice to be given to the Covered Bondholders in accordance with Condition 14 (*Notices*) and, upon publication, two copies of such notice, such notice being in the form approved by the Bond Trustee (such approval not to be unreasonably withheld or delayed and, unless so expressed, not to constitute approval for the purposes of Section 21 of the FSMA of a communication within the meaning of Section 21);
- (l) send or procure to be sent to the Bond Trustee at the time of delivery to the Bond Trustee of the Issuer's report and accounts pursuant to paragraph (f)(i) of this Clause, if so required, and within 30 days after any request by the Bond Trustee, a certificate signed by two Authorized Signatories of the Issuer or, as the case may be, the Guarantor certifying that, to the best of their knowledge and belief after making all reasonable enquiries, (i) during such financial year (or financial period, as appropriate, in the event of a change of accounting reference date) (or during such period as the Bond Trustee may reasonably specify in such request) and since the completion thereof and up to a specified date not earlier than 10 days prior to the date of such certificate, the Issuer or, as the case may be, the Guarantor has complied with its material obligations hereunder and under the Agency Agreement and the other Transaction Documents or (if such is not the case) giving details of the circumstances of such noncompliance and (ii) without prejudice to the generality of this paragraph (l) or of paragraph (b) of this Clause there did not exist on the part of the Issuer, or as the case may be, the Guarantor, as at the date mentioned in (i) above, any Issuer Event of Default or Potential Issuer Event of Default or Guarantor Event of Default or Potential Guarantor Event of Default (as applicable) or, if any Issuer Event of Default or Potential Issuer Event of Default or Guarantor Event of Default or Potential Guarantor Event of Default (as applicable) exists, giving details of the same;
- (m) in the event of the unconditional payment to the Issuing and Paying Agent or the Bond Trustee (in any case) of any sum due in respect of principal, redemption amount, premium (if any) and/or interest on the Covered Bonds of such Series or any of them being made after the due date for payment thereof, forthwith give or procure the Issuing and Paying Agent to give notice to the Covered Bondholders



of such Series in accordance with Condition 14 (*Notices*) that such payment has been made;

- (n) if while any of the Covered Bonds remains outstanding the Issuer shall become subject generally to the taxing jurisdiction of any territory or any authority or political sub division therein or thereof having power to tax other than or in addition to Canada or the country in which the relevant branch is located, unless the Bond Trustee otherwise agrees, the Issuer shall give to the Bond Trustee notice forthwith upon becoming aware thereof and, as soon as practicable thereafter, an undertaking or covenant in form and substance and manner satisfactory to the Bond Trustee in terms corresponding to the relevant Condition 8 (*Taxation*) or Clause 8.4 (as the case may be) with the substitution for (or, as the case may be, addition to) the references therein to Canada or the country in which the relevant branch is located to that other or additional territory or any authority or political sub division therein or thereof having power to tax to whose taxing jurisdiction such Issuer shall have become subject as aforesaid and, where such undertaking or covenant is provided, references in Condition 6.02 (*Early Redemption for Taxation Reasons*) to Canada or the country in which the relevant branch is located shall be deemed to be amended accordingly;
- (o) give notice to the Covered Bondholders in accordance with the Conditions of any appointment (other than the initial appointment), resignation or removal of any Paying Agent, Calculation Agent, Registrar, Exchange Agent or Transfer Agent as shown on the Covered Bonds or so published in accordance with the Conditions as soon as practicable and in any event within 14 days after such event taking effect and within 30 days of notice received from a Paying Agent, Calculation Agent, Registrar, Exchange Agent or Transfer Agent of a change in its specified office, give notice to the Bond Trustee and to the Covered Bondholders of such change PROVIDED ALWAYS THAT in the case of the termination at any time of the appointment of (i) the Issuing and Paying Agent or, in the case of Registered Covered Bonds, the Registrar, (ii) the only remaining Paying Agent with its specified office in a continental European city, (iii) the only remaining Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive, (iv) (so long as the Covered Bonds are admitted to the official list of the UK Listing Authority and to trading on the London Stock Exchange and/or admitted to listing or trading on any other stock exchange or relevant authority) the Issuing and Paying Agent (in the case of Bearer Covered Bonds) or the Transfer Agent (in the case of Registered Covered Bonds), which may in either case be the Issuing and Paying Agent or the Registrar, with its 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, the Paying Agent with a specified office in New York City, (vi) where required by the Conditions applicable to any Covered Bonds, the Calculation Agent, or (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, the Exchange Agent with a specified office in New York City, no such termination shall take effect until a successor thereto has been appointed and notice of such appointment has been given to the Covered Bondholders in accordance with the Conditions;

- (p) in order to enable the Bond Trustee to ascertain the amount of Covered Bonds of each Series for the time being outstanding (other than for the purpose of ascertaining the amount of Covered Bonds of each Series for the time being outstanding for the purpose of the Programme Limit), deliver to the Bond Trustee forthwith after being so requested in writing by the Bond Trustee a certificate in writing signed by any two Authorized Signatories setting out the total numbers and aggregate nominal amount of Covered Bonds of each Series which up to and including the date of such certificate have been purchased by or for the account of the Issuer or the Guarantor, the aggregate nominal amount of Covered Bonds of each Series which are held beneficially at such date by the Issuer or the Guarantor, and the aggregate nominal amount of Covered Bonds of each Series so purchased which have been cancelled;
- (q) ensure that each Covered Bond to be issued or other transactions to be effected hereunder shall comply with all applicable laws and regulations of any governmental or other regulatory authority of the country of any relevant currency for the purposes of any relevant Covered Bond and that all necessary consents and approvals of, and registrations and filings with, any such authority in connection therewith are obtained and maintained in full force and effect;
- (r) if it intends to redeem all or any of the Covered Bonds prior to their stated maturity date (if any) not less than 7 days prior to the latest date for the publication of the notice of redemption required to be given to the Holders of any Covered Bonds, give written notice of such intention to the relevant Agent(s) and the Bond Trustee stating the date on which such Covered Bonds are to be redeemed and whether the relevant Series of Covered Bonds is to be redeemed in part only;
- (s) furnish, upon the request of a holder of Covered Bonds or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer or the Guarantor is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g2-3(b) thereunder; and
- (t) to the extent applicable, comply with the filing requirements of Section 314 of the Trust Indenture Act for so long as U.S. Registered Covered Bonds are outstanding.

## **16. Representations, Warranties and Covenants of the Bond Trustee**

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

- (a) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under this Trust Deed and the other Transaction Documents to which it is a party and it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions hereunder;
- (b) it will comply with the provisions of, and perform its obligations under, this Trust Deed, the other Transaction Documents to which it is a party and the CMHC Guide;
- (c) it is and will continue to be in good standing with OSFI;
- (d) it is and will continue to be in material compliance with its internal policies and procedures relevant to the services to be provided by it pursuant to this Trust Deed and the other Transaction Documents to which it is a party; and
- (e) it is and will continue to be in material compliance with all laws, regulations and rules applicable to it in relation to the services provided by it pursuant to this Trust Deed and the other Transaction Documents to which it is a party.

## **17. Remuneration and Indemnification of Bond Trustee**

- 17.1 The Issuer (failing which, and, following an Issuer Event of Default and service of a Notice to Pay to the Guarantor, the Guarantor) shall pay to the Bond Trustee, by way of remuneration for its services as Bond Trustee hereunder, such amount as shall be agreed from time to time by exchange of letters between the Issuer, the Guarantor and the Bond Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to Covered Bondholders, Receiptholders and Couponholders and any other Secured Creditors) up to and including the date when, all the Covered Bonds having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the relevant Agent(s) or the Bond Trustee PROVIDED THAT if upon due presentation of any Covered Bond, Receipt or Coupon or any cheque payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will be deemed not to have ceased to accrue and will continue to accrue until payment to such Covered Bondholder, Receiptholder or Couponholder is duly made.
- 17.2 In the event of the occurrence of an Issuer Event of Default, Guarantor Event of Default, Potential Issuer Event of Default or Potential Guarantor Event of Default or the Bond Trustee considering it expedient or necessary or being requested by the Issuer or the Guarantor (as the case may be) to undertake duties which the Bond Trustee and the Issuer or the Guarantor agree to be of an exceptional nature or otherwise outside the scope of

the normal duties of the Bond Trustee hereunder the Issuer or the Guarantor shall pay to the Bond Trustee such additional remuneration as shall be agreed between them.

- 17.3 The Issuer (failing which, and, following an Issuer Event of Default and service of a Notice to Pay to the Guarantor, the Guarantor) shall in addition pay to the Bond Trustee an amount equal to the amount of any GST or similar tax chargeable in respect of its remuneration hereunder subject to receipt of a proper GST (or similar tax) invoice.
- 17.4 In the event of the Bond Trustee and the Issuer (failing which, and, following any Issuer Event of Default and service of a Notice to Pay to the Guarantor, the Guarantor) failing to agree:
- (a) (in a case to which Clause 17.1 above applies) upon the amount of the remuneration; or
  - (b) (in a case to which Clause 17.2 above applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee hereunder, or upon such additional remuneration,

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

- 17.5 The Issuer (failing which, and, following any Issuer Event of Default and service of a Notice to Pay to the Guarantor, the Guarantor) shall also pay or discharge all Liabilities properly incurred by the Bond Trustee in relation to the negotiation, preparation and execution of the exercise of its powers and the performance of its duties hereunder and any other Transaction Document to which the Bond Trustee is a party paid or payable by the Bond Trustee in connection with any action taken by or on behalf of the Bond Trustee for enforcing this Trust Deed or any other Transaction Documents to which it is a party.
- 17.6 All amounts payable pursuant to Clause 17.5 above and/or Clause 18(j) shall be payable by the Issuer (failing which, and, following any Issuer Event of Default and service of a Notice to Pay to the Guarantor, the Guarantor) on the date specified in a demand by the Bond Trustee and in the case of payments actually made by the Bond Trustee prior to such demand shall (if not paid within five days after such demand and the Bond Trustee so requires) carry interest at the rate of one per cent. per annum above the prime rate from time to time of The Toronto-Dominion Bank from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within five days after such demand and, in either case, the Bond Trustee so requires) carry interest at such rate from the date specified in such demand. All remuneration payable to the Bond Trustee shall carry interest at such rate from the due date therefor.

- 17.7 Unless otherwise specifically stated in any discharge hereof the provisions of this Clause, Clause 18(j) and Clause 23 shall continue in full force and effect in relation to the period during which the Bond Trustee was bond trustee hereunder notwithstanding such discharge and whether or not the Bond Trustee is then the bond trustee hereunder.
- 17.8 The Bond Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Covered Bonds any Liabilities incurred hereunder have been incurred or to allocate any such Liabilities between the Covered Bonds of any Series.

## **18. Powers of the Bond Trustee**

Where there are any inconsistencies between the other Transaction Documents or any applicable legislation in respect of trustees, including the *Trustees Act* (Ontario), and the provisions hereof, the provisions hereof shall, to the extent allowed by law, prevail. In addition to any powers conferred by this Trust Deed or which the Bond Trustee may have by virtue of any present or future statute or rule of law, the Bond Trustee shall have the following powers:

- (a) The Bond Trustee may in relation hereto and the other Transaction Documents rely and/or act on the advice or report or opinion of or any information obtained from any Auditor, lawyer, valuer, accountant, surveyor, banker, professional adviser, broker, financial adviser, auctioneer or other expert whether obtained by the Issuer, the Guarantor, any Agent, the Bond Trustee or otherwise and whether or not addressed to the Bond Trustee notwithstanding that such advice, report, opinion, information, or any engagement letter or any other document entered into by the Bond Trustee and the relevant person in connection therewith, contains any monetary or other limit on the liability of the relevant person and the Bond Trustee shall not be responsible for any Liability occasioned by so acting or relying.
- (b) Any such advice, opinion or information may be sent or obtained by, letter, telex, telegram, facsimile transmission, electronic communication or cable and the Bond Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission, electronic communication or cable although the same shall contain some error or shall not be authentic.
- (c) The Bond Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by two Authorized Signatories of the Issuer or, as the case may be, the Guarantor or a managing general partner of the Guarantor and the Bond Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by it or any other person acting on such certificate.
- (d) The Bond Trustee shall be at liberty to hold this Trust Deed and any other documents relating thereto or to deposit them in any part of the world with any

banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Bond Trustee to be of good repute and the Bond Trustee shall not be responsible for or required to insure against any Liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit.

- (e) The Bond Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Covered Bonds by the Issuer, the exchange of any Global Covered Bond for another Global Covered Bond or Definitive Covered Bonds or the delivery of any Global Covered Bond or Definitive Covered Bonds to the person(s) entitled to it or them.
- (f) Except to the extent required pursuant to Section 315(b) of the Trust Indenture Act and for so long as U.S. Registered Covered Bonds are outstanding, the Bond Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to herein or to take any steps to ascertain whether any Issuer Event of Default, Potential Issuer Event of Default, Guarantor Event of Default or Potential Guarantor Event of Default has occurred and, until it shall have actual knowledge or express notice pursuant hereto to the contrary, the Bond Trustee shall be entitled to assume that no Issuer Event of Default, Potential Issuer Event of Default, Guarantor Event of Default or Potential Guarantor Event of Default has occurred and that each of the Issuer and the Guarantor is observing and performing all its obligations hereunder.
- (g) Save as expressly otherwise provided herein, the Bond Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions hereunder (the exercise or non-exercise of which as between the Bond Trustee and the Covered Bondholders, the Receiptholders and the Couponholders shall be conclusive and binding on the Covered Bondholders, the Receiptholders and the Couponholders) and shall not be responsible for any Liability which may result from their exercise or non-exercise and in particular the Bond Trustee shall not be bound to act at the request or direction of the Holders or otherwise under any provision hereof or to take such request or direction or otherwise any other action under any provision hereof, without prejudice to the generality of Clause 10.01, unless it shall first be indemnified and/or secured to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing.
- (h) The Bond Trustee shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the holders of Covered Bonds of all or any Series in respect whereof minutes have been made and signed or any direction or request of the holders of the Covered Bonds of all or any Series even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution, (in the case of an Extraordinary Resolution in writing) that not all such holders had

signed the Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of holders or that for any reason the resolution, direction or request was not valid or binding upon such holders and the relative Receiptholders and Couponholders.

- (i) The Bond Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Covered Bond, Receipt or Coupon purporting to be such and subsequently found to be forged or not authentic.
- (j) Without prejudice to the right of indemnity by law given to trustees, each of the Issuer and, following the occurrence of a Covered Bond Guarantee Activation Event the Guarantor, shall jointly and severally indemnify the Bond Trustee, its officers, directors and employees and successors and every Appointee and keep it or him indemnified against all Liabilities to which it or he may properly be or become subject or which may be properly incurred by it or him in the execution or purported execution of any of its or his trusts, powers, authorities and discretions hereunder or any other Transaction Document to which the Bond Trustee is a party or its or his functions under any such appointment (including all Liabilities incurred in disputing or defending any of the foregoing). This indemnification shall survive the termination or discharge of this Trust Deed and the retirement or replacement of the Bond Trustee.
- (k) Any consent or approval given by the Bond Trustee for the purposes hereof may be given on such terms and subject to such conditions (if any) as the Bond Trustee thinks fit and notwithstanding anything to the contrary herein may be given retrospectively.
- (l) The Bond Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction or permitted by other applicable law (which for so long as U.S. Registered Covered Bonds are outstanding includes the Trust Indenture Act)) be required to disclose to any Covered Bondholder, Receiptholder, Couponholder or any other Secured Creditor any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Bond Trustee by the Issuer, the Guarantor or any other person in connection herewith or the Security Agreement and no Holder, Receiptholder, Couponholder or other Secured Creditor shall be entitled to take any action to obtain from the Bond Trustee any such information.
- (m) Where it is necessary or desirable for any purpose in connection herewith to convert any sum from one currency to another it shall (unless otherwise provided herein or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Bond Trustee in consultation with the Issuer and any rate, method and date so agreed shall be binding on the Issuer, the Guarantor, the Covered Bondholders, the Receiptholders, the Couponholders and the other Secured Creditors.

- (n) The Bond Trustee may certify whether or not any of the conditions, events and acts set out in Clause 21.2(a) is in its opinion materially prejudicial to the interests of the Covered Bondholders of any Series and any such certificate shall be conclusive and binding upon the Issuer, the Guarantor, the Covered Bondholders, the Receiptholders and the Couponholders.
- (o) The Bond Trustee as between itself and the Covered Bondholders, the Receiptholders and the Couponholders may determine all questions and doubts arising in relation to any of the provisions hereof. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Bond Trustee, shall be conclusive and shall bind the Bond Trustee and the Covered Bondholders, the Receiptholders, the Couponholders and the other Secured Creditors.
- (p) In connection with the exercise by it of any of its trusts, powers, authorities or discretions hereunder (including any modification, waiver, authorization, determination or substitution), the Bond Trustee shall have regard to the general interests of the Covered Bondholders of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Covered Bondholders, Receiptholders and 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 Covered Bondholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Bond Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, Receiptholders and/or Couponholders, except to the extent already provided for in Condition 8 (*Taxation*) and/or in any undertaking or covenant given in addition thereto or in substitution therefor hereunder.
- (q) Any trustee hereof being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual and proper professional and other charges for business transacted and acts done by him or his firm in connection with the trusts hereof or any other of the Transaction Documents to which the Bond Trustee is a party and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection herewith including matters which might or should have been attended to in person by a trustee not being a lawyer, accountant, broker or other professional person.
- (r) The Bond Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of the trust presents or not) all or any of its trusts, powers,



authorities and discretions hereunder. Such delegation may be made upon such terms (including power to sub delegate) and subject to such conditions and regulations as the Bond Trustee may in the interests of the Covered Bondholders think fit. Provided the Bond Trustee has exercised reasonable care in the selection of any such delegate, the Bond Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub delegate or be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such delegate or sub delegate. The Bond Trustee shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer.

- (s) The Bond Trustee may in the conduct of the trusts hereof instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection herewith (including the receipt and payment of money). Provided the Bond Trustee has exercised reasonable care in the selection of any such agent, the Bond Trustee shall not be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent.
- (t) The Bond Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Trust Deed and the Transaction Documents or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Trust Deed and the Transaction Documents or any other document relating or expressed to be supplemental thereto.
- (u) The Bond Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted hereby as the Bond Trustee may determine, including for the purpose of depositing with a custodian this Trust Deed or any document relating to the trusts constituted hereby and the Bond Trustee shall not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of such person; the Bond Trustee is not obliged to appoint a custodian if the Bond Trustee invests in securities payable to bearer.
- (v) Subject to the requirements, if any, of the Stock Exchange, any corporation into which the Bond Trustee shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation shall be a party hereto and shall be the Bond Trustee under the trust presents without executing or filing any paper or document or any further act on the part of the parties thereto.

- (w) Unless notified to the contrary, the Bond Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to Clause 15(p)) that no Covered Bonds are held by, for the benefit of, or on behalf of, the Issuer or the Guarantor.
- (x) The Bond Trustee shall have no responsibility whatsoever to the Issuer, the Guarantor, any Covered Bondholder, Receiptholder or Couponholder or any other person for the maintenance of or failure to maintain any rating of any of the Covered Bonds by any Rating Agency.
- (y) The Bond Trustee shall not be liable or responsible for any Liabilities or inconvenience which may result from anything done or omitted to be done by it in accordance with the provisions hereof.
- (z) If, in connection with the exercise of its powers, trusts, authorities or discretions, the Bond Trustee is of the opinion that the interest of the holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, the Bond Trustee shall not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders by Extraordinary Resolution or by a written resolution of such Covered Bondholders of not less than fifty per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant Series then outstanding.
- (aa) The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Loans or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Bond Trustee. The Bond Trustee will not be responsible for (i) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Bond Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents; (iii) monitoring the Portfolio, including, without limitation, whether the Portfolio is in compliance with the Asset Coverage Test and/or the Amortization Test; or (iv) monitoring whether Loans and Related Security satisfy the Eligibility Criteria. The Bond Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.
- (bb) Where hereunder, the Bond Trustee is required to consider whether any event or the exercise by it of any of its powers, authorities or discretions is or will be materially prejudicial to the interests of the Covered Bondholders of one or more

Series, the Bond Trustee shall be entitled to call for and rely and act upon the advice or opinion of any reputable financial or other adviser (whether or not such financial adviser shall be a Secured Creditor or otherwise party to any Transaction Document) and if relied upon by the Bond Trustee shall be binding on the Covered Bondholders of all Series and the Bond Trustee shall not incur any Liability by reason of so acting or relying.

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

## **19. Bond Trustee's Liability**

- 19.1 Nothing herein shall in any case in which the Bond Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions hereof conferring on it any trusts, powers, authorities or discretions (i) relieve or indemnify the Bond Trustee against any liabilities which by virtue of any rule of Law would otherwise attach to it in respect of any breach of trust of which it may be guilty in relation to its duties hereunder or (ii) so long as U.S. Registered Covered Bonds are outstanding, relieve the Bond Trustee from liability for its own negligence, wilful default or fraud except as permitted in Section 315(d) of the Trust Indenture Act.
- 19.2 Except for the payment obligations of the Issuer and the Guarantor under the Covered Bonds and the Covered Bond Guarantee, no party to this Trust Deed shall be liable to any other party, or held in breach of this Trust Deed, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Trust Deed shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 19.2.
- 19.3 The Bond Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Bond Trustee, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline.

## **20. Bond Trustee Contracting with the Issuer and the Guarantor**

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

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

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (a) above or, as the case may be, any such trusteeship or office of profit as is referred to in (b) above without regard to the interests of, or consequences for the Covered Bondholders, Receiptholders or Couponholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Covered Bondholders and shall not be responsible for any Liability occasioned to the Covered Bondholders, Receiptholders or Couponholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith; *provided that* for so long as U.S. Registered Covered Bonds are outstanding the Bond Trustee shall comply with Section 311(a) of the Trust Indenture Act, excluding any creditor relationship listed in Section 311(b) of the Trust Indenture Act. The provisions of Section 311 of the Trust Indenture Act shall apply to each of the Issuer and the Guarantor for so long as U.S. Registered Covered Bonds are outstanding.

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

## **21. Waiver, Authorization and Determination and Substitution**

- 21.1 The Bond Trustee may without the consent of any of the Covered Bondholders of any Series, the related Receiptholders and/or Couponholders or any of the other Secured Creditors and without prejudice to its rights in respect of any subsequent breach, Issuer

Event of Default, Potential Issuer Event of Default, Guarantor Event of Default or Potential Guarantor Event of Default from time to time and at any time but only if (i) in so far as in its opinion the interests of the Covered Bondholders of any Series shall not be materially prejudiced thereby and (ii) it has not been informed by any Covered Bondholders of any Series that such Covered Bondholder(s) will be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer or the Guarantor of any of the covenants or provisions contained herein or the other Transaction Documents or determine that any Issuer Event of Default, Potential Issuer Event of Default, Guarantor Event of Default or Potential Guarantor Event of Default shall not be treated as such for the purposes hereof PROVIDED ALWAYS THAT the Bond Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 7 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorization or determination previously given or made. Any such waiver, authorization or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding on the Secured Creditors and, if, but only if, the Bond Trustee shall so require, shall be notified by the Issuer to the Covered Bondholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

## **MODIFICATION**

- 21.2 (a) Subject to Clause 21.2(b), the Bond Trustee may without the consent or sanction of any of the Secured Creditors at any time and from time to time concur with the Issuer and the Guarantor and any other party in making any modification (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter) (i) to this Trust Deed and/or the other Transaction Documents which in the opinion of the Bond Trustee may be expedient to make PROVIDED THAT (a) the Bond Trustee is of the opinion that such modification will not be materially prejudicial to the interests of any of the Covered Bondholders of any Series and (b) the Bond Trustee has not been informed by any Covered Bondholders of any Series that such Covered Bondholder(s) will be materially prejudiced thereby or (ii) to this Trust Deed or the other Transaction Documents which is of a formal, minor or technical nature or to correct a manifest error or an error established as such to the satisfaction of the Bond Trustee or to comply with mandatory provisions of law. Any such modification may be made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding upon the Secured Creditors and if, but only if, the Bond Trustee shall so require, shall be notified by the Issuer to the Covered Bondholders in accordance with Condition 14 (*Notices*) and to the other Secured Creditors as soon as practicable thereafter.
- (b) The prior consent of the Bond Trustee and the Secured Creditors will not be required and will not be obtained in relation to the accession of any New Seller to the Programme PROVIDED THAT the relevant conditions precedent in the Transaction Documents are satisfied at the time of the intended accession.

- (c) Notwithstanding Clause 21.1 or 21.2(a), the Bond Trustee may without the consent of any other party make modifications to this Trust Deed or the other Transaction Documents to remove any references to the Trust Indenture Act, provided that there are no U.S. Registered Covered Bonds outstanding. Any such modification may be made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding upon the Secured Creditors and, unless the Bond Trustee otherwise agrees, shall be notified by the Issuer to the Covered Bondholders in accordance with Condition 14 (*Notices*) and the other Secured Creditors as soon as practicable thereafter.

### **SUBSTITUTION**

- 21.3 (a) If so requested by the Issuer, the Bond Trustee shall, if it is satisfied based on advice from its legal advisors that to do so would not be materially prejudicial to the Covered Bondholders and the Rating Agency Condition has been satisfied, without the consent of the Covered Bondholders, Receiptholders or Couponholders, agree with the Issuer and the Guarantor to the substitution in place of the Issuer (or of the previous substitute under this Clause) as the principal debtor hereunder and all other Transaction Documents of any Subsidiary of the Issuer (such substituted issuer being hereinafter called the “**New Company**”) PROVIDED THAT in each case a trust deed is executed and other forms of undertaking are given by the New Company in the form and manner satisfactory to the Bond Trustee, agreeing to be bound by the provisions hereof and the other Transaction Documents and with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the New Company had been named herein and the other Transaction Documents as the principal debtor in place of the Issuer (or of the previous substitute under this Clause).
- (b) The following further conditions shall apply to (a) above:
- (i) the Issuer and the Guarantor shall deliver to the Bond Trustee a certificate of two directors of the Issuer and a certificate of the Managing GP of the Guarantor stating that immediately after giving effect to such transaction no Issuer Event of Default (in respect of the Issuer) or Guarantor Event of Default, respectively and no Potential Issuer Event of Default (in respect of the Issuer) or Potential Guarantor Event of Default, respectively, shall have happened and be continuing;
  - (ii) the Issuer shall execute and deliver to the Bond Trustee (in such form reasonably acceptable to the Bond Trustee) an undertaking to guarantee the obligations of the New Company in respect of the Covered Bonds and this Trust Deed;
  - (iii) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the original taxing jurisdiction, undertakings or covenants shall be given by the New Company in terms corresponding to the provisions of

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

- (iv) the Covered Bond Guarantee remaining in place *mutatis mutandis* in relation to the obligations of the New Company; and
- (v) the New Company shall deliver to the Bond Trustee such legal opinions of internationally recognised counsel as may be reasonably requested by the Bond Trustee.

## **BREACH**

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

## **22. Holder of Definitive Covered Bond Assumed to be Receiptholder and Couponholder**

22.1 Wherever herein the Bond Trustee is required or entitled to exercise a power, trust, authority or discretion hereunder, except as ordered by a court of competent jurisdiction or as required by applicable law, the Bond Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each Covered Bondholder is the holder of all Receipts and Coupons appertaining to each Definitive Covered Bond of which he is the holder.

## **NO NOTICE TO RECEIPTHOLDERS OR COUPONHOLDERS**

22.2 Neither the Bond Trustee nor the Issuer shall be required to give any notice to the Receiptholders or Couponholders for any purpose hereunder and the Receiptholders or Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Covered Bonds in accordance with Condition 14 (*Notices*).

## **23. Currency Indemnity**

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

- (a) any Liability incurred by any of them arising from the non-payment by the Issuer or the Guarantor of any amount due to the Bond Trustee or the holders of the Covered Bonds and the relative Receiptholders or Couponholders hereunder by

reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the Issuer or the Guarantor; and

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

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

#### **24. New Bond Trustee**

The power to appoint a new bond trustee hereof shall be vested solely in the Issuer and the Guarantor jointly but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of all the Covered Bondholders. One or more persons may hold office as bond trustee or bond trustees hereof but such bond trustee or bond trustees shall (a) meet the requirements for a bond trustee in the CMHC Guide, and (b) be or include a Trust Corporation, and, in either case, provided that so long as there are U.S. Registered Covered Bonds outstanding, at least one person holding office as bond trustee shall be a trustee who shall be qualified to act under Sections 310(a)(1), 310(a)(2) and 310(a)(5) of the Trust Indenture Act. If for so long as there are U.S. Registered Covered Bonds outstanding, a Bond Trustee has or shall acquire any “conflicting interest” within the meaning of Section 310(b) of the Trust Indenture Act, the Bond Trustee and the Issuer shall comply with the provisions of Section 310(b) of the Trust Indenture Act; provided, however, that there shall be excluded from the operation of Section 310(b)(1) of the Trust Indenture Act any deed or deeds under which other securities or certificates of interest or participation in other securities of the Issuer are outstanding if the requirements for such exclusion set forth in Section 310(b)(1) of the Trust Indenture Act are met. Whenever there shall be more than two bond trustees the



majority of such bond trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Bond Trustee hereby PROVIDED THAT a Trust Corporation shall be included in such majority. Any appointment of a new bond trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Agents, the Covered Bondholders and the Rating Agencies.

## **25. Separate and Co-Trustees**

Notwithstanding the provisions of Clause 24 above, the Bond Trustee may, upon giving prior notice to the Issuer, the Guarantor and the Rating Agencies (but without the consent of the Issuer, the Guarantor, the Rating Agencies, the Covered Bondholders, Receiptholders or Couponholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) that meets the requirements for a bond trustee in the CMHC Guide to act either as a separate bond trustee or as a co bond trustee jointly with the Bond Trustee:

- (a) if the Bond Trustee considers such appointment to be in the interests of the Covered Bondholders;
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions hereof against the Issuer or the Guarantor.

Each of the Issuer and the Guarantor irrevocably appoints the Bond Trustee to be its attorney coupled with an interest in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions hereof) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Bond Trustee hereby) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Bond Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Bond Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate bond trustee or co bond trustee, shall for the purposes hereof be treated as Liabilities incurred by the Bond Trustee.

## **26. Bond Trustee's Retirement and Removal**

- (a) A bond trustee hereof may retire at any time on giving not less than three months' prior written notice to the Issuer, the Guarantor and the Rating Agencies without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. Should the Bond Trustee, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Issuer and the Guarantor, provided that (i) the Bond

Trustee's written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Bond Trustee's satisfaction within such 10 day period, then such resignation shall not be effective. The Covered Bondholders may by Extraordinary Resolution of all the Covered Bondholders remove any bond trustee or bond trustees for the time being hereof. Each of the Issuer and the Guarantor undertakes that in the event of the only bond trustee hereof which is a Trust Corporation giving notice under this Clause or being removed by Extraordinary Resolution it will use all reasonable endeavours to procure that a new bond trustee hereof being a Trust Corporation that meets the requirements for a bond trustee in the CMHC Guide is appointed as soon as reasonably practicable thereafter. The retirement, resignation or removal of any such bond trustee shall not become effective until a successor bond trustee being a Trust Corporation that meets the requirements for a bond trustee in the CMHC Guide is appointed and notice thereof has been provided to the Rating Agencies and CMHC prior to such effective date. If, in such circumstances, no appointment of such new bond trustee has become effective within 60 days of the date of such notice or Extraordinary Resolution, the Bond Trustee shall be entitled to appoint a Trust Corporation that meets the requirements for a bond trustee in the CMHC Guide as bond trustee hereof, but no such appointment shall take effect unless previously approved by an Extraordinary Resolution. For greater certainty, a Bond Trustee who has resigned or been removed while there are U.S. Registered Covered Bonds outstanding shall be subject to Section 311(a) of the Trust Indenture Act to the extent provided therein, excluding any creditor relationship listed in Section 311(b) of the Trust Indenture Act.

- (b) Notwithstanding the provisions of Clause 26(a) and without any requirement of approval by Covered Bondholders, should the Bond Trustee be in breach of any of the representations, warranties or covenants provided in Clause 16, the Guarantor may terminate the Bond Trustee. The Guarantor will use all reasonable endeavours to procure that a new bond trustee hereof being a Trust Corporation that meets the requirements for a bond trustee in the CMHC Guide is appointed as soon as reasonably practicable thereafter. The removal of any such bond trustee shall not become effective until a successor bond trustee being a Trust Corporation that meets the requirements for a bond trustee in the CMHC Guide is appointed and notice thereof has been provided to the Rating Agencies and CMHC prior to such effective date.
- (c) The Guarantor or the Issuer shall provide notice to CMHC of the retirement or removal of the Bond Trustee and of the Bond Trustee's replacement contemporaneously with the earlier of (i) notice of such retirement or removal and replacement to a Rating Agency, (ii) notice of such retirement or removal and replacement being provided to or otherwise made available to Covered Bondholders and (iii) five Business Days following such retirement or removal and replacement (unless the replacement has yet to be identified at that time, in which case notice of the replacement may be provided no later than 10 Business Days thereafter). Any such notice shall include (if known) the reasons for the retirement or removal of the Bond Trustee, all information relating to the

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

**27. Bond Trustee's Powers to be Additional**

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

**28. Notices**

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

to the Issuer:

The Toronto-Dominion Bank

(Attention: Associate Vice President, Treasury and Balance Sheet Management)

Facsimile No.: (416) 868-0792

Email: christina.q.wang@td.com

(with a copy to the Guarantor)

to the Guarantor:

TD Covered Bond (Legislative) Guarantor Limited Partnership

(Attention: Associate Vice President, Treasury and Balance Sheet Management)

Facsimile No.: (416) 868-0792

Email: christina.q.wang@td.com

to the Bond Trustee:

Computershare Trust Company of Canada

(Attention: Manager, Corporate Trust)

Facsimile No.: (416) 981-9777

or to such other address, facsimile number or email address as shall have been notified (in accordance with this Clause) to the other parties hereto and any notice or demand sent by post as aforesaid shall be deemed to have been given, made or served three days in the case of inland post or seven days in the case of overseas post after dispatch and any notice or demand sent by facsimile transmission or email as aforesaid shall be deemed to have been given, made or served 24 hours after the time of dispatch PROVIDED THAT in the case of a notice or demand given by facsimile transmission or email such notice or demand shall forthwith be confirmed by post. The failure of the addressee to receive such

confirmation shall not invalidate the relevant notice or demand given by facsimile transmission.

**29. Amendments**

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

**30. Non-Petition**

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

**31. Governing Law**

This Trust Deed is governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

**32. Counterparts and Severability**

This Trust Deed and any trust deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Trust Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart.

If any provision in or obligation under this Trust Deed, any trust deed supplemental hereto or any Covered Bonds issued pursuant to this Trust Deed is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under this Trust Deed, any trust deed supplemental hereto or any Covered Bonds issued pursuant to this Trust Deed, and (ii) the validity,

legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under this Trust Deed, any trust deed supplemental hereto or any Covered Bonds issued pursuant to this Trust Deed.

**33. Trust Indenture Act**

The parties agree that for so long as U.S. Registered Covered Bonds are outstanding, the provisions of the Trust Indenture Act (including Sections 310 through 318, inclusive, thereof) that impose duties on any Person (including the provisions automatically deemed included unless expressly excluded by this Trust Deed) are part of and govern the applicable provisions of this Trust Deed (including any supplemental Trust Deed), whether or not physically contained herein. If and to the extent that any provision of this Trust Deed limits, qualifies, or conflicts with the duties imposed by, or with another provision (an “incorporated provision”) included in this Trust Deed by operation of Sections 310 to 318, inclusive, of the Trust Indenture Act, such imposed duties or incorporated provision shall control and such Trust Deed provision shall be deemed modified thereby.

*[The Remainder of this page is intentionally left blank]*

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

**THE TORONTO-DOMINION BANK**

Per: Wang  
Name:  
Title:

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

Per: Wang  
Name:  
Title:

**COMPUTERSHARE TRUST COMPANY  
OF CANADA**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

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

**THE TORONTO-DOMINION BANK**

Per: \_\_\_\_\_  
Name:  
Title:

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

Per: \_\_\_\_\_  
Name:  
Title:

**COMPUTERSHARE TRUST COMPANY  
OF CANADA**

Per:   
Name: **Mircho Mirchev**  
Title: **Corporate Trust Officer**

Per:   
Name: **Mohanie Shivprasad**  
Title: **Associate Trust Officer**

**SCHEDULE 1**  
**TERMS AND CONDITIONS OF THE COVERED BONDS**

**PART 1 – APPLICABLE TO ALL COVERED BONDS OTHER THAN**  
**U.S. REGISTERED COVERED BONDS AND N COVERED BONDS**

See attached.



## TERMS AND CONDITIONS OF THE COVERED BONDS

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

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by The Toronto-Dominion Bank (the “**Issuer**” or the “**Bank**”) as part of the Issuer’s CAD 40 billion global legislative Covered Bond programme (the “**Programme**”) and constituted by a trust deed initially dated as of the Programme Date and most recently amended and restated as of July 14, 2016 (such trust deed as may be further amended, supplemented or replaced, the “**Trust Deed**”) made between the Issuer, TD Covered Bond (Legislative) Guarantor Limited Partnership, as guarantor (the “**Guarantor**”) and Computershare Trust Company of Canada, as bond trustee (in such capacity, the “**Bond Trustee**” which expression shall include any successor as bond trustee).

The Covered Bonds have the benefit of an agency agreement dated as of the Programme Date (as may be amended, supplemented or replaced, the “**Agency Agreement**”) and made between the Issuer, the Guarantor, the Bond Trustee, Citibank, N.A., in its capacities as U.S. registrar (the “**U.S. Registrar**”, which expression shall include any successor in such capacity), transfer agent and paying agent (the “**U.S. Paying Agent**”, which expression shall include any successor in such capacity), in each case in respect of U.S. Registered Covered Bonds, and in respect of all other Covered Bonds, Citigroup Global Markets Deutschland AG, in its capacity as European registrar (the “**European Registrar**”, which expression shall include any successor to Citigroup Global Markets Deutschland AG, in such capacity, and the “**Registrar**” or “**Registrars**” for a Tranche (as defined below) shall be as specified in the applicable Final Terms or Pricing Supplement (as defined below)), Citibank, N.A., acting through its London Branch, in its capacities as issuing and principal paying agent (the “**Issuing and Paying Agent**”, which expression shall include any successor to Citibank, N.A., acting through its London Branch, in such capacity), calculation agent (the “**Calculation Agent**”, which expression shall include any successor to Citibank, N.A., acting through its London Branch, in its capacity as such and any substitute calculation agent appointed in accordance with the Agency Agreement either with respect to the Programme or with respect to a particular Series) and as transfer agent and the other transfer agents named therein (collectively, the “**Transfer Agent**” which expression shall include any Registrar and any additional or successor transfer agents), and the paying agents named therein (the “**Paying Agents**”, which expression shall include the Issuing and Paying Agent, the U.S. Paying Agent and any substitute or additional paying agents appointed in accordance with the Agency Agreement either with respect to the Programme or with respect to a particular Series). As used herein, “**Agents**” shall mean the Paying Agents, the Registrar or Registrars, the Exchange Agent and the Transfer Agents. A branch of a bank is not a subsidiary of such bank and does not comprise a separate legal entity.

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

- (a) in relation to any Covered Bonds represented by a global covered bond (a “**Global Covered Bond**”), units of the lowest Specified Denomination in the Specified Currency;
- (b) any Global Covered Bond;
- (c) any definitive Covered Bonds in bearer form (“**Bearer Definitive Covered Bonds**”) issued in exchange for a Global Covered Bond in bearer form; and

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

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

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

In respect of any Covered Bonds, references herein to these “Terms and Conditions” are to these terms and conditions as completed by the Final Terms, or, in the case of Exempt Covered Bonds only, as supplemented, amended, and/or replaced by the Pricing Supplement, and any reference herein to a “**Condition**” is a reference to the relevant Condition of the Terms and Conditions of the relevant Covered Bonds.

The Covered Bonds are issued in series (each, a “**Series**”), and each Series may comprise one or more tranches (“**Tranches**” and each, a “**Tranche**”) of Covered Bonds. Each Tranche will be the subject of Final Terms or a Pricing Supplement, a copy of which will be available free of charge during normal business hours at the specified office of the Issuing and Paying Agent and/or, as the case may be, the applicable Registrar and each other Paying Agent. In the case of a Tranche of Exempt Covered Bonds, copies of the Pricing Supplement will only be available for inspection by a Holder of or, as the case may be, a Relevant Account Holder (each as defined herein) in respect of, such Covered Bonds.

The Bond Trustee acts for the benefit of the holders for the time being of the Covered Bonds (the “holders of the Covered Bonds”, which expression shall, in relation to any Covered Bonds represented by a Global Covered Bond, be construed as provided below), the holders of the Receipts (the “**Receiptholders**”) and the holders of the Coupons (the “**Couponholders**”, which expression shall, unless the context otherwise requires, include the holders of the Talons (as defined in Condition 1.06 below)), and for holders of each other series of Covered Bonds in accordance with the provisions of the Trust Deed.

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

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

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

Copies of the Trust Deed, the Security Agreement, the Master Definitions and Construction Agreement (as defined below), the Agency Agreement and each of the other Transaction Documents (other than the Dealership Agreement and any subscription agreements) are available for inspection during normal business hours at the registered office for the time being of the Bond Trustee being at the date of this Prospectus at 100 University Avenue, 11th Floor, Toronto, Ontario, Canada, M5J 2Y1 and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms of all Covered Bonds of each Series (or Pricing Supplement in relation to Exempt Covered Bonds of any Series) are obtainable during normal business hours of the specified office of each of the Paying Agents, and any holder of the Covered Bonds must produce evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, relevant Paying Agent as to its holding of Covered Bonds and identity. The holders of the Covered Bonds, the Receiptholders and Couponholders are deemed to have notice of, or are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Trust Deed, the Security Agreement, the Master Definitions and Construction Agreement, the Agency Agreement, each of the other Transaction

Documents (other than the Dealership Agreement and any subscription agreements) and the applicable Final Terms or Pricing Supplement which are applicable to them and to have notice of each set of Final Terms or Pricing Supplement relating to each other Series.

Except where the context otherwise requires, capitalized terms used or otherwise defined in these Terms and Conditions shall bear the meanings given to them in the master definitions and construction agreement made between the parties to the Transaction Documents initially dated as of the Programme Date and most recently amended and restated as of July 14, 2016 (such master definitions and construction agreement as may be further amended, supplemented or replaced, the “**Master Definitions and Construction Agreement**”), a copy of each of which may be obtained as described above.

## **1. Form and Denomination**

**1.01** Covered Bonds are issued in bearer form (“**Bearer Covered Bonds**”) or in registered form (“**Registered Covered Bonds**”), as specified in the Final Terms or Pricing Supplement and are serially numbered. Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds and vice versa.

The Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, or a Zero Coupon Covered Bond or any appropriate combination thereof, depending on the Interest Basis specified in the applicable Final Terms or Pricing Supplement. The Covered Bond may also be an Instalment Covered Bond depending upon the Redemption/Payment Basis specified in the applicable Final Terms or Pricing Supplement.

**1.02** For so long as any of the Covered Bonds is represented by a Temporary Global Covered Bond and/ or Permanent Global Covered Bond held on behalf of Euroclear and/ or Clearstream, Luxembourg or so long as The Depository Trust Company (“**DTC**”) or its nominee or CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee is the registered holder of a Registered Global Covered Bond, each person (other than Euroclear or Clearstream, Luxembourg, DTC or CDS) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg, DTC or CDS as the holder of a particular principal amount of such Covered Bonds (a “**Relevant Account Holder**”) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg, DTC or CDS as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent, the Registrar and any other Agent as the holder of such principal amount of such Covered Bonds for all purposes, in accordance with and subject to the Terms and Conditions of the relevant Global Covered Bond and the Trust Deed, other than with respect to the payment of principal or interest on the Covered Bonds, and, in the case of DTC or its nominee or CDS or its nominee, voting, giving consents and making requests, for which purpose the bearer of the relevant Temporary Global Covered Bond and/ or Permanent Global Covered Bond or registered holder of a Registered Global Covered Bond (or in either case, the Bond Trustee in accordance with the Trust Deed) shall be treated by the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent and any Agent and any Registrar as the holder of such principal amount of such Covered Bonds in accordance with and subject to the terms of the relevant Global Covered Bond and the expression “Holder” and related expressions shall be construed accordingly. Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the then current rules and procedures of Euroclear or of Clearstream, Luxembourg, DTC or CDS or any other relevant clearing system, as the case may be.

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

### ***Bearer Covered Bonds***

**1.03** The Final Terms or Pricing Supplement shall, if applicable, specify whether U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**TEFRA D Rules**”) or U.S. Treasury Regulation § 1.163-

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

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

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

- (a) interests in a Permanent Global Covered Bond; or
- (b) if so specified in the Final Terms or Pricing Supplement, Bearer Definitive Covered Bonds.

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

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

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

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

**1.07** Bearer Definitive Covered Bonds, the principal amount of which is repayable by instalments (“**Instalment Covered Bonds**”) in such amounts as may be specified in, or determined in accordance with, the provisions of the

Final Terms or Pricing Supplement (each an “**Instalment Amount**”), have endorsed thereon a grid for recording the repayment of Instalment Amounts or, if so specified in the Final Terms or Pricing Supplement, have attached thereto, at the time of their initial delivery, payment receipts (“**Receipts**”) in respect of the Instalment Amounts repaid.

### ***Denomination***

#### ***Denomination of Bearer Covered Bonds***

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

#### ***Denomination of Registered Covered Bonds***

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

#### ***Currency of Covered Bonds***

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

## **2. Title and Transfer**

**2.01** Title to Bearer Covered Bonds, Receipts and Coupons passes by delivery. References herein to the “**Holders**” of Bearer Covered Bonds or of Receipts or Coupons are to the bearers of such Bearer Covered Bonds or such Receipts or Coupons.

**2.02** Title to Registered Covered Bonds passes by due endorsement in the relevant register. The Issuer shall procure that the Registrar keep a register or registers in which shall be entered the names and addresses of the Holders of Registered Covered Bonds and particulars of the Registered Covered Bonds held by them. Such registration shall be noted on the Registered Covered Bonds by the Registrar.

References herein to the “**Holders**” of Registered Covered Bonds are to the persons in whose names such Registered Covered Bonds are so registered in the relevant register.

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

#### ***Transfer of Registered Covered Bonds***

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

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

**2.06** Transfers of beneficial interests in Rule 144A Global Covered Bonds (as defined below) and Regulation S Global Covered Bonds (as defined below) (together, the “**Registered Global Covered Bonds**”) will be effected by DTC, CDS, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. The laws of some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Covered Bonds represented by a Registered Global Covered Bond accepted by DTC to pledge such Covered Bonds to persons or entities that do not participate in the DTC system or otherwise take action in respect of such Covered Bonds may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. A beneficial interest in a Registered Global Covered Bond will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Registered Definitive Covered Bonds or for a beneficial interest in another Registered Global Covered Bond only in the Specified Denominations set out in the applicable Final Terms or Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, CDS, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Covered Bond registered in the name of a nominee for DTC or CDS shall be limited to transfers of such Registered Global Covered Bond, in whole but not in part, to another nominee of DTC or CDS, as applicable, or to a successor of DTC or CDS, as applicable, or such successor’s nominee.

**2.07** Subject as provided in Conditions 2.09, 2.10, 2.11 and 2.12, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Definitive Covered Bond may be transferred in whole or in part in the authorized denominations set out in the applicable Final Terms or Pricing Supplement. In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their, attorney or attorneys duly authorized in writing, and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent, and (b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

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

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

In the case of the transfer of part only of a Registered Definitive Covered Bond, a new Registered Definitive Covered Bond in respect of the balance of the Registered Definitive Covered Bond not transferred will (in addition

to the new Registered Definitive Covered Bond in respect of the nominal amount transferred) be so authenticated and delivered or (at the risk of the transferor) so sent by uninsured mail to the address specified by the transferor.

**2.08** For the purposes of these Terms and Conditions:

- (a) “**Distribution Compliance Period**” means the period that ends 40 days after the completion of the distribution of the relevant Tranche of Covered Bonds, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);
- (b) “**Legended Covered Bonds**” means Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;
- (c) “**NGCB**” means a Temporary Global Covered Bond or a Permanent Global Covered Bond, in either case in respect of which the applicable Final Terms or Pricing Supplement specify that it is a new global covered bond;
- (d) “**QIB**” means a “qualified institutional buyer” within the meaning of Rule 144A;
- (e) “**Regulation S**” means Regulation S under the Securities Act;
- (f) “**Regulation S Global Covered Bond**” means a Registered Global Covered Bond representing Covered Bonds sold outside the United States in reliance on Regulation S;
- (g) “**Relevant Banking Day**” means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Covered Bond for a Registered Covered Bond, where such request for exchange is made to the Issuing and Paying Agent, in the place where the specified office of the Issuing and Paying Agent is located;
- (h) “**Rule 144A**” means Rule 144A under the Securities Act;
- (i) “**Rule 144A Global Covered Bond**” means a Registered Global Covered Bond representing Covered Bonds sold in the United States to QIBs in reliance on Rule 144A;
- (j) “**Securities Act**” means the *United States Securities Act of 1933*, as amended; and
- (k) the “**transfer date**” shall be the Relevant Banking Day following the day on which the relevant Registered Covered Bond shall have been surrendered for transfer in accordance with Condition 2.04.

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

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

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

- (a) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a “**Transfer Certificate**”), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Covered Bond or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (b) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of United States counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

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

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

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

- (a) to a transferee who takes delivery of such interest through a Regulation S Global Covered Bond, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Regulation S Global Covered Bond registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Covered Bonds being transferred will be held immediately thereafter through CDS, Euroclear and/or Clearstream, Luxembourg; or
- (b) to a transferee who takes delivery of such interest through a Legended Covered Bond where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of United States counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

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

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

**3. Status of the Covered Bonds**

The Covered Bonds constitute deposit liabilities of the Issuer for purposes of the Bank Act, however the Covered Bonds will not be insured under the *Canada Deposit Insurance Corporation Act* (Canada), and will constitute legal,



valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* with all deposit liabilities of the Issuer without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (except as otherwise prescribed by law). Unless otherwise specified in the Final Terms or Pricing Supplement, the deposits to be evidenced by the Covered Bonds will be taken by the main branch of the Issuer in Toronto, but without prejudice to the provisions of Condition 9.

#### **4. Guarantee**

Payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment has been unconditionally and irrevocably guaranteed by the Guarantor (the “**Covered Bond Guarantee**”) in favour of the Bond Trustee (for and on behalf of the Covered Bondholders) following a Covered Bond Guarantee Activation Event pursuant to the terms of the Trust Deed. The Guarantor shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until a Covered Bond Guarantee Activation Event (as defined below) has occurred. The obligations of the Guarantor under the Covered Bond Guarantee are direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and, except as provided in the Guarantee Priority of Payments, unsubordinated obligations of the Guarantor, which are secured as provided in the Security Agreement. For the purposes of these Terms and Conditions, a “**Covered Bond Guarantee Activation Event**” means the earlier to occur of (i) an Issuer Event of Default together with the service of an Issuer Acceleration Notice on the Issuer and the service of a Notice to Pay on the Guarantor; and (ii) a Guarantor Event of Default together with the service of a Guarantor Acceleration Notice on the Issuer and the Guarantor. If a Notice to Pay is served on the Guarantor, the Guarantor shall pay Guaranteed Amounts in respect of the Covered Bonds on the Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

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

#### **5. Interest**

##### *Interest*

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

##### *Interest on Fixed Rate Covered Bonds*

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

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

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

Interest will be calculated on the Calculation Amount of the Fixed Rate Covered Bonds and will be paid to the Holders of the Covered Bonds (in the case of a Global Covered Bond, interest will be paid to Clearstream,

Luxembourg and/or Euroclear and/or DTC and/or CDS for distribution by them to Relevant Account Holders in accordance with their usual rules and operating procedures). If interest is required to be calculated for a period ending other than on an Interest Payment Date, or if no Fixed Coupon Amount is specified in the applicable Final Terms or Pricing Supplement, such interest shall be calculated in accordance with Condition 5.08.

Notwithstanding anything else in this Condition 5.02, if an Extended Due for Payment Date is specified in the Final Terms or Pricing Supplement, interest following the Original Due for Payment Date will continue to accrue and be payable on any unpaid amount in accordance with Condition 5 at a Rate of Interest determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds).

### ***Interest on Floating Rate Covered Bonds***

#### **5.03 Interest Payment Dates**

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

- (a) the Specified Interest Payment Date(s) (each an “**Interest Payment Date**”) in each year specified in the applicable Final Terms or Pricing Supplement; or
- (b) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms or Pricing Supplement, each date (each an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms or Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression, shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). Interest will be calculated on the Calculation Amount of the Floating Rate Covered Bonds and will be paid to the Holders of the Covered Bonds (in the case of a Global Covered Bond, interest will be paid to Clearstream, Luxembourg and/or Euroclear and/or DTC and/or CDS for distribution by them to Relevant Account Holders in accordance with their usual rules and operating procedures).

### ***Rate of Interest***

Where the Screen Rate Determination is specified in the applicable Final Terms or Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be determined by the Calculation Agent on the following basis:

- (a) the Calculation Agent will determine the Reference Rate (if there is only one quotation for the Reference Rate on the Relevant Screen Page) or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the quotations for the Reference Rate in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (b) if, on any Interest Determination Date, no such rate so appears on the Relevant Screen Page or, as the case may be, if fewer than two such quotations for the Reference Rate so appear or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations of the 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 Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market in the case of LIBOR or in the Euro-zone (as defined herein) interbank market in the case of EURIBOR for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

- (c) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as described above) of the rates so quoted; or
- (d) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as described above) of the rates for the Reference Rate quoted by four major banks in the Principal Financial Centre as selected by the Calculation Agent, at approximately 11.00 a.m. (Financial Centre time) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period for the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

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

### ***ISDA Rate Covered Bonds***

**5.04** Where ISDA Determination is specified in the Final Terms 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, Floating Rates or Floating Amounts, as the case may be, as set out in the applicable Final Terms or Pricing Supplement, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into a schedule and confirmation and credit support annex, if applicable, in respect of the relevant Tranche or Series of Covered Bonds, as applicable, with the Holder of such Covered Bond under the terms of an agreement to which the ISDA Definitions applied and under which:

- the Fixed Rate Payer, Fixed Amount Payer, Floating Rate Payer or, as the case may be, Floating Amount Payer is the Issuer (as specified in the Final Terms or Pricing Supplement);
- the Effective Date is the Interest Commencement Date;
- the Floating Rate Option (which may refer to a Rate Option or a Price Option, specified in the ISDA Definitions) is as specified in the applicable Final Terms or Pricing Supplement;
- the Designated Maturity is the period specified in the applicable Final Terms or Pricing Supplement;
- the Agent is the Calculation Agent;
- the Calculation Periods are the Interest Periods;
- the Payment Dates are the Interest Payment Dates;
- the relevant Reset Date is the day specified in the applicable Final Terms or Pricing Supplement;
- the Calculation Amount is the principal amount of such Covered Bond;
- the Day Count Fraction applicable to the calculation of any amount is that specified in the Final Terms or Pricing Supplement (which may be Actual/Actual, Actual/365 (Sterling), Actual/Actual (ISDA), Actual/365 (Fixed), Actual/360, 30E/360, Eurobond Basis, 30/360, 360/360, Bond Basis, 30E/360 (ISDA), Actual/Actual

(ICMA) or Act/Act (ICMA)), or if none is so specified, as may be determined in accordance with the ISDA Definitions; and

- the Business Day Convention applicable to any date is that specified in the Final Terms or Pricing Supplement (which may be Following Business Day Convention, Modified Following Business Day Convention, Modified Business Day Convention, Preceding Business Day Convention, FRN Convention or Eurodollar Convention), or if none is so specified, as may be determined in accordance with the ISDA Definitions.

For the purposes of this Condition 5.04, “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

#### ***Maximum or Minimum Interest Rate***

**5.05** If any Maximum or Minimum Interest Rate is specified in the Final Terms or Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

#### ***Accrual of Interest after the due date***

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

#### ***Interest Amount(s), Calculation Agent and Reference Banks***

**5.07** If a Calculation Agent is specified in the Final Terms or Pricing Supplement, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Final Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation) will determine the Rate of Interest and calculate the amount(s) of interest payable (the “**Interest Amount(s)**”) in the manner specified in Condition 5.08 below, calculate the Final Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Final Redemption Amount or any Instalment Amount to be notified to the Paying Agents, the Registrar (in the case of Registered Covered Bonds), the Issuer, the Holders in accordance with Condition 14 (except for U.S. Registered Covered Bonds) and, if the Covered Bonds are listed on a stock exchange or admitted to listing by any other authority and the rules of such exchange or other relevant authority so require, such exchange or listing authority as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the case of notification to the stock exchange or other relevant authority, the time required by the relevant stock exchange or listing authority. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Covered Bonds become due and payable under Condition 7, the Rate of Interest and the accrued interest payable in respect of the Covered Bonds shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the

absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Rate of Interest applicable to the Covered Bonds and a Calculation Agent, if provision is made for one in the Terms and Conditions.

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

### *Calculations and Adjustments*

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

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

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

### *Definitions*

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

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

“**Business Day**” means (i) in relation to Covered Bonds payable in other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the relevant currency in the Business Centre(s) specified in the Final Terms or Pricing Supplement, (ii) if TARGET is specified in the Final Terms or Pricing Supplement as a Business Centre, a TARGET2 Business Day, or (iii) in relation to Covered Bonds payable in euro, a day which is a TARGET2 Business Day (as defined below) and on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Centre(s) specified in the Final Terms or Pricing Supplement.

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

- (a) **“Following Business Day Convention”** means that such date shall be postponed to the first following day that is a Business Day;
- (b) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **“Preceding Business Day Convention”** means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (d) **“FRN Convention”** or **“Eurodollar Convention”** means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Final Terms or Pricing Supplement after the calendar month in which the preceding such date occurred, provided that:
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

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

**“Day Count Fraction”** means, in respect of the calculation of an amount for any period of time (each such period an **“Accrual Period”**), such day count fraction as may be specified in the Final Terms or Pricing Supplement and:

- (a) if **“Actual/Actual”** or **“Actual/Actual (ISDA)”** is so specified, means the actual number of days in the Accrual Period divided by 365 (or, if any portion of the Accrual Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365);
- (b) if **“Actual/365 (Sterling)”** is so specified, means the actual number of days in the Accrual Period divided by 365 or, in the case where the last day of the Accrual Period falls in a leap year, 366;
- (c) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Accrual Period divided by 365;
- (d) if **“Actual/360”** is so specified, means the actual number of days in the Accrual Period divided by 360;

- (e) if “**30E/360**” or “**Eurobond Basis**” is so specified, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case **D<sub>2</sub>**, will be 30.

- (f) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Interest Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30; and

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

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

where,

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Accrual Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included the Accrual Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

“**D<sub>1</sub>**” 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<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” 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<sub>2</sub> will be 30; and

- (h) if “**Actual/Actual (ICMA)**” or “**Act/Act (ICMA)**” is specified in the applicable Final Terms or Pricing Supplement, a fraction equal to “number of days accrued/number of days in year”, as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the “**ICMA Rule Book**”), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non U.S. dollar denominated straight and convertible bonds issued after December 31, 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Interest Period.

“**Designated Maturity**” means, in relation to Screen Rate Determination, the period of time designated in the reference rate.

“**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 Final Terms or Pricing Supplement) or such other date as may be specified as such in the Final Terms or Pricing Supplement.

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling such number (if any) of Banking Days in such city(ies) as may be specified in the Final Terms or Pricing Supplement prior to the first day of such Interest Accrual Period, or if none is specified:

- (a) in the case of Covered Bonds denominated in Pounds Sterling or in another currency if so specified in the applicable Final Terms or Pricing Supplement, the first day of such Interest Period; or
- (b) in any other case, the date falling two London Banking Days (or, in the case of EURIBOR or EUROLIBOR, two TARGET2 Business Days) prior to the first day of such Interest Accrual Period.



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

**“Interest Period”** means 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.

**“ISDA Definitions”** means 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 Final Terms or Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.).

**“Outstanding Principal Amount”** means, in respect of a Covered Bond, its principal amount less, in respect of any Instalment Covered Bond, any principal amount on which interest shall have ceased to accrue in accordance with Condition 5.06 or otherwise as indicated in the Final Terms or Pricing Supplement.

**“Principal Financial Centre”** means such financial centre or centres as may be indicated in the Final Terms or Pricing Supplement or, if none are specified or “Not Applicable” is specified in the Final Terms or Pricing Supplement, such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of “Business Day” in the ISDA Definitions or, in the case of Covered Bonds denominated in euro, such financial centre or centres as the 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 Final Terms or Pricing Supplement.

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

**“Reference Rate”** means the relevant LIBOR or EURIBOR 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 Screen Page”** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the “Relevant Screen Page” in the applicable Final Terms or Pricing Supplement, or such other page, section or other part as may replace it in that information service, 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 Final Terms or Pricing Supplement (which in the case of LIBOR means London time or in the case of EURIBOR means Central European Time) or, if none is specified, at which it is customary to determine such rate.

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

**“TARGET2 Business Day”** means, a day in which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor is open.

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

“**U.S. Registered Covered Bond**” means a Covered Bond issued under a registration statement under the Securities Act.

### *Linear Interpolation*

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

### *Zero-Coupon Covered Bonds*

**5.11** If any Final Redemption Amount in respect of any Zero Coupon Covered Bond is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortization Yield defined in the Final Terms or Pricing Supplement or at such other rate as may be specified for this purpose in the Final Terms or Pricing Supplement until the date on which, upon due presentation or surrender of the relevant Covered Bond (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Covered Bond is not required as a precondition of payment), the seventh day after the date on which the applicable Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Covered Bonds in accordance with Condition 14 that the applicable Paying Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 5.08 as if the Rate of Interest was the Amortization Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Final Terms or Pricing Supplement or, if not so specified, 30E/360 (as defined in Condition 5.09).

## **6. Redemption and Purchase Redemption at Maturity**

**6.01** Unless previously redeemed, or purchased and cancelled or unless such Covered Bond is stated in the Final Terms or Pricing Supplement as having no fixed maturity date, this Covered Bond shall be redeemed at its Final Redemption Amount specified in the applicable Final Terms or Pricing Supplement in the Specified Currency on the Final Maturity Date.

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

on the earlier of (a) and (b) above, the Guarantor will apply any moneys available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) to pay the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds on any Interest Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

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

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

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

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

For the purposes of these Terms and Conditions:

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

“**Extension Determination Date**” means, in respect of a Series of Covered Bonds, the date falling two Business Days after the expiry of seven days from (and including) the Final Maturity Date of such Covered Bonds.

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

“**Rating Agency**” means either Moody’s Investors Service, Inc. or DBRS Limited, to the extent that at the relevant time they provide ratings in respect of the then outstanding Covered Bonds, or their successors and “Rating Agencies” means each Rating Agency.

#### ***Early Redemption for Taxation Reasons***

**6.02** If, in relation to any Series of Covered Bonds (i) as a result of any amendment to, clarification of, or change including any announced proposed change in the laws or regulations, or the application or interpretation thereof of

Canada or the United Kingdom or any political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of Covered Bonds issued by a branch of the Issuer outside Canada, of the country in which such branch is located or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date of such Covered Bonds or any other date specified in the Final Terms or Pricing Supplement, (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an “administrative action”); or (iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any administrative action or any interpretation or pronouncement that provides for a position with respect to such administrative action that differs from the theretofore generally accepted position, in each of case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, administrative action, interpretation or pronouncement is made known, which amendment, clarification, change or administrative action is effective or which interpretation, pronouncement or administrative action is announced on or after the date of issue of the Covered Bonds, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or administrative action is effective and applicable) the Issuer would be required to pay additional amounts as provided in Condition 8, and such circumstances are evidenced by the delivery by the Issuer to the Paying Agents and Bond Trustee of (x) a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto, and (y) an opinion of independent legal advisers of recognized standing to the effect that the circumstances set forth in (i), (ii) or (iii) above prevail, the Issuer may, at its option and having given no less than 30 nor more than 60 days’ notice (ending, in the case of Floating Rate Covered Bonds, on an Interest Payment Date) to the Holders of the Covered Bonds in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Covered Bonds at their Outstanding Principal Amount or, in the case of Zero Coupon Covered Bonds, their Amortized Face Amount (as defined in Condition 6.10) or such Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the Final Terms or Pricing Supplement, together with accrued interest (if any) thereon, 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***

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

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

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

- the Series of Covered Bonds subject to redemption;

- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Global Covered Bond) the serial numbers of the Covered Bonds of the relevant Series which are to be redeemed;
- the due date for such redemption, which shall be not less than thirty days nor more than 60 days after the date on which such notice is given and which shall be such date or the next of such dates (“**Call Option Date(s)**”) or a day falling within such period (“**Call Option Period**”), as may be specified in the Final Terms or Pricing Supplement and which is, in the case of Covered Bonds which bear interest at a floating rate, a date upon which interest is payable; and
- the Optional Redemption Amount at which such Covered Bonds are to be redeemed.

### ***Partial Redemption***

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

- such redemption must be for an amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms or Pricing Supplement;
- in the case of a partial redemption of Bearer Definitive Covered Bonds, the Covered Bonds to be redeemed shall be drawn by lot in such European city as the Issuing and Paying Agent may specify, or identified in such other manner or in such other place as the Issuing and Paying Agent may approve and deem appropriate and fair;
- in the case of a Global Covered Bond, the Covered Bonds to be redeemed shall be selected in accordance with the then rules of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or CDS and/or any other relevant clearing system (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or CDS and/or such other relevant clearing system as either a pool factor or a reduction in principal amount, at their discretion); and
- in the case of Registered Definitive Covered Bonds, the Covered Bonds shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, provided always that the amount redeemed in respect of each Covered Bond shall be equal to a Specified Denomination,

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

In the case of the redemption of part only of a Registered Definitive Covered Bond, a new Registered Definitive Covered Bond in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.08, which shall apply as in the case of a transfer of Registered Definitive Covered Bonds as if such new Registered Definitive Covered Bonds were in respect of the untransferred balance.

### ***Put Option***

**6.06** If a Put Option is specified in the Final Terms or Pricing Supplement as being applicable, upon the Holder of any Covered Bond of this Series giving the required notice to the Issuer specified in the applicable Final Terms or Pricing Supplement (which notice shall be irrevocable), the Issuer will, upon expiry of such notice, redeem such Covered Bond subject to and in accordance with the terms specified in the applicable Final Terms or Pricing Supplement in whole (but not in part only) on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in accordance with the provisions of, the applicable Final Terms or Pricing Supplement, together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than 45 days before the Optional Redemption Date where the Covered Bond is a Covered Bond in definitive form held outside Euroclear, Clearstream, Luxembourg, DTC and/or CDS deposit the relevant Covered Bond (together, in the case of a Bearer Definitive Covered Bond that is not a Zero Coupon Covered Bond, with all

unmatured Coupons appertaining thereto other than any Coupon maturing on or before the Optional Redemption Date (failing which the provisions of Condition 9.06 apply)) during normal business hours at the specified office of, in the case of a Bearer Covered Bond, any Paying Agent or, in the case of a Registered Covered Bond, the Registrar together with a duly completed early redemption notice (“**Put Notice**”) in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar specifying, in the case of a Global Covered Bond, the aggregate principal amount in respect of which such option is exercised (which must be a Specified Denomination specified in the Final Terms or Pricing Supplement). Notwithstanding the foregoing, Covered Bonds represented by a Permanent Global Covered Bond or 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 Bond were in respect of the untransferred balance.

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

#### ***Purchase of Covered Bonds***

**6.07** The Issuer or any of its subsidiaries may at any time, but will at no time be obligated to, purchase Covered Bonds in the open market or otherwise and at any price provided that all unmatured Receipts and Coupons appertaining thereto are purchased therewith. 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 reissued or resold.

#### ***Further Provisions applicable to Redemption Amount and Instalment Amount***

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

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

**6.10** In the case of any Zero Coupon Covered Bond, the Redemption Amount payable shall be the Amortized Face Amount of such Covered Bond. The “**Amortized Face Amount**” shall be an amount equal to the sum of:

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

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

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

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

### ***Instalment Covered Bonds***

**6.12** Any Instalment Covered Bond will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms or Pricing Supplement.

### ***Redemption due to Illegality***

**6.13** The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the Paying Agents, the Registrar and, in accordance with Condition 14, all holders of the Covered Bonds (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Issuer to make, fund or allow to remain outstanding any advance made by it to the Guarantor pursuant to the Intercompany Loan Agreement, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date. Covered Bonds redeemed pursuant to this Condition 6.13 will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 6.13, the Issuer shall deliver to the Paying Agents and Bond Trustee a certificate signed by two senior officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Paying Agents and Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the Covered Bonds, Receiptholders and Couponholders.

## **7. Events of Default**

### ***Issuer Events of Default***

**7.01** The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose or the purpose of any Extraordinary Resolution (as defined in the Trust Deed) referred to in this Condition 7.01 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in CAD converted into CAD at the applicable Covered Bond Swap Rate) or if so directed by an Extraordinary Resolution of all the holders

of the Covered Bonds shall, (but in the case of the happening of any of the events mentioned in sub-paragraphs (b) to (f) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series) (subject in each case to being indemnified and/or secured to its satisfaction), give notice (an “**Issuer Acceleration Notice**”) in writing to the Issuer that as against the Issuer (but, for the avoidance of doubt, not against the Guarantor under the Covered Bond Guarantee) each Covered Bond of each Series is, and each such Covered Bond shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each, an “**Issuer Event of Default**”) shall occur and be continuing:

- (a) the Issuer fails to pay any principal or interest in respect of the Covered Bonds within 10 Business Days in the case of principal and 30 days in the case of interest, in each case of the respective due date; or
- (b) the Issuer fails to perform or observe any obligations under the Covered Bonds, Receipts or Coupons of any Series, the Trust Deed or any other Transaction Document (other than the Dealership Agreement and any subscription agreement for the Covered Bonds) to which the Issuer is a party (other than any obligation of the Issuer to comply with the Asset Coverage Test and any other obligation of the Issuer specifically provided for in this Condition 7.01) and such failure continues for a period of 30 days (or such longer period as the Bond Trustee may permit) next following the service by the Bond Trustee on the Issuer of notice requiring the same to be remedied (except in circumstances where the Bond Trustee considers such failure to be incapable of remedy in which case no period of continuation will apply and no notice by the Bond Trustee will be required); or
- (c) an Insolvency Event in respect of the Issuer; or
- (d) an Asset Coverage Test Breach Notice has been served and not revoked (in accordance with the terms of the Transaction Documents) on or before the Guarantor Payment Date immediately following the next Calculation Date after service of such Asset Coverage Test Breach Notice; or
- (e) if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached less than six months prior to the Final Maturity Date of that Series of Hard Bullet Covered Bonds, and the Guarantor has not cured the breach before the earlier to occur of: (i) ten Toronto Business Days from the date that the Seller is notified of the breach of the Pre-Maturity Test and (ii) the Final Maturity Date of that Series of Hard Bullet Covered Bonds; or
- (f) if a ratings trigger prescribed by the Conditions or the Transaction Documents (and not otherwise specifically provided for in this Condition 7.01) is breached and the prescribed remedial action is not taken within the specified time period, unless, in respect of any ratings trigger other than the Account Bank Threshold Ratings, the Standby Account Bank Threshold Ratings, the Cash Management Deposit Ratings and the Servicer Deposit Threshold Ratings, such breach occurs at a time that the Guarantor is Independently Controlled and Governed.

For the purposes of these Terms and Conditions “**Calculation Date**” means the last Toronto Business Day of each month.

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

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



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

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

### ***Guarantor Events of Default***

**7.02** The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 7.02 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in CAD converted into CAD at the applicable Covered Bond Swap Rate) or if so directed by an Extraordinary Resolution of all the holders of the Covered Bonds shall (but in the case of the happening of any of the events described in paragraphs (b) to (f) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series) (subject in each case to being indemnified and/or secured to its satisfaction) give notice (the “**Guarantor Acceleration Notice**”) in writing to the Issuer and to the Guarantor, that (x) each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following an Issuer Event of Default), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) all amounts payable by the Guarantor under the Covered Bond Guarantee shall thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest, in each case as provided in the Trust Deed and thereafter the Security shall become enforceable if any of the following events (each, a “**Guarantor Event of Default**”) shall occur and be continuing:

- (a) default is made by the Guarantor for a period of seven days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the Covered Bonds of any Series, except in the case of the payment of a Guaranteed Amount when Due for Payment under Condition 6.01 where the Guarantor shall be required to make payments of Guaranteed Amounts which are Due for Payment on the dates specified therein; or
- (b) if default is made by the Guarantor in the performance or observance of any obligation, condition or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series and any other obligation specifically provided for in this Condition 7.02) under the Trust Deed, the Security Agreement or any other Transaction Document (other than the obligation of the Guarantor to (i) repay the Demand Loan pursuant to the terms of the Intercompany Loan Agreement, or (ii) make a payment under a Swap Agreement if it has insufficient funds therefor) to which the Guarantor is a party and, except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Guarantor requiring the same to be remedied; or

- (c) an Insolvency Event in respect of the Guarantor; or
- (d) a failure to satisfy the Amortization Test on any Calculation Date following the occurrence and during the continuance of an Issuer Event of Default; or
- (e) the Covered Bond Guarantee is not, or is claimed by the Guarantor not to be, in full force and effect; or
- (f) if a ratings trigger prescribed by the Conditions or the Transaction Documents (and not otherwise specifically provided for in this Condition 7.02) is breached and the prescribed remedial action is not taken within the specified time period, unless, in respect of any ratings trigger other than the Account Bank Threshold Ratings, the Standby Account Bank Threshold Ratings, the Cash Management Deposit Ratings and the Servicer Deposit Threshold Ratings, such breach occurs at a time that the Guarantor is Independently Controlled and Governed.

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

### ***Enforcement***

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

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

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

No holder of the Covered Bonds, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor or to take any action with respect to the Trust Deed, the Covered Bonds, the Receipts, the Coupons, or the Security unless the Bond Trustee, having become bound so to proceed, fails so to do within a reasonable time and such failure shall be continuing. Notwithstanding any other provision of these Terms and Conditions, for so long as there are U.S. Registered Covered Bonds outstanding, in accordance with Section 316(b) of the Trust Indenture Act, the right of any holder to receive payment of principal and interest on the Covered Bonds

on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of the holders of the Covered Bonds, provided that no such right of enforcement will exist (i) in respect of a postponement of an interest payment which has been consented to by the holders of the Covered Bonds in accordance with the Trust Deed or (ii) to the extent that the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the security granted pursuant to the Trust Deed or the Security Agreement upon any property subject to such security.

## **8. Taxation**

**8.01** All payments (whether in respect of principal or interest) in respect of the Covered Bonds, Receipts and Coupons by or on behalf of the Issuer will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of Covered Bonds, Receipts or Coupons issued by a branch of the Issuer located outside Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Covered Bonds, Receipts or Coupons (as the case may be), in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Covered Bond, Receipt or Coupon:

- (a) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Covered Bond, Receipt or Coupon by reason of his having some connection with Canada or the country in which such branch is located (for these purposes “connection” includes but is not limited to any present or former connection between such holder (or between a fiduciary, seller, beneficiary, member or shareholder of, or possessor of power over such holder if such holder is an estate, trust, partnership, limited liability company or corporation) and such jurisdiction) otherwise than the mere holding of (but not the enforcement of) such Covered Bond, Receipt or Coupon; or
- (b) to, or to a third party on behalf of, a Holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the Holder or any other person entitled to payments under the Covered Bonds being a person with whom the Issuer is not dealing at arm’s length (within the meaning of the *Income Tax Act* (Canada)), or being a person who is, or does not deal at arm’s length with any person who is, a “specified shareholder” of the Issuer for purposes of the thin capitalization rules in the *Income Tax Act* (Canada); 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; or
- (d) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or other governmental charges by reason of such Holder’s failure to comply with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with Canada or the country in which such branch is located of such Holder, if (i) compliance is required by law as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and (ii) the Issuer has given Holders at least 30 days’ notice that Holders will be required to provide such certification, identification, documentation or other requirement; or
- (e) in respect of any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or governmental charge; or

- (f) where any combination of items (a) - (e) applies;

nor will such additional amounts be payable with respect to any payment in respect of the Covered Bonds, Receipts and Coupons to a holder that is a fiduciary or partnership or to any person other than the sole beneficial owner of such Covered Bond, Receipt or Coupon to the extent that the beneficiary or seller with respect to such fiduciary, or member of such partnership or beneficial owner thereof would not have been entitled to receive a payment of such additional amounts had such beneficiary, seller, member or beneficial owner received directly its beneficial or distributive share of such payment.

For the purposes of this Condition 8.01, the term “**Holder**” shall be deemed to refer to the beneficial holder for the time being of the Covered Bonds.

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

**8.03** If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant branch of the Issuer is located, references in Condition 6.02 and Condition 8.01 to Canada or the country in which the relevant branch is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s), provided, for the avoidance of doubt, that the Issuer shall not be considered to be subject generally to the taxing jurisdiction of the United States for purposes of this Condition 8.03 solely because payments in respect of the Covered Bonds, Receipts and Coupons are subject to a U.S. federal withholding Tax imposed under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), any regulations or agreements thereunder or any official interpretations thereof.

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

**8.05** Should any payments made by the Guarantor under the Covered Bond Guarantee be made subject to any withholding or deduction for or on account of taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political sub-division thereof or any authority or agency therein or thereof having power to tax, or, in the case of payments made by the Guarantor under the Covered Bond Guarantee in respect of Covered Bonds, Receipts or Coupons issued by a branch of the Issuer located outside of Canada, the country in which such branch is located or any political subdivision thereof or by any authority or agency therein or thereof having the power to tax, the Guarantor will not be obliged to pay any additional amounts as a consequence.

## **9. Payments**

### ***Payments – Bearer Covered Bonds***

**9.01** Conditions 9.02 to 9.07 are applicable in relation to Bearer Covered Bonds.

**9.02** Payment of amounts (other than interest) due in respect of Bearer Covered Bonds will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount other than the final

Instalment Amount) surrender of the relevant Bearer Covered Bonds at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Covered Bond which is a Bearer Definitive Covered Bond with Receipts will be made against presentation of the Covered Bond together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Covered Bond to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Covered Bond without the relevant Receipt or the presentation of a Receipt without the Covered Bond to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

**9.03** Payment of amounts in respect of interest on Bearer Covered Bonds will be made:

- (a) in the case of a Temporary Global Covered Bond or Permanent Global Covered Bond, against presentation of the relevant Temporary Global Covered Bond or Permanent Global Covered Bond at the specified office of any of the Paying Agents outside (unless Condition 9.04 applies) the United States and, in the case of a Temporary Global Covered Bond, upon due certification as required therein;
- (b) in the case of Bearer Definitive Covered Bonds without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Bearer Definitive Covered Bonds at the specified office of any of the Paying Agents outside (unless Condition 9.04 applies) the United States; and
- (c) in the case of Bearer Definitive Covered Bonds delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on an Interest Payment Date, against presentation of the relevant Bearer Definitive Covered Bonds, in either case at the specified office of any of the Paying Agents outside (unless Condition 9.04 applies) the United States.

**9.04** Notwithstanding the foregoing (and in relation to payments in U.S. dollars only), payments of amounts due in respect of interest on the Bearer Covered Bonds and exchanges of Talons for Coupon sheets in accordance with Condition 9.07 will not be made at the specified office of any Paying Agent in the United States (as defined in the Code and regulations promulgated thereunder) unless (i) payment in full of amounts due in respect of interest on such Covered Bonds when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) such payment or exchange is permitted by applicable United States law. If clauses (i) and (ii) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

**9.05** If the due date for payment of any amount due in respect of any Bearer Covered Bond is not a Payment Day (as defined in Condition 9.12), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Payment Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, if appropriate, Condition 5.11.

**9.06** Each Bearer Definitive Covered Bond initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:

- (a) the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the Redemption Amount due) relating to Bearer Definitive Covered Bonds that are Fixed Rate Covered Bonds or bear interest in fixed amounts will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within two years of the Relevant Date applicable to payment of such Redemption Amount (whether or not the Issuer's obligation to make payment in respect of such Coupon would otherwise have ceased under Condition 10);
- (b) all unmatured Coupons relating to such Bearer Definitive Covered Bonds that are Floating Rate Covered Bonds or that bear interest in variable amounts (whether or not such Coupons are surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
- (c) in the case of Bearer Definitive Covered Bonds initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (d) in the case of Bearer Definitive Covered Bonds initially delivered with Receipts attached thereto, all Receipts relating to such Covered Bonds in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (a) of this Condition 9.06 notwithstanding, if any Bearer Definitive Covered Bonds should be issued with a Final Maturity Date and Rate or Rates of Interest such that, on the presentation for payment of any such Bearer Definitive Covered Bond without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (a) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Bearer Definitive Covered Bond, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (a) in respect of such Coupons as have not so become void, the amount required by paragraph (a) to be deducted would not be greater than the Redemption Amount otherwise due for payment.

Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Bearer Definitive Covered Bond to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

**9.07** In relation to Bearer Definitive Covered Bonds initially delivered with Talons attached thereto, on or after the Interest Payment Date of the final Coupon comprised in any Coupon sheet, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 9.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relevant Coupon sheet matures.

***Payments – Registered Covered Bonds***

**9.08** Condition 9.09 is applicable in relation to Registered Covered Bonds.

**9.09** Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Covered Bond at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by electronic transfer to the Designated

Account (as defined below) of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the register (the “**Register**”) of holders of the Registered Covered Bonds maintained by the Registrar at the close of business on the third Business Day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a “Designated Account” or (ii) the principal amount of the Covered Bonds held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, “Designated Account” means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a “Designated Bank” and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the Business Day in the city where the specified office of the Registrar is located on the relevant due date to the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the Register at the close of business on (i) the first Clearing System Business Day (in relation to Global Covered Bonds), where “**Clearing System Business Day**” means (x) Monday to Friday inclusive except 25 December and 1 January in the case of Global Covered Bonds held in Euroclear and/or Clearstream, Luxembourg and (y) “Business Day” as defined in Condition 5.09 in the case of Global Covered Bonds held in any other Clearing System; 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 (the “**Record Date**”) at the holder’s address shown in the Register on the Record Date and at the holder’s risk. Upon application of the holder to the specified office of the Registrar not less than three Business Days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Covered Bond, the payment may be made by electronic transfer on the due date in the manner provided in the preceding paragraph. Any such application for electronic transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Covered Bonds which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Covered Bond on redemption and the final instalment of principal will be made in the same manner as payment of the principal in respect of such Registered Covered Bond.

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

All amounts payable to DTC or its nominee as registered holder of a Registered Global Covered Bond in respect of Covered Bonds denominated in a Specified Currency other than U.S. dollars shall be paid by electronic transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

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

If the due date for payment of any amount due in respect of any Registered Covered Bond is not a Payment Day (as defined in Condition 9.12), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a

Payment Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, if appropriate, Condition 5.11.

### ***Payments-General Provisions***

**9.10** Save as otherwise specified in these Terms and Conditions, Conditions 9.11 to 9.13 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 (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency (or in the case of USD, an account to which USD may be credited or transferred) specified by the payee. In the case of Bearer Covered Bonds, if payments are made by transfer, such payments will only be made by transfer to an account maintained by the payee outside of the United States. In no event will payment of amounts due in respect of Bearer Covered Bonds be made by a cheque mailed to an address in the United States. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

**9.12** For the purposes of these Terms and Conditions:

- (a) “**local banking day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Covered Bond or, as the case may be, Coupon; and
- (b) “**Payment Day**” means (a) in the case of any currency other than euro, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) and foreign exchange markets settle payments in the Financial Centre(s) specified in the Final Terms or Pricing Supplement, (b) if TARGET is specified in the Final Terms or Pricing Supplement as a Financial Centre, a TARGET2 Business Day, or (c) in the case of payment in euro, a day which is a TARGET2 Business Day and on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Financial Centre(s) specified in the Final Terms or Pricing Supplement.

**9.13** 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.

**10.02** In relation to Bearer Definitive Covered Bonds initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void pursuant to Condition 9.06 or this Condition 10 or the maturity date or due date for the payment of which would fall after the due date for the redemption of the relevant Covered Bond, or any Talon the maturity date of which would fall after the due date for the redemption of the relevant Covered Bond.



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

**11.01** The initial Paying Agents, the Registrar and the Transfer Agents and their respective initial specified offices are specified herein. The Issuer and the Guarantor each reserves the right, without approval of the Bond Trustee, at any time to vary or terminate the appointment of any Paying Agent (including the Issuing and Paying Agent), any Transfer Agent(s), the Registrar, the Exchange Agent or the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents or another Registrar, Exchange Agent or Calculation Agent provided that the Issuer and the Guarantor will at all times maintain (i) an Issuing and Paying Agent, (ii) in the case of Registered Covered Bonds, a Registrar, (iii) a Paying Agent (which may be the Issuing and Paying Agent) with a specified office in a continental European city, (iv) so long as the Covered Bonds are admitted to the Official List and to trading on the London Stock Exchange and/or admitted to listing or trading on any other stock exchange or relevant authority, a Paying Agent (in the case of Bearer Covered Bonds) and a Transfer Agent (in the case of Registered Covered Bonds), which may in either case be the Issuing and Paying Agent, each with a specified office in London and/or in such other place as may be required by the rules of such other stock exchange or other relevant authority, (v) in the circumstances described in Condition 9.04, a Paying Agent with a specified office in New York City, (vi) a Calculation Agent where required by the Terms and Conditions applicable to any Covered Bonds, and (vii) so long as any of the Registered Global Covered Bonds payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in the United States (in the case of (i), (ii), (iii) and (vii) with a specified office located in such place (if any) as may be required by the Terms and Conditions). The Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same metropolitan area. Notice of all changes in the identities or specified offices of any Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer or the Guarantor to the Holders in accordance with Condition 14.

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

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

## **12. Replacement of Covered Bonds**

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

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

The Trust Deed contains provisions for convening meetings of the holders of the Covered Bonds to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions or the provisions of the Trust Deed. The quorum at any such meeting in respect of any Covered Bonds of any Series for passing an Extraordinary Resolution is one or more persons holding or representing not less than a

clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing holders of the Covered Bonds whatever the nominal amount of the Covered Bonds of such Series so held or represented, except that at any meeting the business of which includes the modification of any Series Reserved Matter (as defined below), the quorum shall be one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding. An Extraordinary Resolution passed at any meeting of the holders of the Covered Bonds of a Series shall, subject as provided below, be binding on all the holders of the Covered Bonds of such Series, whether or not they are present at the meeting, and on all Receiptholders and Couponholders in respect of such Series of Covered Bonds. Pursuant to the Trust Deed, the Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the holders of such Covered Bonds, in which event the provisions of this paragraph shall apply thereto *mutatis mutandis*.

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

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

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

- (a) any modification of the Covered Bonds of one or more Series, the related Receipts and/or Coupons or any Transaction Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of any of the holders of the Covered Bonds of any Series; or
- (b) any modification of the Covered Bonds of any one or more Series, the related Receipts and/or Coupons or any Transaction Document which is of a formal, minor or technical nature or is in the opinion of the Bond Trustee made to correct a manifest error or to comply with mandatory provisions of law.

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

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

by the Issuer to the holders of the Covered Bonds of all Series of Covered Bonds for the time being outstanding and the other Secured Creditors in accordance with the relevant terms and conditions as soon as practicable thereafter. Notwithstanding any other provision of these Terms and Conditions, for so long as there are U.S. Registered Covered Bonds outstanding, any such modification, waiver, authorization or determination will be made in accordance with and subject to Section 316 of the Trust Indenture Act. The right of any holder of U.S. Registered Covered Bonds to receive payment of principal and interest will not be impaired unless made in accordance with Section 316 of the Trust Indenture Act.

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

For the purposes of these Terms and Conditions:

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

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

**“Series Reserved Matter”** in relation to Covered Bonds of a Series means: (i) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds; (ii) alteration of the currency in which payments under the Covered Bonds, Receipts and Coupons are to be made; (iii) alteration of the majority required to pass an Extraordinary Resolution; (iv) any amendment to the Covered Bond Guarantee or the Security Agreement (except in a manner determined by the Bond Trustee not to be materially prejudicial to the interests of the holders of the Covered Bonds of any Series); (v) except in accordance with Condition 12, the sanctioning of any such scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds in consideration of, shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations and/or securities as described above and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the holders of the Covered Bonds to execute an instrument of transfer of the Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively; and (vi) alteration of specific sections of the Trust Deed relating to the quorum and procedure required for meetings of holders of Covered Bonds.

## **14. Notices**

### ***To Holders of Bearer Definitive Covered Bonds***

**14.01** Notices to Holders of Bearer Definitive Covered Bonds will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the Financial Times). The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Covered Bonds are listed. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Covered Bonds in accordance with this Condition.

### ***To Holders of Registered Definitive Covered Bonds***

**14.02** Notices to Holders of Registered Definitive Covered Bonds, save where another means of effective communication has been specified herein, will be deemed to be validly given if sent by first class mail (or equivalent) or, if posted to an overseas address, by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day. The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Covered Bonds are listed.

### ***To Issuer***

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

### ***Global Covered Bonds***

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

## **15. Further Issues**

The Issuer may from time to time, without the consent of the Holders of any Covered Bonds or Coupons, create and issue further Covered Bonds having the same terms and conditions as such Covered Bonds in all respects (or in all respects except for the first payment of interest, if any, on them and/or the Specified Denomination thereof) so as to form a single series with the Covered Bonds of any particular Series.

## 16. Currency Indemnity

The currency in which the Covered Bonds are denominated or, if different, payable, as specified in the Final Terms or Pricing Supplement (the “**Contractual Currency**”), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Covered Bonds, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction or otherwise) by any Holder of a Covered Bond or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Covered Bond or Coupon in respect of such Covered Bond or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Covered Bond or Coupon and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Covered Bonds or any judgement or order. Any such loss shall be deemed to constitute a loss suffered by the relevant Holder of a Covered Bond or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

## 17. Waiver and Remedies

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

## 18. Branch of Account

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

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

**18.03** If the Branch of Account is not in Canada, the Bank may change the Branch of Account for the deposits evidenced by any Covered Bond, upon not less than seven days’ prior notice to its Holder given in accordance with Condition 14 and upon and subject to the following terms and conditions:

- (a) if such Covered Bond is denominated in Yen, the Branch of Account shall not be in Japan;
- (b) the Issuer shall indemnify and hold harmless the Holders of such Covered Bonds and Coupons relating thereto against any tax, duty, assessment or governmental charge which is imposed or levied upon such Holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Issuing and Paying Agent in connection with such change; and
- (c) notwithstanding (b) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (i) no Issuer Event of Default, Guarantor Event of Default, Potential Issuer Event of Default or Potential Guarantor Event of Default shall have occurred and be continuing and (ii) payments of principal and interest on Covered Bonds of such Series and Coupons relating thereto to Holders thereof (other than Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel to the Issuer, be subject to any taxes, as hereinafter defined, to

which they would not have been subject had such change not taken place. For the purposes of this section, an “**Excluded Holder**” means a Holder of a Covered Bond of such Series or Coupon relating thereto who is subject to taxes by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of a Covered Bond of such Series or Coupon as a non-resident of such Relevant Jurisdiction. “**Relevant Jurisdiction**” means and includes Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and “**taxes**” means and includes any tax, duty, assessment or other governmental charge imposed or levied in respect of the payment of the principal of the Covered Bonds of such Series or interest thereon for or on behalf of a Relevant Jurisdiction or any authority therein or thereof having power to tax.

## **19. Substitution**

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

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

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

## **20. Rating Agency Condition**

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

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

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

- (a) a confirmation of the satisfaction of the Rating Agency Condition may or may not be given at the sole discretion of each Rating Agency;
- (b) depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot confirm the satisfaction of the Rating Agency Condition in the time available, or at all, and the Rating Agency shall not be responsible for the consequences thereof;
- (c) a confirmation of the satisfaction of the Rating Agency Condition, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the Covered Bonds forms a part; and
- (d) a confirmation of the satisfaction of the Rating Agency Condition represents only a restatement of the opinions given, and shall not be construed as advice for the benefit of any holder of Covered Bonds or any other party.

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

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

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

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

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

The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Loans or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or

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

## **22. Law and Jurisdiction**

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



**PART 2 – APPLICABLE TO U.S. REGISTERED COVERED BONDS**

See attached.

## TERMS AND CONDITIONS OF THE COVERED BONDS

*The following are the terms and conditions of the U.S. Registered Covered Bonds (the “**Terms and Conditions**” or the “**Conditions**”) which will be incorporated by reference into each Global Covered Bond (as defined below) and each Definitive Covered Bond (as defined below), in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Bank and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such Definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The applicable prospectus supplement in relation to any Tranche (as defined below) of U.S. Registered Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such U.S. Registered Covered Bonds.*

This covered bond is one of a Series (as defined below) of covered bonds issued by The Toronto-Dominion Bank (the “**Issuer**” or the “**Bank**”) and constituted by a trust deed (such trust deed as amended, supplemented or replaced, the “**Trust Deed**”) dated the Program Date made between the Issuer, TD Covered Bond (Legislative) Guarantor Limited Partnership, as guarantor (the “**Guarantor**”) and Computershare Trust Company of Canada, as bond trustee (in such capacity, the “**Bond Trustee**” which expression shall include any successor as bond trustee).

The covered bonds have the benefit of an agency agreement dated as of the Program Date (as amended, supplemented or replaced, the “**Agency Agreement**”) and made between the Issuer, the Guarantor, the Bond Trustee, Citibank, N.A., in its capacities as U.S. registrar (the “**U.S. Registrar**,” which expression shall include any successor in such capacity), transfer agent and paying agent (the “**U.S. Paying Agent**,” which expression shall include any successor in such capacity), Citigroup Global Markets Deutschland AG, in its capacity as European registrar (the “**European Registrar**,” which expression shall include any successor in such capacity, and the “**Registrar**” or “**Registrars**” for a Tranche (as defined below) shall be as specified in the applicable prospectus supplement (as defined below)), Citibank, N.A., London Branch, in its capacities as issuing and principal paying agent (the “**Issuing and Paying Agent**,” which expression shall include any successor in such capacity), calculation agent (the “**Calculation Agent**,” which expression shall include any successor in such capacity and any substitute calculation agent appointed in accordance with the Agency Agreement either with respect to the Program or with respect to a particular Series), and as transfer agent and the other transfer agents named therein (collectively, the “**Transfer Agent**” which expression shall include any Registrar and any additional or successor transfer agents), and the paying agents named therein (the “**Paying Agents**,” which expression shall include the Issuing and Paying Agent, the U.S. Paying Agent and any substitute or additional paying agents appointed in accordance with the Agency Agreement either with respect to the Program or with respect to a particular Series). As used herein, “**Agents**” shall mean the Paying Agents, the Registrar or Registrars, the Exchange Agent and the Transfer Agents.

Save as provided in Conditions 7 (*Events of Default*) and 13 (*Meetings of Holders of the Covered Bonds, Modification and Waiver*), references herein to the covered bonds will be to the 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**”); and
- (b) any definitive covered bonds in registered form representing covered bonds issued under a registration statement under the Securities Act (the “**Definitive Covered Bonds**”) (whether or not issued in exchange for a Global Covered Bond in registered form).

In respect of any covered bonds, references herein to these “Terms and Conditions” are to these terms and conditions and any reference herein to a “**Condition**” is a reference to the relevant Condition of the Terms and Conditions of the relevant covered bonds.

The covered bonds are issued in series (each, a “**Series**”), and each Series may comprise one or more tranches (“**Tranches**” and each, a “**Tranche**”) of covered bonds. Each Tranche will be the subject of a prospectus 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.

The Bond Trustee acts for the benefit of the holders for the time being of the covered bonds and for holders of each other series of covered bonds in accordance with the provisions of the Trust Deed.

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

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

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

Copies of the Trust Deed, the Security Agreement, the Master Definitions and Construction Agreement (as defined below), the Agency Agreement and each of the other Transaction Documents (other than the Dealership Agreement and any subscription agreements) are available for inspection during normal business hours at the registered office for the time being of the Bond Trustee being at the date of this prospectus at 100 University Avenue, 11th Floor, Toronto, Ontario, Canada, M5J 2Y1 and at the specified office of each of the Paying Agents. Copies of the applicable prospectus supplement of all covered bonds of each Series (including in relation to unlisted 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 are deemed to have notice of, or are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Trust Deed, the Security Agreement, the Master Definitions and Construction Agreement, the Agency Agreement, each of the other Transaction Documents (other than the Dealership Agreement and any subscription agreements) and the applicable prospectus supplement which are applicable to them and to have notice of each prospectus supplement relating to each other Series.

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

## **1. Form and Denomination**

**1.01** Covered bonds are issued in registered form (“**Registered Covered Bonds**”), as specified in the applicable prospectus supplement and are serially numbered. The covered bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, or any appropriate combination thereof, depending on the Interest Basis specified in the applicable prospectus supplement.

**1.02** For so long as The Depository Trust Company (“**DTC**”) or its nominee is the registered holder of a Global Covered Bond, each person (other than DTC) who is for the time being shown in the records of DTC 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 DTC as to the principal amount of such covered bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent, the Registrar and any other Agent as the holder of such principal amount of such covered bonds for all purposes, in accordance with and subject to the Terms and Conditions of the relevant Global Covered Bond and the Trust Deed, other than with respect to the payment of principal or interest on the covered bonds, voting, giving consents and making requests, for which purpose the registered holder of a Global Covered Bond (or the Bond Trustee in accordance with the Trust Deed) shall be treated by the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent and any Agent and any Registrar as the holder of such principal amount of such covered bonds in accordance with and subject to the terms of the relevant Global Covered Bond and the expression “Holder” and related expressions shall be construed accordingly. Covered bonds which are represented by a Global

Covered Bond will be transferable only in accordance with the then current rules and procedures of DTC or any other relevant clearing system, as the case may be.

References to DTC will, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and/or any additional or alternative clearing system specified in the applicable prospectus supplement or as may otherwise be approved by the Bank, the Issuing and Paying Agent and the Bond Trustee.

**1.03** [Reserved]

**1.04** [Reserved]

**1.05** [Reserved]

**1.06** [Reserved]

**1.07** [Reserved]

**1.08** [Reserved]

#### ***Denomination of Registered Covered Bonds***

**1.09** Registered Covered Bonds are in the Specified Denominations specified in the prospectus supplement.

#### ***Currency of Covered Bonds***

**1.10** The covered bonds are denominated in such currency as may be specified in the prospectus 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** [Reserved]

**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 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 prospectus 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 Registered Covered Bonds in global form (“**Global Covered Bonds**”) will be effected by DTC and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. The laws of some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer covered bonds represented by Global Covered Bond to such persons may depend upon the ability to exchange such covered bonds for covered bonds in definitive form. Similarly, because DTC can only act on behalf of direct participants in the DTC system who in turn act on behalf of indirect participants, the ability of a person having an interest in covered bonds represented by a Global Covered Bond accepted by DTC to pledge such covered bonds to persons or entities that do not participate in the DTC system or otherwise take action in respect of such covered bonds may depend upon the ability to exchange such covered bonds for covered bonds in definitive form. A beneficial interest in a Global Covered Bond will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Covered Bonds or for a beneficial interest in another Global Covered Bond only in the Specified Denominations set out in the applicable prospectus supplement and only in accordance with the rules and operating procedures for the time being of DTC and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Global Covered Bond registered in the name of a nominee for DTC shall be limited to transfers of such Global Covered Bond, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor’s nominee.

**2.07** Subject as provided in Conditions 2.09 and 2.10, upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Covered Bond may be transferred in whole or in part in the authorized denominations set out in the applicable prospectus supplement. In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their, attorney or attorneys duly authorized in writing, and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent, and (b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

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

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

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

**2.08** For the purposes of these Terms and Conditions:

- (a) “**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;
- (b) “**Securities Act**” means the *United States Securities Act of 1933*, as amended; and
- (c) 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 (*Transfer of Registered Covered Bonds*).

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

**2.10** In the event of a partial redemption of covered bonds under Condition 6 (*Redemption and Purchase Redemption at Maturity*), the Issuer shall not be required to register the transfer of any Registered Covered Bond, or part of a Registered Covered Bond called for partial redemption.

**2.11** [Reserved]

**2.12** [Reserved]

### **3. Status of the Covered Bonds**

The covered bonds constitute deposit liabilities of the Issuer for purposes of the Bank Act, however the covered bonds will not be insured under the *Canada Deposit Insurance Corporation Act* (Canada), and will constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Bank and rank *pari passu* with all deposit liabilities of the Bank without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Bank, present and future (except as otherwise prescribed by law). Unless otherwise specified in the prospectus supplement, the deposits to be evidenced by the covered bonds will be taken by the main branch of the Bank in Toronto, but without prejudice to the provisions of Condition 9 (*Payments*).

### **4. Guarantee**

Payment of Guaranteed Amounts in respect of the covered bonds when the same shall become Due for Payment has been unconditionally and irrevocably guaranteed by the Guarantor (the “**Covered Bond Guarantee**”) in favor of the Bond Trustee (for and on behalf of the covered bondholders) following a Covered Bond Guarantee Activation Event pursuant to the terms of the Trust Deed. The Guarantor shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until a Covered Bond Guarantee Activation Event (as defined below) has occurred. The obligations of the Guarantor under the Covered Bond Guarantee are direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and, except as provided in the Guarantee Priorities of Payment, unsubordinated obligations of the Guarantor, which are secured as provided in the Security Agreement. For the purposes of these Terms and Conditions, a “**Covered Bond Guarantee Activation Event**” means the earlier to occur of (i) an Issuer Event of Default together with the service of an Issuer Acceleration Notice on the Bank and the service of a Notice to Pay on the Guarantor; and (ii) a Guarantor Event of Default together with the service of a Guarantor Acceleration Notice on the Bank and the Guarantor. If a Notice to Pay is served on the Guarantor, the Guarantor shall pay Guaranteed Amounts in respect of the covered bonds on the Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

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

## 5. Interest

### *Interest*

**5.01** Covered bonds may be interest-bearing or non interest-bearing. The Interest Basis is specified in the applicable prospectus supplement. Words and expressions appearing in this Condition 5 and not otherwise defined herein shall have the meanings given to them in Condition 5.09 (*Definitions*).

### *Interest on Fixed Rate Covered Bonds*

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

The amount of interest payable in respect of any Fixed Rate Covered Bond for any period shall be calculated by applying the Rate of Interest to the Calculation Amount, and, in each case, multiplying such sum by a 30/360 day count basis or the applicable day count basis set forth in the applicable prospectus supplement, and rounding the resultant figure to the nearest two decimal places, with 0.005 being rounded upwards, save that if the prospectus supplement specifies a specific amount in respect of such period, the amount of interest payable in respect of such Fixed Rate Covered Bond for such Interest Period will be equal to such specified amount. Where the Specified Denomination of a Fixed Rate Covered Bond in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Covered Bond will be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

Unless otherwise provided in the applicable prospectus supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on, but excluding, such date will amount to the “**Fixed Coupon Amount**”. Payments of interest which may be paid in addition to the interest payment amount on an Interest Payment Date will, if so specified in the applicable prospectus supplement, amount to the “**Broken Amount**”.

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 DTC for distribution by them to Relevant Account Holders in accordance with their usual rules and operating procedures). If interest is required to be calculated for a period ending other than on an Interest Payment Date, or if no Fixed Coupon Amount is specified in the applicable prospectus supplement, such interest shall be calculated in accordance with this Condition 5.02 (*Interest on Fixed Rate Covered Bonds*).

Notwithstanding anything else in this Condition 5.02 (*Interest on Fixed Rate Covered Bonds*), if an Extended Due for Payment Date is specified in the prospectus supplement, interest following the Due for Payment Date will continue to accrue and be payable on any unpaid amount in accordance with Condition 5 (*Interest*) at a Rate of Interest determined in accordance with Condition 5.11 (*Interest on U.S. Registered Covered Bonds*) (in the same manner as the Rate of Interest for Floating Rate Covered Bonds).

**5.03** [Reserved]

**5.04** [Reserved]

**5.05** [Reserved]

### *Accrual of Interest after the due date*

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

**5.07** [Reserved]

**5.08** [Reserved]

### *Definitions*

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

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

**“Business Day”** means (i) in relation to covered bonds payable in other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the relevant currency in the Financial Center(s) specified in the prospectus supplement or (ii) in relation to covered bonds payable in euro, a day (other than a Saturday or Sunday) which is a TARGET2 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 Financial Center(s) specified in the prospectus supplement.

**“Business Day Convention”** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the prospectus supplement in relation to any date applicable to any covered bonds, shall have the following meanings:

- (a) **“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 prospectus supplement after the calendar month in which the preceding such date occurred, provided that:
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.



**“Calculation Agent”** means the Issuing and Paying Agent or such other agent as may be specified in the prospectus supplement as the Calculation Agent.

**“Calculation Amount”** means in relation to any Series of covered bonds, the meaning given in the applicable prospectus supplement.

**“Financial Center”** means 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 indicated in the prospectus supplement or, in the case of covered bonds denominated in euro, such financial centre or centres as the Calculation Agent may select.

**“Interest Commencement Date”** means the date of issue (the **“Issue Date”**) of the covered bonds (as specified in the prospectus supplement) or such other date as may be specified as such in the prospectus supplement.

**“Interest Determination Date”** means, in respect of any Interest Period, the date falling such number (if any) of Banking Days in such city(ies) as may be specified in the prospectus supplement prior to the first day of such Interest Accrual Period, or if none is specified:

- (a) in the case of covered bonds denominated in Pounds Sterling or in another currency if so specified in the applicable prospectus supplement, the first day of such Interest Period; or
- (b) in any other case, the date falling two London Banking Days (or, in the case of EURIBOR or EUROLIBOR, two TARGET2 Business Days) prior to the first day of such Interest Accrual Period.

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

**“Interest Period”** means 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.

**“ISDA Definitions”** means 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 prospectus supplement) as published by the International Swaps and Derivatives Association, Inc.).

**“Outstanding Principal Amount”** means, in respect of a covered bond, its principal amount less any principal amount on which interest shall have ceased to accrue in accordance with Condition 5.06 (*Accrual of Interest after the due date*) or otherwise as indicated in the prospectus supplement.

**“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 prospectus supplement.

**“TARGET2 Business Day”** means, a day in which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

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

**“U.S. Registered Covered Bond”** means a covered bond issued under a registration statement under the Securities Act.

**5.10** [Reserved]

***Interest on U.S. Registered Covered Bonds***

**5.11** Condition 5.11 (*Interest on U.S. Registered Covered Bonds*) will only apply to U.S. Registered Covered Bonds.

*Interest Rate Basis.* Each U.S. Registered Covered Bond that is a Fixed Rate Covered Bond bears interest at a fixed rate as described in Condition 5.02 (*Interest on Fixed Rate Covered Bonds*) and each U.S. Registered Covered Bond that is a Floating Rate Covered Bond bears interest on the basis of one of the following:

- commercial paper rate;
- U.S. prime rate;
- LIBOR;
- EURIBOR;
- Treasury rate;
- CMT rate;
- CD rate;
- CMS rate; and/or
- federal funds rate.

The applicable prospectus supplement will specify the interest rate basis that applies to a specific Series or Tranche of U.S. Registered Covered Bonds that are Floating Rate Covered Bonds.

*Calculation of Interest.* Calculations relating to U.S. Registered Covered Bonds that are Floating Rate Covered Bonds will be made by the Calculation Agent. The prospectus supplement for a particular U.S. Registered Covered Bond that is a Floating Rate Covered Bond will name the Calculation Agent for that covered bond as of its original issue date. A successor institution may be appointed to serve as Calculation Agent for such covered bonds from time to time after the original issue date of such covered bonds without the consent of covered bondholders or notification of the change.

For each U.S. Registered Covered Bond that is a Floating Rate Covered Bond, the Calculation Agent will determine, on the corresponding interest calculation date or on the interest determination date, as described below, the interest rate that takes effect on each interest reset date. In addition, the Calculation Agent will calculate the amount of interest that has accrued during each interest period that is, the period from and including the original issue date, or the last date to which interest has been paid or made available for payment, to but excluding the payment date. For each Interest Period, the Calculation Agent will calculate the amount of accrued interest by multiplying the face or other specified amount of the U.S. Registered Covered Bond that is a Floating Rate Covered Bond by an accrued interest factor for the Interest Period. This factor will equal the sum of the interest factors calculated for each day during the Interest Period. The interest factor for each day will be expressed as a decimal and will be calculated by dividing the interest rate, also expressed as a decimal, applicable to that day by 360 or by the actual number of days in the year, as specified in the applicable prospectus supplement.

Upon the request of the covered bondholder of any U.S. Registered Covered Bond that is a Floating Rate Covered Bond, the Calculation Agent will provide for that covered bond the interest rate then in effect and, if determined, the interest rate that will become effective on the next interest reset date. The Calculation Agent's determination of any interest rate, and its calculation of the amount of interest for any Interest Period, will be final and binding in the absence of manifest error.

All percentages resulting from any calculation relating to a covered bond will be rounded upward or downward, as appropriate, to the next higher or lower one hundred-thousandth of a percentage point, e.g., 9.876541% (or 0.09876541) being rounded down to 9.87654% (or 0.0987654) and 9.876545% (or 0.09876545) being rounded up to 9.87655% (or 0.0987655). All amounts used in or resulting from any calculation relating to a U.S. Registered Covered Bond that is a Floating Rate Covered Bond will be rounded upward or downward, as appropriate, to the nearest cent, in the case of U.S. dollars, or to the nearest corresponding hundredth of a unit, in the case of a currency other than U.S. dollars, with one-half cent or one-half of a corresponding hundredth of a unit or more being rounded upward.

In determining the interest rate basis that applies to a U.S. Registered Covered Bond that is a Floating Rate Covered Bond during a particular Interest Period, the Calculation Agent may obtain rate quotes from various banks or dealers active in the relevant market, as discussed below. Those reference banks and dealers may include the Calculation Agent itself and its affiliates, as well as any agent participating in the distribution of the relevant Floating Rate Covered Bonds and its affiliates, and they may include affiliates of the Bank.

*Initial Interest Rate.* For any U.S. Registered Covered Bond that is a Floating Rate Covered Bond, the interest rate in effect from the original issue date to the first interest reset date will be the initial interest rate. The initial interest rate or the manner in which it is determined will be set forth in the applicable prospectus supplement.

*Spread or Spread Multiplier.* In some cases, the interest rate basis for a U.S. Registered Covered Bond that is a Floating Rate Covered Bond may be adjusted:

- by adding or subtracting a specified number of basis points, called the spread, with one basis point being 0.01 percent; or
- by multiplying the interest rate basis by a specified percentage, called the spread multiplier.

For any U.S. Registered Covered Bond that is a Floating Rate Covered Bond, the applicable prospectus supplement will indicate whether a spread or spread multiplier will apply to the covered bond and, if so, the amount of the spread or spread multiplier.

*Maximum and Minimum Rates.* The actual interest rate, after being adjusted by the spread or spread multiplier, may also be subject to either or both of the following limits:

- a maximum rate—i.e., a specified upper limit that the actual interest rate in effect at any time may not exceed; and/or
- a minimum rate—i.e., a specified lower limit that the actual interest rate in effect at any time may not fall below.

For any U.S. Registered Covered Bond that is a Floating Rate Covered Bond, the applicable prospectus supplement will indicate whether a maximum rate and/or minimum rate will apply to the covered bond and, if so, what those rates are.

Whether or not a maximum rate applies, the interest rate on a Floating Rate Covered Bond will in no event be higher than the maximum rate permitted by New York law, as it may be modified by U.S. law of general application and the law of Ontario and the laws of Canada applicable therein.

*Interest Reset Dates.* The rate of interest on a U.S. Registered Covered Bond that is a Floating Rate Covered Bond will be reset, by the Calculation Agent described below, daily, weekly, monthly, quarterly, semi-annually or annually. The date on which the interest rate resets and the reset rate becomes effective is called the interest reset date. Except as otherwise specified in the applicable prospectus supplement, the interest reset date will be as follows:

- for U.S. Registered Covered Bonds that are Floating Rate Covered Bonds that reset daily, each Business Day;

- for U.S. Registered Covered Bonds that are Floating Rate Covered Bonds that reset weekly and are not treasury rate covered bonds, the Wednesday of each week;
- for treasury rate covered bonds that reset weekly, the Tuesday of each week;
- for U.S. Registered Covered Bonds that are Floating Rate Covered Bonds that reset monthly, the third Wednesday of each month;
- for U.S. Registered Covered Bonds that are Floating Rate Covered Bonds that reset quarterly, the third Wednesday of each of four months of each year as indicated in the applicable prospectus supplement;
- for U.S. Registered Covered Bonds that are Floating Rate Covered Bonds that reset semi-annually, the third Wednesday of each of two months of each year as indicated in the applicable prospectus supplement; and
- for U.S. Registered Covered Bonds that are Floating Rate Covered Bonds that reset annually, the third Wednesday of one month of each year as indicated in the applicable prospectus supplement.

For a U.S. Registered Covered Bond that is a Floating Rate Covered Bond, the interest rate in effect on any particular day will be the interest rate determined with respect to the latest interest reset date that occurs on or before that day. There are several exceptions, however, to the reset provisions described above.

If any interest reset date for a U.S. Registered Covered Bond that is a Floating Rate Covered Bond would otherwise be a day that is not a Business Day, the interest reset date will be postponed to the next day that is a Business Day. For a LIBOR or EURIBOR covered bond, however, if that Business Day is in the next succeeding calendar month, the interest reset date will be the immediately preceding Business Day.

*Interest Determination Dates.* The interest rate that takes effect on an interest reset date will be determined by the Calculation Agent by reference to a particular date called an interest determination date. Except as otherwise indicated in the applicable prospectus supplement:

- for commercial paper rate, federal funds rate and U.S. prime rate covered bonds, the interest determination date relating to a particular interest reset date will be the Business Day preceding the interest reset date;
- for LIBOR covered bonds, the interest determination date relating to a particular interest reset date will be the second London business day preceding the interest reset date, unless the index currency is pounds sterling, in which case the interest determination date will be the interest reset date. An interest determination date for a LIBOR covered bond is referred to as a LIBOR interest determination date;
- for EURIBOR covered bonds, the interest determination date relating to a particular interest reset date will be the second Euro Business Day preceding the interest reset date. An interest determination date for a EURIBOR covered bond is referred to as a EURIBOR interest determination date;
- for treasury rate covered bonds, the interest determination date relating to a particular interest reset date, which is referred to as a treasury interest determination date, will be the day of the week in which the interest reset date falls on which treasury bills—i.e., direct obligations of the U.S. government—would normally be auctioned. Treasury bills are usually sold at auction on the Monday of each week, unless that day is not a Business Day, in which case the auction is usually held on the following Tuesday, except that the auction may be held on the preceding Friday. If as the result of a Monday not being a Business Day an auction is held on the preceding Friday, that Friday will be the treasury interest determination date relating to the interest reset date occurring in the next succeeding week; and
- for CD rate, CMT rate and CMS rate covered bonds, the interest determination date relating to a particular interest reset date will be the second Business Day preceding the interest reset date.

The interest determination date pertaining to a U.S. Registered Covered Bond that is a Floating Rate Covered Bond the interest rate of which is determined with reference to two or more interest rate bases will be the latest Business Day which is at least two Business Days before the related interest reset date for the applicable Floating Rate Covered Bond on which each interest rate basis is determinable.

*Interest Calculation Dates.* As described above, the interest rate that takes effect on a particular interest reset date will be determined by reference to the corresponding interest determination date. Except for LIBOR covered bonds and EURIBOR covered bonds, however, the determination of the rate will actually be made on a day no later than the corresponding interest calculation date. The interest calculation date will be the earlier of the following:

- the tenth calendar day after the interest determination date or, if that tenth calendar day is not a Business Day, the next succeeding Business Day; and
- the Business Day immediately preceding the Interest Payment Date or the maturity, whichever is the day on which the next payment of interest will be due.

The Calculation Agent need not wait until the relevant interest calculation date to determine the interest rate if the rate information it needs to make the determination is available from the relevant sources sooner.

*Interest Payment Dates.* The Interest Payment Dates for a U.S. Registered Covered Bond that is a Floating Rate Covered Bond will depend on when the interest rate is reset and, unless otherwise specified in the applicable prospectus supplement, will be as follows:

- for U.S. Registered Covered Bonds that are Floating Rate Covered Bonds that reset daily, weekly or monthly, the third Wednesday of each month;
- for U.S. Registered Covered Bonds that are Floating Rate Covered Bonds that reset quarterly, the third Wednesday of the four months of each year specified in the applicable prospectus supplement;
- for U.S. Registered Covered Bonds that are Floating Rate Covered Bonds that reset semi-annually, the third Wednesday of the two months of each year specified in the applicable prospectus supplement; or
- for U.S. Registered Covered Bonds that are Floating Rate Covered Bonds that reset annually, the third Wednesday of the month specified in the applicable prospectus supplement.

Notwithstanding the above, if a covered bond is originally issued after the Regular Record Date and before the date that would otherwise be the first Interest Payment Date, the first Interest Payment Date will be the date that would otherwise be the second Interest Payment Date.

In addition, the following special provision will apply to a U.S. Registered Covered Bond that is a Floating Rate Covered Bond with regard to any Interest Payment Date other than one that falls on the maturity. If the Interest Payment Date would otherwise fall on a day that is not a Business Day, then the Interest Payment Date will be the next day that is a Business Day. However, if the Floating Rate Covered Bond is a LIBOR covered bond or a EURIBOR covered bond and the next Business Day falls in the next calendar month, then the Interest Payment Date will be advanced to the next preceding day that is a Business Day. If the Final Maturity Date of a U.S. Registered Covered Bond that is a Floating Rate Covered Bond falls on a day that is not a Business Day, the required payment of principal, premium, if any, and interest will be made on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

#### *Commercial Paper Rate Covered Bonds*

A commercial paper rate covered bond will bear interest at an interest rate equal to the commercial paper rate and adjusted by the spread or spread multiplier, if any, indicated in the applicable prospectus supplement.

The commercial paper rate will be the money market yield of the rate, for the relevant interest determination date, for commercial paper having the index maturity indicated in the applicable prospectus supplement, as published in H.15(519) under the heading “Commercial Paper—Nonfinancial.” If the commercial paper rate cannot be determined as described above, the following procedures will apply.

- If the rate described above does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the commercial paper rate will be the rate, for the relevant interest determination date, for commercial paper having the index maturity specified in the applicable prospectus supplement, as published in H.15 daily update or any other recognized electronic source used for displaying that rate, under the heading “Commercial Paper—Nonfinancial.”
- If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the commercial paper rate will be the money market yield of the arithmetic mean of the following offered rates for U.S. dollar commercial paper that has the relevant index maturity and is placed for an industrial issuer whose bond rating is “Aa,” or the equivalent, from a nationally recognized rating agency: the rates offered as of 11:00 A.M., New York City time, on the relevant interest determination date, by three leading U.S. dollar commercial paper dealers in New York City selected by the Calculation Agent.
- If fewer than three dealers selected by the Calculation Agent are quoting as described above, the commercial paper rate for the new interest period will be the commercial paper rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

#### *U.S. Prime Rate Covered Bonds*

A U.S. prime rate covered bond will bear interest at an interest rate equal to the U.S. prime rate and adjusted by the spread or spread multiplier, if any, indicated in the applicable prospectus supplement.

The U.S. prime rate will be the rate, for the relevant interest determination date, published in H.15(519) opposite the heading “Bank Prime Loan.” If the U.S. prime rate cannot be determined as described above, the following procedures will apply.

- If the rate described above does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the U.S. prime rate will be the rate, for the relevant interest determination date, as published in H.15 daily update or another recognized electronic source used for the purpose of displaying that rate, under the heading “Bank Prime Loan.”
- If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the U.S. prime rate will be the arithmetic mean of the following rates as they appear on the Reuters screen US PRIME 1 page: the rate of interest publicly announced by each bank appearing on that page as that bank’s prime rate or base lending rate, as of 11:00 A.M., New York City time, on the relevant interest determination date.
- If fewer than four of these rates appear on the Reuters screen US PRIME 1 page, the U.S. prime rate will be the arithmetic mean of the prime rates or base lending rates, as of the close of business on the relevant interest determination date, of three major banks in New York City selected by the Calculation Agent. For this purpose, the Calculation Agent will use rates quoted on the basis of the actual number of days in the year divided by a 360-day year.

- If fewer than three banks selected by the Calculation Agent are quoting as described above, the U.S. prime rate for the new interest period will be the U.S. prime rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

#### *LIBOR Covered Bonds*

A LIBOR covered bond will bear interest at an interest rate equal to LIBOR, which will be the London interbank offered rate for deposits in U.S. dollars or any other index currency, as specified in the applicable prospectus supplement. In addition, when LIBOR is the interest rate basis the applicable LIBOR rate will be adjusted by the spread or spread multiplier, if any, indicated in the applicable prospectus supplement. LIBOR will be determined in the following manner:

- LIBOR will be the offered rate appearing on the Reuters Page LIBOR01 as of 11:00 A.M., London time, on the relevant LIBOR interest determination date, for deposits of the relevant index currency having the relevant index maturity beginning on the relevant interest reset date. The applicable prospectus supplement will indicate the index currency, the index maturity and the reference page that apply to the LIBOR covered bond. If no reference page is mentioned in the prospectus supplement, Reuters Page LIBOR01 will apply to the LIBOR covered bond.
- If Reuters Page LIBOR01 applies and the rate described above does not appear on that page, then LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the relevant LIBOR interest determination date, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: deposits of the index currency having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount. The Calculation Agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the relevant LIBOR interest determination date will be the arithmetic mean of the quotations.
- If fewer than two quotations are provided as described above, LIBOR for the relevant LIBOR interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., in the applicable principal financial center, on that LIBOR interest determination date, by three major banks in that financial center selected by the Calculation Agent: loans of the index currency having the relevant index maturity, beginning on the relevant interest reset date and in a representative amount.
- If fewer than three banks selected by the Calculation Agent are quoting as described above, LIBOR for the new interest period will be LIBOR in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

#### *EURIBOR Covered Bonds*

A EURIBOR covered bond will bear interest at an interest rate equal to the interest rate for deposits in euro, designated as “EURIBOR” and sponsored jointly by the European Banking Federation and ACI—the Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing that rate. In addition, when EURIBOR is the interest rate basis the EURIBOR base rate will be adjusted by the spread or spread multiplier, if any, specified in the applicable prospectus supplement. EURIBOR will be determined in the following manner:

- EURIBOR will be the offered rate for deposits in euros having the index maturity specified in the applicable prospectus supplement, beginning on the second Euro Business Day after the relevant EURIBOR interest determination date, as that rate appears on Reuters page EURIBOR01 as of 11:00 A.M., Brussels time, on the relevant EURIBOR interest determination date.
- If the rate described above does not appear on Reuters page EURIBOR01, EURIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., Brussels time, on the relevant EURIBOR interest

determination date, at which deposits of the following kind are offered to prime banks in the euro-zone interbank market by the principal euro-zone office of each of four major banks in that market selected by the Calculation Agent: euro deposits having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount. The Calculation Agent will request the principal euro-zone office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, EURIBOR for the relevant EURIBOR interest determination date will be the arithmetic mean of the quotations.

- If fewer than two quotations are provided as described above, EURIBOR for the relevant EURIBOR interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading euro-zone banks quoted, at approximately 11:00 A.M., Brussels time on that EURIBOR interest determination date, by three major banks in the euro-zone selected by the Calculation Agent: loans of euros having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount.
- If fewer than three banks selected by the Calculation Agent are quoting as described above, EURIBOR for the new interest period will be EURIBOR in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

#### *Treasury Rate Covered Bonds*

A treasury rate covered bond will bear interest at an interest rate equal to the treasury rate and adjusted by the spread or spread multiplier, if any, indicated in the applicable prospectus supplement.

The treasury rate will be the rate for the auction, on the relevant treasury interest determination date, of treasury bills having the index maturity specified in the applicable prospectus supplement, as that rate appears on Reuters page USAUCTION 10/11. If the treasury rate cannot be determined in this manner, the following procedures will apply.

- If the rate described above does not appear on either page by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, the treasury rate will be the bond equivalent yield of the rate, for the relevant interest determination date, for the type of treasury bill described above, as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading “U.S. Government Securities/Treasury Bills/Auction High.”
- If the rate described in the prior paragraph does not appear in H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the treasury rate will be the bond equivalent yield of the auction rate, for the relevant treasury interest determination date and for treasury bills of the kind described above, as announced by the U.S. Department of the Treasury.
- If the auction rate described in the prior paragraph is not so announced by 3:00 P.M., New York City time, on the relevant interest calculation date, or if no such auction is held for the relevant week, then the treasury rate will be the bond equivalent yield of the rate, for the relevant treasury interest determination date and for treasury bills having a remaining maturity closest to the specified index maturity, as published in H.15(519) under the heading “U.S. Government Securities/Treasury Bills/Secondary Market.”
- If the rate described in the prior paragraph does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the treasury rate will be the rate, for the relevant treasury interest determination date and for treasury bills having a remaining maturity closest to the specified index maturity, as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading “U.S. Government Securities/Treasury Bills/Secondary Market.”



- If the rate described in the prior paragraph does not appear in H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the treasury rate will be the bond equivalent yield of the arithmetic mean of the following secondary market bid rates for the issue of treasury bills with a remaining maturity closest to the specified index maturity: the rates bid as of approximately 3:30 P.M., New York City time, on the relevant treasury interest determination date, by three primary U.S. government securities dealers in New York City selected by the Calculation Agent.
- If fewer than three dealers selected by the Calculation Agent are quoting as described in the prior paragraph, the treasury rate in effect for the new interest period will be the treasury rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

#### *CD Rate Covered Bonds*

A CD rate covered bond will bear interest at an interest rate equal to the CD rate and adjusted by the spread or spread multiplier, if any, indicated in the applicable prospectus supplement.

The CD rate will be the rate, on the relevant interest determination date, for negotiable U.S. dollar certificates of deposit having the index maturity specified in the applicable prospectus supplement, as published in H.15(519) under the heading “CDs (Secondary Market).” If the CD rate cannot be determined in this manner, the following procedures will apply.

- If the rate described above does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the CD rate will be the rate, for the relevant interest determination date, described above as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading “CDs (Secondary Market).”
- If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the CD rate will be the arithmetic mean of the following secondary market offered rates for negotiable U.S. dollar certificates of deposit of major U.S. money market banks with a remaining maturity closest to the specified index maturity, and in a representative amount: the rates offered as of 10:00 A.M., New York City time, on the relevant interest determination date, by three leading non-bank dealers in negotiable U.S. dollar certificates of deposit in New York City, as selected by the Calculation Agent.
- If fewer than three dealers selected by the Calculation Agent are quoting as described above, the CD rate in effect for the new interest period will be the CD rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

#### *CMT Rate Covered Bonds*

A CMT rate covered bond will bear interest at an interest rate equal to the CMT rate and adjusted by the spread or spread multiplier, if any, indicated in the applicable prospectus supplement.

The CMT rate will be the following rate displayed on the designated CMT Reuters page under the heading “. . . Treasury Constant Maturities . . . Federal Reserve Board Release H.15 Mondays Approximately 3:45 P.M.,” under the column for the designated CMT index maturity:

- if the designated CMT Reuters page is Reuters page FRBCMT, the rate for the relevant interest determination date; or

- if the designated CMT Reuters page is Reuters page FEDCMT, the weekly or monthly average, as specified in the applicable prospectus supplement, for the week that ends immediately before the week in which the relevant interest determination date falls, or for the month that ends immediately before the month in which the relevant interest determination date falls, as applicable.

If the CMT rate cannot be determined in this manner, the following procedures will apply.

- If the applicable rate described above is not displayed on the relevant designated CMT Reuters page at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the CMT rate will be the applicable treasury constant maturity rate described above—i.e., for the designated CMT index maturity and for either the relevant interest determination date or the weekly or monthly average, as applicable—as published in H.15(519).
- If the applicable rate described above does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the CMT rate will be the treasury constant maturity rate, or other U.S. treasury rate, for the designated CMT index maturity and with reference to the relevant interest determination date, that:
  - is published by the Board of Governors of the Federal Reserve System, or the U.S. Department of the Treasury; or
  - as is otherwise announced by the Federal Reserve Bank of New York for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT rate interest determination date falls; and
  - in either case, is determined by the Calculation Agent to be comparable to the applicable rate formerly displayed on the designated CMT Reuters page and published in H.15(519).
- If the rate described in the prior paragraph does not appear by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the CMT rate will be the yield to maturity of the arithmetic mean of the following secondary market bid rates for the most recently issued treasury covered bonds having an original maturity equal to the designated CMT index maturity and a remaining term to maturity of not less than the designated CMT index maturity minus one year, and in a representative amount: the bid rates, as of approximately 3:30 P.M., New York City time, on the relevant interest determination date, of three primary U.S. government securities dealers in New York City selected by the Calculation Agent. In selecting these bid rates, the Calculation Agent will request quotations from five of these primary dealers and will disregard the highest quotation—or, if there is equality, one of the highest—and the lowest quotation—or, if there is equality, one of the lowest. Treasury covered bonds are direct, non-callable, fixed rate obligations of the U.S. government.
- If the Calculation Agent is unable to obtain three quotations of the kind described in the prior paragraph, the CMT rate will be the yield to maturity of the arithmetic mean of the following secondary market bid rates for treasury covered bonds with an original maturity longer than the designated CMT index maturity, with a remaining term to maturity closest to the designated CMT index maturity and in a representative amount: the bid rates, as of approximately 3:30 P.M., New York City time, on the relevant interest determination date, of three primary U.S. government securities dealers in New York City selected by the Calculation Agent. In selecting these bid rates, the Calculation Agent will request quotations from five of these primary dealers and will disregard the highest quotation (or, if there is equality, one of the highest) and the lowest quotation (or, if there is equality, one of the lowest). If two treasury covered bonds with an original maturity longer than the designated CMT index maturity have remaining terms to maturity that are equally close to the designated CMT index maturity, the Calculation Agent will obtain quotations for the treasury covered bond with the shorter remaining term to maturity.

- If fewer than five but more than two of these primary dealers are quoting as described in the prior paragraph, then the CMT rate for the relevant interest determination date will be based on the arithmetic mean of the bid rates so obtained, and neither the highest nor the lowest of those quotations will be disregarded.
- If two or fewer primary dealers selected by the Calculation Agent are quoting as described above, the CMT rate in effect for the new interest period will be the CMT rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

#### *CMS Rate Covered Bonds*

A CMS rate covered bond will bear interest at an interest rate equal to the CMS rate and adjusted by the spread or spread multiplier, if any, indicated in the applicable prospectus supplement.

The CMS rate will be the rate for U.S. dollar swaps with a maturity for a specified number of years, expressed as a percentage in the applicable prospectus supplement, which appears on the Reuters page ISDAFIX1 as of 11:00 a.m., New York City time, on the interest rate determination date.

- If the CMS rate cannot be determined as described above, the following procedures will be used:
- If the applicable rate described above is not displayed on the relevant designated CMS Reuters page by 11:00 a.m., New York City time, on the interest rate determination date, then the CMS rate will be a percentage determined on the basis of the mid-market, semi-annual swap rate quotations provided by five leading swap dealers in the New York City interbank market at approximately 11:00 a.m., New York City time, on the interest rate determination date. For this purpose, the semi-annual swap rate means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to the maturity designated in the applicable prospectus supplement commencing on that interest rate determination date with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to “LIBOR Reuters” with a maturity of three months. The Calculation Agent will select the five swap dealers after consultation with us and will request the principal New York City office of each of those dealers to provide a quotation of its rate. If at least three quotations are provided, the CMS rate for that interest rate determination date will be the arithmetic mean of the quotations, eliminating the highest and lowest quotations or, in the event of equality, one of the highest and one of the lowest quotations.
- If fewer than three leading swap dealers selected by the Calculation Agent are quoting as described above, the CMS rate will remain the CMS rate in effect on that interest rate determination date or, if that interest rate determination date is the first reference rate determination date, the initial interest rate.

#### *Federal Funds Rate Covered Bonds*

A federal funds rate covered bond will bear interest at an interest rate equal to the federal funds rate and adjusted by the spread or spread multiplier, if any, indicated in the applicable prospectus supplement.

The federal funds rate will be the rate for U.S. dollar federal funds as of the relevant interest determination date, as published in H.15(519) under the heading “Federal Funds (Effective),” as that rate is displayed on Reuters page FEDFUNDS1. If the federal funds rate cannot be determined in this manner, the following procedures will apply.

- If the rate described above is not displayed on Reuters page FEDFUNDS1 by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the federal funds rate, as of the relevant interest determination date, will be the rate described above as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading “Federal Funds (Effective).”

- If the rate described above is not displayed on Reuters page FEDFUNDS1 and does not appear in H.15(519), H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the federal funds rate will be the arithmetic mean of the rates for the last transaction in overnight, U.S. dollar federal funds arranged, before 9:00 A.M., New York City time, on the Business Day following the relevant interest determination date, by three leading brokers of U.S. dollar federal funds transactions in New York City selected by the Calculation Agent.
- If fewer than three brokers selected by the Calculation Agent are quoting as described above, the federal funds rate in effect for the new interest period will be the federal funds rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

*Special Rate Calculation Terms*

For the purposes of this Condition 5.11 (*Interest on U.S. Registered Covered Bonds*):

The term “bond equivalent yield” means a yield expressed as a percentage and calculated in accordance with the following formula:

where,

“D” means the annual rate for treasury bills quoted on a bank discount basis and expressed as a decimal;

“N” means 365 or 366, as the case may be; and

“M” means the actual number of days in the applicable interest reset period.

The term “Business Day” means, for any covered bond, a day that meets all the following applicable requirements:

- for all covered bonds, is a Monday, Tuesday, Wednesday, Thursday or Friday that is neither a legal holiday nor a day on which banking institutions are authorized or required by law to close in New York City or Toronto, and, in the case of a Floating Rate Covered Bond, London;
- if the covered bond has a specified currency other than U.S. dollars or euros, is also a day on which banking institutions are not authorized or obligated by law, regulation or executive order to close in the applicable principal financial center; and
- if the covered bond is a EURIBOR covered bond or has a specified currency of euros, or is a LIBOR covered bond for which the index currency is euros, is also a Euro Business Day.

The term “designated CMT index maturity” means the index maturity for a CMT rate covered bond and will be the original period to maturity of a U.S. treasury security—either 1, 2, 3, 5, 7, 10, 20 or 30 years—specified in the applicable prospectus supplement.

The term “designated CMT Reuters page” means the Reuters page that displays treasury constant maturities as reported in H.15(519). If no Reuters page is so specified, then the applicable page will be Reuters page FEDCMT. If Reuters page FEDCMT applies but the applicable prospectus supplement does not specify whether the weekly or monthly average applies, the weekly average will apply.

The term “Euro Business Day” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System, or any successor system, is open for business.

The term “euro-zone” means, at any time, the region comprised of the member states of the European Economic and Monetary Union that, as of that time, have adopted a single currency in accordance with the Treaty on European Union of February 1992.

“H.15(519)” means the weekly statistical release entitled “Statistical Release H.15(519),” or any successor publication, published by the Board of Governors of the Federal Reserve System.

“H.15 daily update” means the daily update of H.15(519) available through the worldwide website of the Board of Governors of the Federal Reserve System, at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publication.

The term “index currency” means, with respect to a LIBOR covered bond, the currency specified as such in the applicable prospectus supplement. The index currency may be U.S. dollars or any other currency, and will be U.S. dollars unless another currency is specified in the prospectus supplement.

The term “index maturity” means, with respect to a Floating Rate Covered Bond, the period to maturity of the instrument or obligation on which the interest rate formula is based, as specified in the applicable prospectus supplement.

“Interest Period” has the meaning given to such term in Condition 5.09 (*Definitions*) of the Terms and Conditions.

“London business day” means any day on which dealings in the relevant index currency are transacted in the London interbank market.

The term “money market yield” means a yield expressed as a percentage and calculated in accordance with the following formula:

where,

“D” means the annual rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and

“M” means the actual number of days in the relevant interest reset period.

The term “principal financial center” means the capital city of the country to which an index currency relates (or the capital city of the country issuing the specified currency, as applicable), except that with respect to U.S. dollars, Australian dollars, Canadian Dollars, South African rands and Swiss francs, the “principal financial center” means The City of New York, Sydney, Toronto, Johannesburg and Zurich, respectively, and with respect to euros the principal financial center means London.

The term “representative amount” means an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

“Reuters Page LIBOR01” means the display designated as “LIBOR01” on Reuters 3000 Xtra (or any successor service) (or such other page as may replace Page LIBOR01 on Reuters 3000 Xtra or any successor service).

“Reuters screen US PRIME 1 page” means the display on the “US PRIME 1” page on the Reuters Monitor Money Rates Service, or any successor service, or any replacement page or pages on that service, for the purpose of displaying prime rates or base lending rates of major U.S. banks.

“Reuters page” means the display on Reuters 3000 Xtra, or any successor service or any replacement page or pages on that service.

If, when using the terms designated CMT Reuters page, H.15(519), H.15 daily update, Reuters screen US PRIME 1 page, Reuters Page LIBOR01 or Reuters page, a particular heading or headings is referenced on any of those pages, those references include any successor or replacement heading or headings as determined by the Calculation Agent.

## 6. Redemption and Purchase Redemption at Maturity

**6.01** Unless previously redeemed, or purchased and cancelled or unless such covered bond is stated in the prospectus supplement as having no fixed maturity date, this covered bond shall be redeemed at its Final Redemption Amount specified in the applicable prospectus supplement in the Specified Currency on the Final Maturity Date.

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

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

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

In the circumstances outlined above, the Guarantor shall on the earlier of (a) the date falling two Business Days after the service of a Notice to Pay on the Guarantor or if later the Final Maturity Date (or, in each case, after the expiry of the applicable grace period set out in Condition 7.02 (*Guarantor Events of Default*)) 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 partial payment of an amount equal to the Final Redemption Amount of each covered bond of the relevant Series of covered bonds and shall pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such covered bond on such date. The obligation of the Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount not so paid shall be deferred as described above. Such failure to pay by the Guarantor shall not constitute a Guarantor Event of Default.

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

For the purposes of these Terms and Conditions:

“**Extended Due for Payment Date**” means, in relation to any Series of covered bonds, the date, if any, specified as such in the applicable prospectus supplement to which the payment of all or (as applicable) part of the Final Redemption

Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date.

“**Extension Determination Date**” means, in respect of a Series of covered bonds, the date falling two Business Days after the expiry of seven days from (and including) the Final Maturity Date of such covered bonds.

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

“**Rating Agency**” means either Moody’s Investors Service, Inc. or DBRS Limited, to the extent that at the relevant time they provide ratings in respect of the then outstanding covered bonds, or their successors and “**Rating Agencies**” means each Rating Agency.

### ***Early Redemption for Taxation Reasons***

**6.02** If, in relation to any Series of covered bonds (i) as a result of any amendment to, clarification of, or change including any announced proposed change in the laws or regulations, or the application or interpretation thereof of Canada or the United Kingdom or any political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of covered bonds issued by a branch of the Issuer outside Canada, of the country in which such branch is located or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date of such covered bonds or any other date specified in the prospectus supplement, (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an “**administrative action**”); or (iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any administrative action or any interpretation or pronouncement that provides for a position with respect to such administrative action that differs from the theretofore generally accepted position, in each of case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, administrative action, interpretation or pronouncement is made known, which amendment, clarification, change or administrative action is effective or which interpretation, pronouncement or administrative action is announced on or after the date of issue of the covered bonds, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or administrative action is effective and applicable) the Issuer would be required to pay additional amounts as provided in Condition 8 (*Taxation*), and such circumstances are evidenced by the delivery by the Issuer to the Paying Agents and Bond Trustee of (x) a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto, and (y) an opinion of independent legal advisers of recognized standing to the effect that the circumstances set forth in (i), (ii) or (iii) above prevail, the Issuer may, at its option and 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 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding covered bonds at their Outstanding Principal Amount or such Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the prospectus 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 (*Put Option*).

### ***Call Option***

**6.03** If a Call Option is specified in the prospectus supplement as being applicable, then the Issuer may, having given the appropriate notice to the holders in accordance with Condition 14 (*Notices*), which Notice shall be irrevocable, and shall specify the date fixed for redemption redeem all or 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 prospectus 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 (*Put Option*).

**6.04** The appropriate notice referred to in Condition 6.03 (*Call Option*) is a notice given by the Issuer to the holders of the covered bonds of the relevant Series in accordance with Condition 14 (*Notices*), 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 prospectus 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 (*Call Option*):

- 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 prospectus supplement;
- in the case of a Global Covered Bond, the covered bonds to be redeemed shall be selected in accordance with the then rules of DTC and/or any other relevant clearing system (to be reflected in the records of DTC 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 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 Definitive Covered Bond, a new Definitive Covered Bond in respect of the unredeemed balance shall be issued in accordance with Condition 2 (*Title and Transfer*), which shall apply as in the case of a transfer of Definitive Covered Bonds as if such new Definitive Covered Bond were in respect of the untransferred balance.

#### ***Put Option***

**6.06** If a Put Option is specified in the prospectus 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 prospectus 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 prospectus supplement in whole (but not in part only) on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in accordance with the provisions of, the applicable prospectus supplement, together with accrued interest (if any) thereon. In order to exercise such option, the holder must, not less than 45 days before the Optional Redemption Date where the covered bond is a covered bond in definitive form held outside DTC deposit the relevant covered bond during normal business hours at the specified office of, in the case of a Registered Covered Bond, the Registrar together with a duly completed early redemption notice (“**Put Notice**”) in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar specifying, in the case of a Global Covered Bond, the aggregate principal amount in respect of which such option is exercised (which must be a Specified Denomination specified in the prospectus supplement). Notwithstanding the foregoing, covered bonds represented by a Global Covered Bond shall be deemed to be deposited with the Paying Agent or the Registrar, as the case may be, for purposes of this Condition 6.06 (*Put Option*) 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 Definitive Covered Bond in respect of the unredeemed balance shall be issued in accordance with Condition 2 (*Title and Transfer*) which shall apply as in the case of a transfer of Definitive Covered Bonds as if such new Definitive Covered Bond were in respect of the untransferred balance.

The holder of a covered bond may not exercise such Put Option (i) in respect of any covered bond which is the subject of an exercise by the Issuer of its option to redeem such covered bond under either Condition 6.02 (*Early Redemption for Taxation Reasons*) or 6.03 (*Call Option*), or (ii) following an Issuer Event of Default.

#### ***Purchase of covered bonds***

**6.07** The Issuer or any of its subsidiaries may at any time, but will at no time be obligated to, purchase covered bonds in the open market or otherwise and at any price. 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 redeemed in accordance with this Condition 6 (*Redemption and Purchase Redemption at Maturity*) will be cancelled forthwith and may not be reissued or resold. All unmatured covered bonds purchased in accordance with Condition 6.07 (*Purchase of covered bonds*) may be cancelled or may be reissued or resold.

**6.09** [Reserved]

**6.10** [Reserved]

**6.11** [Reserved]

**6.12** [Reserved]

#### ***Redemption due to Illegality***

**6.13** The covered bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bond Trustee, the Paying Agents, the Registrar and, in accordance with Condition 14 (*Notices*), all holders of the covered bonds (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any covered bond of any Series, become unlawful for the Issuer to make, fund or allow to remain outstanding any advance made by it to the Guarantor pursuant to the Intercompany Loan Agreement, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date. Covered bonds redeemed pursuant to this Condition 6.13 (*Redemption due to Illegality*) will be

redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 6.13 (*Redemption due to Illegality*), the Issuer shall deliver to the Paying Agents and Bond Trustee a certificate signed by two senior officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Paying Agents and Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the covered bonds.

## 7. Events of Default

### *Issuer Events of Default*

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

- (a) the Issuer fails to pay any principal or interest in respect of the covered bonds within 10 Business Days in the case of principal and 30 days in the case of interest, in each case of the respective due date; or
- (b) the Issuer fails to perform or observe any obligations under the covered bonds of any Series, the Trust Deed or any other Transaction Document (other than the Dealership Agreement and any subscription agreement for the covered bonds) to which the Issuer is a party (other than any obligation of the Issuer to comply with the Asset Coverage Test and any other obligation of the Issuer specifically provided for in this Condition 7.01 (*Issuer Events of Default*)) and such failure continues for a period of 30 days (or such longer period as the Bond Trustee may permit) next following the service by the Bond Trustee on the Issuer of notice requiring the same to be remedied (except in circumstances where the Bond Trustee considers such failure to be incapable of remedy in which case no period of continuation will apply and no notice by the Bond Trustee will be required); or
- (c) an Insolvency Event in respect of the Issuer; or
- (d) an Asset Coverage Test Breach Notice has been served and not revoked (in accordance with the terms of the Transaction Documents) on or before the Guarantor Payment Date immediately following the next Calculation Date after service of such Asset Coverage Test Breach Notice; or
- (e) if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached less than six months prior to the Final Maturity Date of that Series of Hard Bullet Covered Bonds, and the Guarantor has not cured the breach before the earlier to occur of: (i) ten Toronto Business Days from the date that the Seller is notified of the breach of the Pre-Maturity Test and (ii) the Final Maturity Date of that Series of Hard Bullet Covered Bonds; or

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

For the purposes of these Terms and Conditions “**Calculation Date**” means the last Toronto Business Day of each month.

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

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

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

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

### ***Guarantor Events of Default***

**7.02** The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 percent of the aggregate Principal Amount Outstanding of the covered bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 7.02 (*Guarantor Events of Default*)) 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 U.S. dollars converted into U.S. dollars at the applicable Covered Bond Swap Rate) or if so directed by an Extraordinary Resolution of all the holders of the covered bonds shall (but in the case of the happening of any of the events described in paragraphs (b) to (f) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the holders of the covered bonds of any Series) (subject in each case to being indemnified and/or secured to its satisfaction) give notice (the “**Guarantor Acceleration Notice**”) in writing to the Issuer and to the Guarantor, that (x) each covered bond of each Series is, and each covered bond of each Series shall as against the Issuer (if not already due and repayable against it following an Issuer Event of Default), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) all amounts payable by the Guarantor under the Covered Bond Guarantee shall thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each covered bond of each Series together with accrued interest, in each case as provided in the Trust Deed and thereafter the Security shall become enforceable if any of the following events (each, a “**Guarantor Event of Default**”) shall occur and be continuing:

- (a) default is made by the Guarantor for a period of seven days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the covered bonds of any Series, except in the case of the payment of a Guaranteed Amount when Due for Payment under Condition 6.01 where the Guarantor shall be required to make payments of Guaranteed Amounts which are Due for Payment on the dates specified therein; or
- (b) if default is made by the Guarantor in the performance or observance of any obligation, condition or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the covered bonds of any Series and any other obligation specifically provided for in this Condition 7.02 (*Guarantor Events of Default*)) under the Trust Deed, the Security Agreement or any other Transaction Document (other than the obligation of the Guarantor to (i) repay the Demand Loan pursuant to the terms of the Intercompany Loan Agreement, or (ii) make a payment under a Swap Agreement if it has insufficient funds therefor) to which the Guarantor is a party and, except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Guarantor requiring the same to be remedied; or
- (c) an Insolvency Event in respect of the Guarantor; or
- (d) a failure to satisfy the Amortization Test on any Calculation Date following the occurrence and during the continuance of an Issuer Event of Default; or
- (e) the Covered Bond Guarantee is not, or is claimed by the Guarantor not to be, in full force and effect; or
- (f) if a ratings trigger prescribed by the Conditions or the Transaction Documents (and not otherwise specifically provided for in this Condition 7.02 (*Guarantor Events of Default*)) is breached and the prescribed remedial action is not taken within the specified time period, unless, in respect of any ratings trigger other than the Account Bank Threshold Ratings, the Standby Account Bank Threshold Ratings, the Cash Management Deposit Ratings and the Servicer Deposit Threshold Ratings, such breach occurs at a time that the Guarantor is Independently Controlled and Governed.

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

### ***Enforcement***

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

The Bond Trustee may at any time, at its discretion and without further notice, take such proceedings against the Guarantor and/or any other person as it may think fit to enforce the provisions of the Security Agreement and may, at any time after the Security has become enforceable; take such steps as it may think fit to enforce the Security, but it shall not be bound to take any such steps unless (i) it shall have been so directed by an Extraordinary Resolution of all the holders

of the covered bonds of all Series (with the covered bonds of all Series taken together as a single Series as described above) or a request in writing by the holders of not less than 25 percent of the aggregate Principal Amount Outstanding of the covered bonds of all Series then outstanding (taken together and converted into U.S. dollars at the applicable Covered Bond Swap Rate); and (ii) it shall have been indemnified and/or secured to its satisfaction.

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

No holder of the covered bonds shall be entitled to proceed directly against the Issuer or the Guarantor or to take any action with respect to the Trust Deed, the covered bonds or the Security unless the Bond Trustee, having become bound so to proceed, fails so to do within a reasonable time and such failure shall be continuing. Notwithstanding any other provision of these Terms and Conditions, for so long as there are U.S. Registered Covered Bonds outstanding, in accordance with Section 316(b) of the Trust Indenture Act, the right of any holder to receive payment of principal and interest on the covered bonds on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of the holders of the covered bonds, provided that no such right of enforcement will exist (i) in respect of a postponement of an interest payment which has been consented to by the holders of the covered bonds in accordance with the Trust Deed or (ii) to the extent that the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the security granted pursuant to the Trust Deed or the Security Agreements upon any property subject to such security.

## **8. Taxation**

**8.01** All amounts payable (whether in respect of principal or interest) in respect of the covered bonds will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of covered bonds issued by a branch of the Issuer located outside Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the holder after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the covered bonds, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any covered bond:

- (a) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such covered bond by reason of his having some connection with Canada or the country in which such branch is located (for these purposes “connection” includes but is not limited to any present or former connection between such holder (or between a fiduciary, seller, beneficiary, member or shareholder of, or possessor of power over such holder if such holder is an estate, trust, partnership, limited liability company or corporation) and such jurisdiction) otherwise than the mere holding of (but not the enforcement of) such covered bond; or
- (b) to, or to a third party on behalf of, a holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the holder or other person entitled to payments under the covered bonds being a person with whom the Issuer is not dealing at arm’s length (within the meaning of the Income Tax Act (Canada)), or is, or does not deal at arm’s length with any person who is, a “specified shareholder” of the Bank for the purposes of the thin capitalization rules in the Income Tax Act (Canada); or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN council meeting on the 26th and the 27th of November 2000 on the taxation of savings

income or any law implementing or complying with, or introduced in order to conform to, such Directives; or

- (d) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant covered bond to another Paying Agent in a member state of the European Union; or
- (e) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day; or
- (f) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or other governmental charges by reason of such holder's failure to comply with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with Canada or the country in which such branch is located of such holder, if (i) compliance is required by law as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and (ii) the Issuer has given holders at least 30 days' notice that holders will be required to provide such certification, identification, documentation or other requirement; or
- (g) in respect of any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or governmental charge; or
- (h) where any combination of items (a) through (g) applies;

nor will such additional amounts be payable with respect to any payment in respect of the covered bonds to a holder that is a fiduciary or partnership or to any person other than the sole beneficial owner of such covered bond to the extent that the beneficiary or seller with respect to such fiduciary, or member of such partnership or beneficial owner thereof would not have been entitled to receive a payment of such additional amounts had such beneficiary, seller, member or beneficial owner received directly its beneficial or distributive share of such payment.

For the purposes of this Condition 8.01, the term "**holder**" shall be deemed to refer to the beneficial holder for the time being of the covered bonds.

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

**8.03** If the Issuer and/or the Guarantor become subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant branch of the Issuer is located, references in Condition 6.02 (*Early Redemption for Taxation Reasons*), Condition 8.01 and Condition 8.05, as applicable, 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).

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

**8.05** Should any payments made by the Guarantor under the Covered Bond Guarantee be made subject to any withholding or deduction for or on account of taxes, duties, assessments or governmental charges of whatever nature

imposed or levied by or on behalf of Canada, any province or territory, political sub-division thereof or by any authority or agency therein or thereof having power to tax, or, in the case of payments made by the Guarantor under the Covered Bond Guarantee in respect of covered bonds issued by a branch of the Issuer located outside of Canada, the country in which such branch is located or any political subdivision thereof or by any authority or agency therein or thereof having the power to tax, the Guarantor will not be obliged to pay any additional amounts as a consequence.

## 9. Payments

9.01 [Reserved]

9.02 [Reserved]

9.03 [Reserved]

9.04 [Reserved]

9.05 [Reserved]

9.06 [Reserved]

9.07 [Reserved]

9.08 [Reserved]

9.09 Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Covered Bond at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by electronic transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the register (the “**Register**”) of holders of the Registered Covered Bonds maintained by the Registrar at the close of business on the third Business Day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. 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 check in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, “Designated Account” means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a “Designated Bank” and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made by a check 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 Clearing System Business Day (in relation to Global Covered Bonds), where “Clearing System Business Day” means a day on which banks are open for business in the city where the specified office of the Registrar is located; and (ii) the fifteenth day (in relation to Definitive Covered Bonds), whether or not such fifteenth day is a Business Day, before the relevant due date (the “**Record Date**”) at the holder’s address shown in the Register on the Record Date and at the holder’s risk. Upon application of the holder to the specified office of the Registrar not less than three Business Days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Covered Bond, the payment may be made by electronic transfer on the due date in the manner provided in the preceding paragraph. Any such application for electronic transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Covered Bonds which become payable to the

holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Covered Bond on redemption and the final instalment of principal will be made in the same manner as payment of the principal in respect of such Registered Covered Bond.

Holders of Registered Covered Bonds will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Covered Bond as a result of a check posted in accordance with this Condition 9.09 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 Global Covered Bond in respect of covered bonds denominated in a Specified Currency other than U.S. dollars shall be paid by electronic transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Guarantor, the Bond Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the 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 such a day, and from such day and thereafter will be entitled to receive payment by check on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Payment Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5 (*Interest*).

**9.10** [Reserved]

**9.11** Payments of amounts due (whether principal, interest or otherwise) in respect of covered bonds will be made in the currency in which such amount is due (a) by check or (b) at the option of the payee, by transfer to an account denominated in the relevant currency (or in the case of U.S. dollars, an account to which U.S. dollars may be credited or transferred) specified by the payee. Payments will, without prejudice to the provisions of Condition 8 (*Taxation*), be subject in all cases to (i) any applicable fiscal or other laws and regulations and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to the provisions of Condition 8 (*Taxation*)), any law implementing an intergovernmental approach thereto.

**9.12** For the purposes of these Terms and Conditions:

- (a) “**local banking day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant covered bond; and
- (b) “**Payment Day**” means (a) in the case of any currency other than euro, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) and foreign exchange markets settle payments in the Financial Center(s) specified in the prospectus supplement or (b) in the case of payment in euro, a day which is a TARGET2 Business Day and on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Financial Center(s) specified in the prospectus supplement.

**9.13** No commissions or expenses shall be charged to the holders of covered bonds in respect of such payments.



## 10. Prescription

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

**10.02** [Reserved]

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

**11.01** The initial Paying Agents, the Registrar and the Transfer Agents and their respective initial specified offices are specified herein. The Issuer and the Guarantor each reserves the right, without approval of the Bond Trustee, at any time to vary or terminate the appointment of any Paying Agent (including the Issuing and Paying Agent), any Transfer Agent(s), the Registrar, the Exchange Agent or the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents or another Registrar, Exchange Agent or Calculation Agent provided that the Issuer and the Guarantor will at all times maintain (i) an Issuing and Paying Agent, (ii) in the case of Registered Covered Bonds, a Registrar, (iii) a Paying Agent (which may be the Issuing and Paying Agent) with a specified office in a continental European city, (iv) a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN council meeting on the 26th and 27th of November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directives, (v) 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 Transfer Agent, which may be the Issuing and Paying Agent, with a specified office in London and/or in such other place as may be required by the rules of such other stock exchange or other relevant authority, (vi) a Calculation Agent where required by the Terms and Conditions applicable to any covered bonds, and (vii) so long as any of the 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) and (iii) with a specified office located in such place (if any) as may be required by the Terms and Conditions). The Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same metropolitan area. Notice of all changes in the identities or specified offices of any Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer or the Guarantor to the holders in accordance with Condition 14 (*Notices*).

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

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

## 12. Replacement of Covered Bonds

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

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

The Trust Deed contains provisions for convening meetings of the holders of the covered bonds to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions or the provisions of the Trust Deed. The quorum at any such meeting in respect of any covered bonds of any Series for passing an Extraordinary Resolution is one or more persons holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the covered bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing holders of the covered bonds whatever the nominal amount of the covered bonds of such Series so held or represented, except that at any meeting the business of which includes the modification of any Series Reserved Matter (as defined below), the quorum shall be one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the covered bonds of such Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one third of the aggregate Principal Amount Outstanding of the covered bonds of such Series for the time being outstanding. An Extraordinary Resolution passed at any meeting of the holders of the covered bonds of a Series shall, subject as provided below, be binding on all the holders of the covered bonds of such Series, whether or not they are present at the meeting. 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 (*Events of Default*) or to direct the Bond Trustee to take any enforcement action (a “**Program 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 Program Resolution may be convened by the Issuer, the Guarantor or the Bond Trustee or by holders of the covered bonds of any Series. The quorum at any such meeting for passing a Program Resolution is one or more persons holding or representing at least a clear majority of the aggregate Principal Amount Outstanding of the covered bonds of all Series for the time being outstanding or at any adjourned such meeting one or more persons holding or representing covered bonds whatever the nominal amount of the covered bonds of any Series so held or represented. A Program Resolution passed at any meeting of the holders of the covered bonds of all Series shall be binding on all holders of the covered bonds of all Series, whether or not they are present at the meeting.

In connection with any meeting of the holders of covered bonds of more than one Series the covered bonds of any Series not denominated in U.S. dollars shall be converted into U.S. dollars at the applicable Covered Bond Swap Rate.

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

- (a) any modification of the covered bonds of one or more Series or any Transaction Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of any of the holders of the covered bonds of any Series; or
- (b) any modification of the covered bonds of any one or more Series or any Transaction Document which is of a formal, minor or technical nature or is in the opinion of the Bond Trustee made to correct a manifest error or to comply with mandatory provisions of law.

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

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

covered bonds for the time being outstanding and the other Secured Creditors in accordance with the relevant terms and conditions as soon as practicable thereafter. Notwithstanding any other provision of these Terms and Conditions, for so long as there are U.S. Registered Covered Bonds outstanding, any such modification, waiver, authorization or determination will be made in accordance with and subject to Section 316 of the Trust Indenture Act. The right of any holder of U.S. Registered Covered Bonds to receive payment of principal and interest will not be impaired unless made in accordance with Section 316 of the Trust Indenture Act.

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

For the purposes of these Terms and Conditions:

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

**“Potential Guarantor Event of Default”** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfillment of any similar condition, would constitute a Guarantor 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 or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the covered bonds; (ii) alteration of the currency in which payments under the covered bonds are to be made; (iii) alteration of the majority required to pass an Extraordinary Resolution; (iv) any amendment to the Covered Bond Guarantee or the Security Agreement (except in a manner determined by the Bond Trustee not to be materially prejudicial to the interests of the holders of the covered bonds of any Series); (v) except in accordance with Condition 12 (*Replacement of Covered Bonds*), 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 favor of the persons with or to whom the covered bonds are to be exchanged or sold respectively; and (vi) alteration of specific sections of the Trust Deed relating to the quorum and procedure required for meetings of holders of covered bonds.

## 14. Notices

### 14.01 [Reserved]

#### *To Holders of Definitive Covered Bonds*

**14.02** Notices to holders of Definitive Covered Bonds, save where another means of effective communication has been specified herein, will be deemed to be validly given if sent by first class mail (or equivalent) or, if posted to an overseas address, by air mail to them (or, in the case of joint holders, to the first-named in the register kept by the Registrar) at their

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

### ***To Issuer***

**14.03** Notices to be given by any holder of covered bonds to the Issuer shall be in writing and given by lodging the same, together with the relevant covered bond or covered bonds, with the Registrar. While any of the covered bonds are represented by a Global Covered Bond, such notice may be given by any accountholder to the Registrar.

### ***Global Covered Bonds***

**14.04** While any of the covered bonds are represented by a Global Covered Bond, such notice may be given by any holder of a covered bond to the Paying Agent or the Registrar through DTC in such manner as the Paying Agent, the Registrar and DTC may approve for this purpose.

## **15. Further Issues**

The Issuer may from time to time, without the consent of the holders of any covered bonds, create and issue further covered bonds 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 prospectus 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 in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any holder of a covered bond in respect of such covered bond the Issuer shall indemnify such holder against any loss sustained by such holder as a result. In any event, the Issuer shall indemnify each such holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder of a covered bond and shall continue in full force and effect despite any 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 and no proof or evidence of any actual loss will be required by the Issuer.

## **17. Waiver and Remedies**

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

## **18. Branch of Account**

**18.01** For the purposes of the Bank Act, the branch of the Bank set out in a covered bond or the related prospectus supplement shall be the branch of account (the “**Branch of Account**”) for the deposits evidenced by such covered bond.

**18.02** Each covered bond will be paid without the necessity of first being presented for payment at the Branch of Account.

**18.03** If the Branch of Account is not in Canada, the Bank may change the Branch of Account for the deposits evidenced by any covered bond, upon not less than seven days' prior notice to its holder given in accordance with Condition 14 (*Notices*) and upon and subject to the following terms and conditions:

- (a) if such covered bond is denominated in Yen, the Branch of Account shall not be in Japan;
- (b) the Issuer shall indemnify and hold harmless the holders of such covered bonds against any tax, duty, assessment or governmental charge which is imposed or levied upon such holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Issuing and Paying Agent in connection with such change; and
- (c) notwithstanding (b) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (i) no Issuer Event of Default, Guarantor Event of Default, Potential Issuer Event of Default or Potential Guarantor Event of Default shall have occurred and be continuing and (ii) payments of principal and interest on covered bonds of such Series to holders thereof (other than Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel to the Issuer, be subject to any taxes, as hereinafter defined, to which they would not have been subject had such change not taken place. For the purposes of this section, an "**Excluded Holder**" means a holder of a covered bond of such Series who is subject to taxes by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of a covered bond of such Series as a non-resident of such Relevant Jurisdiction. "**Relevant Jurisdiction**" means and includes Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and "**taxes**" means and includes any tax, duty, assessment or other governmental charge imposed or levied in respect of the payment of the principal of the covered bonds of such Series or interest thereon for or on behalf of a Relevant Jurisdiction or any authority therein or thereof having power to tax.

## **19. Substitution**

Subject as provided in the Trust Deed, the Bond Trustee, if it is satisfied that to do so would not be materially prejudicial to the interests of the holders of the covered bonds, may agree, without the consent of the holders of the covered bonds, 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 (*Substitution*) shall be binding on the holders of the covered bonds and, unless the Bond Trustee agrees otherwise, shall be notified to the holders of the covered bonds as soon as practicable thereafter in accordance with Condition 14 (*Notices*).

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

## **20. Rating Agency Condition**

**20.01** By subscribing for or purchasing covered bond(s), each holder of covered bonds shall be deemed to have acknowledged and agreed that a credit rating of a Series of covered bonds by the Rating Agencies is an assessment of credit risk and does not address other matters that may be of relevance to holders of covered bonds, including, without limitation, in the case of a confirmation by each Rating Agency that any action proposed to be taken by the Issuer, the Guarantor, the Seller, the Servicer, the Cash Manager, the Bond Trustee or any other party to a Transaction Document

will not result in a reduction or withdrawal of the rating of the covered bonds in effect immediately before the taking of such action (a “**Rating Agency Condition**”), whether such action is either (i) permitted by the terms of the relevant Transaction Document or (ii) in the best interests of, or not prejudicial to, some or all of the holders of covered bonds.

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

**20.03** By subscribing for or purchasing covered bond(s), each holder of covered bonds shall be deemed to have acknowledged and agreed that:

- (a) a confirmation of the satisfaction of the Rating Agency Condition may or may not be given at the sole discretion of each Rating Agency;
- (b) depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot confirm the satisfaction of the Rating Agency Condition in the time available, or at all, and the Rating Agency shall not be responsible for the consequences thereof;
- (c) a confirmation of the satisfaction of the Rating Agency Condition, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the covered bonds forms a part; and
- (d) a confirmation of the satisfaction of the Rating Agency Condition represents only a restatement of the opinions given, and shall not be construed as advice for the benefit of any holder of covered bonds or any other party.

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

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

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

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

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

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

## **22. Law and Jurisdiction**

The Trust Deed, Agency Agreement, the covered bonds and 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.

**SCHEDULE 2  
FORMS OF BEARER GLOBAL AND DEFINITIVE COVERED BONDS, RECEIPTS,  
COUPONS AND TALONS**

**PART 1  
FORM OF TEMPORARY GLOBAL COVERED BOND**

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

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

Series Number: [                    ]

Serial Number: [                    ]

Tranche Number: [                    ]

**[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.]<sup>1</sup>**

**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”), THE TRUST DEED  
(AS DEFINED HEREIN) AND PURSUANT TO AN EXEMPTION FROM  
REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN  
EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.**

**The Toronto-Dominion Bank**  
(the “Issuer”)  
(a Canadian chartered Bank)

**TEMPORARY GLOBAL COVERED BOND**

and

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<sup>1</sup> Delete where the original maturity of the Bonds is 1 year or less.



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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
*(established under the Limited Partnerships Act (Ontario))*  
 (the “**Guarantor**”)

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

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

This Global Covered Bond is issued subject to, and with the benefit of, the Conditions and an Amended and Restated Trust Deed (such Amended and Restated Trust Deed as further modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated July 14, 2016 and made between the Issuer, the Guarantor and Computershare Trust Company of Canada as the Bond Trustee for, *inter alios*, the holders of the Covered Bonds.

For value received, the Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Trust Deed, promises to (i) pay to the bearer hereof on each Instalment Date (if the Covered Bonds are repayable in instalments) and on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Global Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Global Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, and (ii) perform all, if any, delivery obligations to be assumed or incurred by it under the Conditions, in each case upon presentation and, at maturity, surrender of this Global Covered Bond at the specified office of the Issuing and Paying Agent at Citibank, N.A. London Branch, Citigroup Centre 2, 25 Canada Square, Canary Wharf, London E14 5LB or such other specified office as may be specified for this purpose in accordance with the Conditions or at the specified office of any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Covered Bonds.

If the Final Terms indicate that this Global Covered Bond is intended to be a new Global Covered Bond (“**NGCB**”), the nominal amount of Covered Bonds represented by this Global Covered Bond shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”, and together with Euroclear, the “**relevant Clearing Systems**”).

The records of the relevant Clearing Systems (which expression in this Global Covered Bond means the records that each relevant Clearing System holds for its customers which reflect the amount of each such customer's interest in the Global Covered Bonds) shall be conclusive evidence of the nominal amount of Global Covered Bonds represented by this Global Covered Bond and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the nominal amount of Covered Bonds represented by this Global Covered Bond at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms indicate that this Global Covered Bond is not intended to be a NGCB, the nominal amount of the Covered Bonds represented by this Global Covered Bond shall be the amounts stated in the applicable Final Terms or, if lower, the nominal amount most recently entered by or on behalf of the Issuer in the relevant column in Part II, III or IV of Schedule One hereto or in Schedule Two hereto.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Global Covered Bond the Issuer shall procure that:

- (i) if the Final Terms indicate that this Global Covered Bond is intended to be a NGCB, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered *pro tanto* in the records of the relevant Clearing Systems, and, upon any such entry being made, the nominal amount of the Covered Bonds recorded in the records of the relevant Clearing Systems and represented by this Global Covered Bond shall be reduced by the aggregate nominal amount of the Covered Bonds so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid; or
- (ii) if the Final Terms indicate that this Global Covered Bond is not intended to be a NGCB, details of such redemption, payment, purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment, purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment, purchase and cancellation the Principal Amount Outstanding of this Global Covered Bond and the Covered Bonds represented by this Global Covered Bond shall be reduced by the Principal Amount Outstanding of such Covered Bonds so redeemed or purchased and cancelled or the amount of such instalment.

Payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will only be made to the bearer hereof to the extent that there is presented to the Issuing and Paying Agent by Clearstream, Luxembourg or Euroclear a certificate in or substantially in the form set out in Part 7 of Schedule 2 to the Trust Deed to the effect that it has received from or in respect of a person entitled to a particular principal amount of the Covered Bonds represented by this Global Covered Bond (as shown by its records) a certificate in or substantially in the form of Certificate "A" as set out in Part 7 of Schedule 2 to the Trust Deed. The bearer of this Global Covered Bond will not (unless upon due presentation of this Global Covered Bond for exchange, delivery of the appropriate number of Definitive Covered Bonds (together, if applicable, with the

Receipts, Coupons and Talons appertaining thereto in or substantially in the forms set out in Part 3, Part 4, Part 5 and Part 6 of Schedule 2 to the Trust Deed) or, as the case may be, issue and delivery (or, as the case may be, endorsement) of the Permanent Global Covered Bond is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment hereon due on or after the Exchange Date.

On or after the date (the “**Exchange Date**”) which is 40 days after the Issue Date, this Global Covered Bond may be exchanged (free of charge) in whole or in part for, as specified in the Final Terms, either (a) Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons (on the basis that all the appropriate details have been included on the face of such Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Bearer Definitive Covered Bonds) or (b) either (if the Final Terms indicate that this Global Covered Bond is intended to be a NGCB) interests recorded in the records of the relevant Clearing Systems in a Permanent Global Covered Bond or (if the Final Terms indicate that this is not intended to be a NGCB) a Permanent Global Covered Bond, which, in either case, is in or substantially in the form set out in Part 2 of Schedule 2 to the Trust Deed (together with the Final Terms attached thereto) upon notice being given by Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in this Global Covered Bond and subject, in the case of Bearer Definitive Covered Bonds, to such notice period as is specified in the Final Terms.

If Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons have already been issued in exchange for all the Covered Bonds represented for the time being by the Permanent Global Covered Bond, then this Global Covered Bond may only thereafter be exchanged for Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons pursuant to the terms hereof.

Presentation of this Global Covered Bond for exchange shall be made by the bearer hereof on any Business Day in London at the office of the Issuing and Paying Agent specified above. The Issuer shall procure that Bearer Definitive Covered Bonds or (as the case may be) the Permanent Global Covered Bond shall be so issued and delivered and (in the case of the Permanent Global Covered Bond where the Final Terms indicate that this Global Covered Bond is intended to be a NGCB) interests in the Permanent Global Covered Bond shall be recorded in the records of the relevant Clearing Systems in exchange for only that portion of this Global Covered Bond in respect of which there shall have been presented to the Issuing and Paying Agent by Euroclear or Clearstream, Luxembourg a certificate in or substantially in the form set out in Part 7 of Schedule 2 to the Trust Deed to the effect that it has received from or in respect of a person entitled to a particular nominal amount of the Covered Bonds represented by this Global Covered Bond (as shown by its records) a certificate in or substantially in the form of Certificate “A” as set out in Part 7 of Schedule 2 to the Trust Deed.

On an exchange of the whole of this Global Covered Bond, this Global Covered Bond shall be surrendered to the Issuing and Paying Agent. The Issuer shall procure that:

- (i) if the Final Terms indicate that this Global Covered Bond is intended to be a NGCB, on an exchange of the whole or part only of this Global Covered Bond, details of such

exchange shall be entered *pro tanto* in the records of the relevant Clearing Systems such that the nominal amount of Covered Bonds represented by this Global Covered Bond shall be reduced by the nominal amount of this Global Covered Bond so exchanged; or

- (ii) if the Final Terms indicate that this Global Covered Bond is not intended to be a NGCB, on an exchange of part only of this Global Covered Bond, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Covered Bond and the Covered Bonds represented by this Global Covered Bond shall be reduced by the Principal Amount Outstanding of this Global Covered Bond so exchanged. On any exchange of this Global Covered Bond for a Permanent Global Covered Bond, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two to the Permanent Global Covered Bond and the relevant space in Schedule Two thereto recording such exchange shall be signed by or on behalf of the Issuer.

Until the exchange of the whole of this Global Covered Bond as aforesaid, the bearer hereof shall (subject as provided in the next paragraph) in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Bearer Definitive Covered Bonds and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Part 3, Part 4, Part 5 and Part 6 (as applicable) of Schedule 2 to the Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Covered Bonds represented by this Global Covered Bond (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent and any other Paying Agent as the holder of such principal amount of such Covered Bonds for all purposes other than with respect to the payment of principal and interest on such principal amount of such Covered Bonds, the right to which shall be vested, as against the Issuer and the Guarantor, solely in the bearer of this Global Covered Bond in accordance with and subject to the terms of this Global Covered Bond and the Trust Deed.

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

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

This Global Covered Bond shall not be valid unless authenticated by Citibank, N.A. London Branch, as Issuing and Paying Agent and, if the Final Terms indicate that this Global Covered

Bond is intended to be held in a manner which would allow Eurosystem eligibility, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

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

Issued as of [            ].

**The Toronto-Dominion Bank**

By: \_\_\_\_\_  
**Duly Authorized**

Authenticated by:

**Citibank, N.A. London Branch**

as Issuing and Paying Agent without recourse, warranty or liability

By: \_\_\_\_\_  
**Authorized Officer**

Effectuated without recourse,  
warranty or liability

\_\_\_\_\_  
as Common Safekeeper

By: \_\_\_\_\_











**Schedule Two\***

**EXCHANGES**

**FOR BEARER DEFINITIVE COVERED BONDS OR PERMANENT GLOBAL  
COVERED BOND**

The following exchanges of a part of this Global Covered Bond for Bearer Definitive Covered Bonds or a part of a Permanent Global Covered Bond have been made:

Date made	Principal Amount Outstanding of this Global Covered Bond exchanged for Definitive Covered Bonds or a part of a Permanent Global Covered Bond	Remaining Principal Amount Outstanding of this Global Covered Bond following such exchange <sup>5</sup>	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\* Schedule Two should only be completed where the Final Terms indicate that this Global Covered Bond is intended to be a NGCB.

<sup>5</sup> See most recent entry in Part II, III or IV of Schedule One or in this Schedule Two in order to determine this amount.

**PART 2**  
**FORM OF PERMANENT GLOBAL COVERED BOND**

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

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

Series Number: [                    ]

Serial Number: [                    ]

**[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.]<sup>1</sup>**

**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"), THE TRUST DEED  
(AS DEFINED HEREIN) AND PURSUANT TO AN EXEMPTION FROM  
REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN  
EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.**

**The Toronto-Dominion Bank**  
(the "Issuer")  
(a Canadian chartered Bank)

**PERMANENT GLOBAL COVERED BOND**

and

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

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

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<sup>1</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.

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

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

This Global Covered Bond is issued subject to, and with the benefit of, the Conditions and an Amended and Restated Trust Deed (such Amended and Restated Trust Deed as further modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated July 14, 2016 and made between the Issuer, the Guarantor and Computershare Trust Company of Canada as the Bond Trustee for, *inter alios*, the holders of the Covered Bonds.

For value received, the Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to (i) pay to the bearer hereof on each Instalment Date (if the Covered Bonds are repayable in instalments) and on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Global Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Global Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, and (ii) perform all, if any, delivery obligations to be assumed or incurred by it under the Conditions, in each case upon presentation and, at maturity, surrender of this Global Covered Bond at the specified office of the Issuing and Paying Agent at Citibank, N.A. London Branch, Citigroup Centre 2, 25 Canada Square, Canary Wharf, London E14 5LB or such other specified office as may be specified for this purpose in accordance with the Conditions or at the specified office of any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Covered Bonds.

If the Final Terms indicate that this Global Covered Bond is intended to be a new Global Covered Bond (“**NGCB**”), the nominal amount of Covered Bonds represented by this Global Covered Bond shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”, and together with Euroclear, the “**relevant Clearing Systems**”). The records of the relevant Clearing Systems (which expression in this Global Covered Bond means the records that each relevant Clearing System holds for its customers which reflect the amount of each such customer’s interest in the Global Covered Bonds) shall be conclusive evidence of the nominal amount of Global Covered Bonds represented by this Global Covered Bond and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the nominal amount of Covered

Bonds represented by this Global Covered Bond at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms indicate that this Global Covered Bond is not intended to be a NGCB, the nominal amount of the Covered Bonds represented by this Global Covered Bond shall be the amounts stated in the applicable Final Terms or, if lower, the nominal amount most recently entered by or on behalf of the Issuer in the relevant column in Part II, III or IV of Schedule One hereto or in Schedule Two hereto.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Global Covered Bond the Issuer shall procure that:

- (i) if the Final Terms indicate that this Global Covered Bond is intended to be a NGCB, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered *pro tanto* in the records of the relevant Clearing Systems such that the nominal amount of Covered Bonds represented by this Global Covered Bond shall be reduced by the nominal amount of this Global Covered Bond so redeemed or purchased and cancelled or the amount of such instalment; or
- (ii) if the Final Terms indicate that this Global Covered Bond is not intended to be a NGCB, details of such redemption, payment, purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment, purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment, purchase and cancellation the nominal amount of this Global Covered Bond and the Covered Bonds represented by this Global Covered Bond shall be reduced by the Principal Amount Outstanding of such Covered Bonds so redeemed or purchased and cancelled or the amount of such instalment.

Where TEFRA D is specified in the applicable Final Terms, the Covered Bonds will initially have been represented by one or more Temporary Global Covered Bonds. On any exchange of any such Temporary Global Covered Bond issued in respect of the Covered Bonds or any part of it for this Global Covered Bond or any part hereof, the Issuer shall procure that:

- (i) if the Final Terms indicate that this Global Covered Bond is intended to be a NGCB, details of such exchange shall be entered in the records of the relevant Clearing Systems such that the nominal amount of Covered Bonds represented by this Global Covered Bond shall be increased by the nominal amount of the Temporary Global Covered Bond so exchanged; or
- (ii) if the Final Terms indicate that this Global Covered Bond is not intended to be a NGCB, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Global Covered Bond and the Covered Bonds represented by this Global Covered Bond

shall be increased by the nominal amount of the Temporary Global Covered Bond so exchanged.

In certain circumstances further Covered Bonds may be issued which are intended on issue to be consolidated and form a single Series with the Covered Bonds. In such circumstances the Issuer shall procure that:

- (i) if the applicable Final Terms indicate that this Permanent Global Covered Bond is intended to be a NGCB, details of such further Covered Bonds may be entered in the records of the relevant Clearing Systems such that the principal amount of Covered Bonds represented by this Permanent Global Covered Bond may be increased by the amount of such further Covered Bonds so issued; or
- (ii) if the applicable Final Terms indicate that this Permanent Global Covered Bond is not intended to be a NGCB, details of such further Covered Bonds may be entered by or on behalf of the Issuer in Schedule Two hereto and the recording of such exchange or the issue of an additional Tranche shall be signed by or on behalf of the Issuer, whereupon the principal amount of the Covered Bonds represented by this Permanent Global Covered Bond shall be increased by the principal amount of any such Temporary Global Covered Bond so exchanged or any new Tranche so issued.

This Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons in or substantially in the forms set out in Part 3, Part 4, Part 5 and Part 6 of Schedule 2 to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Bearer Definitive Covered Bonds) either, as specified in the applicable Final Terms:

- (i) upon not less than 60 days' written notice being given to the Issuing and Paying Agent by Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in this Global Covered Bond); or
- (ii) upon the occurrence of an Exchange Event.

An "**Exchange Event**" means:

1. the Issuer has been notified that both Euroclear and Clearstream, Luxembourg 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
2. the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Covered Bonds in definitive form and a certificate to such effect from an Authorized Signatory of the Issuer has been given to the Bond Trustee.

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

- (i) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 14 (*Notices*) upon the occurrence of such Exchange Event; and
- (ii) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Global Covered Bond) may give notice to the Issuing and Paying Agent requesting exchange.

Any such exchange shall occur on a date specified in the notice not more than 45 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent.

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

Any such exchange as aforesaid will be made upon presentation of this Global Covered Bond by the bearer hereof on any Business Day in London at the office of the Issuing and Paying Agent specified above.

The aggregate Principal Amount Outstanding of Bearer Definitive Covered Bonds issued upon an exchange of this Global Covered Bond will be equal to the aggregate Principal Amount Outstanding of this Global Covered Bond. Upon exchange of this Global Covered Bond for Bearer Definitive Covered Bonds, the Issuing and Paying Agent shall cancel it or procure that it is cancelled.

Until the exchange of the whole of this Global Covered Bond as aforesaid, the bearer hereof shall (subject as provided in the next paragraph) in all respects be entitled to the same benefits as if he were the bearer of Bearer Definitive Covered Bonds and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Part 3, Part 4, Part 5 and Part 6 (as applicable) of Schedule 2 to the Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Covered Bonds represented by this Global Covered Bond (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent and any other Paying Agent as the holder of such principal amount of such Covered Bonds for all purposes other than with respect to the payment of principal and interest on such principal amount of such Covered Bonds, the right to which shall be vested, as against the Issuer and the Guarantor, solely in the bearer of this Global Covered Bond in accordance with and subject to the terms of this Global Covered Bond and the Trust Deed.

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

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

This Global Covered Bond shall not be valid unless authenticated by Citibank, N.A. London Branch, as Issuing and Paying Agent and, if the Final Terms indicate that this Global Covered Bond is intended to be held in a manner which would allow Eurosystem eligibility, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

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

Issued as of [            ].

**The Toronto-Dominion Bank**

By: \_\_\_\_\_  
**Duly Authorized**

Authenticated by:

**Citibank, N.A. London Branch**

as Issuing and Paying Agent without recourse, warranty or liability

By: \_\_\_\_\_  
**Authorized Officer**

Effectuated without recourse,  
warranty or liability

\_\_\_\_\_  
as Common Safekeeper

By: \_\_\_\_\_





**PART II**

**PAYMENT OF INSTALMENT AMOUNTS**

<b>Date made</b>	<b>Total amount of Instalment Amounts payable</b>	<b>Amount of Instalment Amounts paid</b>	<b>Remaining Principal Amount Outstanding of this Global Covered Bond following such payment<sup>7</sup></b>	<b>Confirmation of payment by or on behalf of the Issuer</b>

<sup>7</sup> See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

**PART III**

**REDEMPTIONS**

Date made	Total amount of principal payable	Amount of principal paid (whether in cash or by delivery of assets)	Remaining Principal Amount Outstanding of this Global Covered Bond following such redemption <sup>8</sup>	Confirmation of payment by or on behalf of the Issuer
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____

<sup>8</sup> See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.



**Schedule Two\***

**EXCHANGES AND NEW TRANCHEs**

The following exchanges of a part of this Global Covered Bond for Bearer Definitive Covered Bonds or issues of additional Tranches not originally represented by a Temporary Global Covered Bond (“New Issues”) a part of a Permanent Global Covered Bond have been made:

Date made	Principal Amount Outstanding of this Global Covered Bond exchanged for Definitive Covered Bonds or Prepaid Amount of New Issues	Remaining Principal Amount Outstanding of this Global Covered Bond following such exchange or New Issues <sup>10</sup>	Notation made by or on behalf of the Issuer

\* Schedule Two should only be completed where the Final Terms indicate that the Global Covered Bond is not intended to be a NGCB

<sup>10</sup> See most recent entry in Part II, III or IV of Schedule One or in this Schedule Two in order to determine this amount.

**PART 3**  
**FORM OF BEARER DEFINITIVE COVERED BOND**

[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.]<sup>1</sup>

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”), THE TRUST DEED (AS DEFINED HEREIN) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.

**The Toronto-Dominion Bank**  
(the “**Issuer**”)  
*(a Canadian chartered Bank)*

[Specified Currency and Aggregate Nominal Amount of Tranche]  
**COVERED BONDS DUE**  
[Year of Maturity]

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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
*(established under the Limited Partnerships Act (Ontario))*  
(the “**Guarantor**”)

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

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

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<sup>1</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.

This Covered Bond is issued subject to, and with the benefit of, the Conditions and an Amended and Restated Trust Deed (such Amended and Restated Trust Deed as further modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated July 14, 2016 and made between the Issuer, the Guarantor and Computershare Trust Company of Canada, as Bond Trustee, for, *inter alios*, the Covered Bondholders.

For value received, the Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on [each Instalment Date and] the Final Maturity Date or on such earlier date as this Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable on redemption of this Covered Bond and to pay interest (if any) on the Principal Amount Outstanding of this Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

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

This Covered Bond shall not be valid unless authenticated by Citibank, N.A. London Branch as Issuing and Paying Agent.

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

Issued as of [                    ].

**The Toronto-Dominion Bank**

By: \_\_\_\_\_  
**Duly Authorized**

Authenticated by:

**Citibank, N.A. London Branch**

as Issuing and Paying Agent without recourse, warranty or liability

By: \_\_\_\_\_  
**Authorized Officer**

**[CONDITIONS]**

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

[At the foot of the Conditions:]

**ISSUING AND PAYING AGENT, TRANSFER AGENT AND EXCHANGE AGENT**

Citibank, N.A. London Branch  
Citigroup Centre 2  
25 Canada Square, Canary Wharf  
London E14 5LB

**EUROPEAN REGISTRAR**

Citigroup Global Markets Deutschland AG  
Reuterweg 16  
60323 Frankfurt  
Germany

**U.S. REGISTRAR, TRANSFER AGENT AND EXCHANGE AGENT**

Citibank, N.A.  
388 Greenwich Street, 14<sup>th</sup> Floor  
New York, New York 10013

and/or such other or further Issuing and Paying Agent or Paying Agent and/or specified offices as may from time to time be duly appointed by the Issuer and the Guarantor and notice of which has been given to the Covered Bondholders.



**FINAL TERMS**

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

**PART 4  
FORM OF RECEIPT**

*[Face of Receipt]*

**The Toronto-Dominion Bank**  
(the “**Issuer**”)  
*(a Canadian chartered Bank)*

**[Specified Currency and Aggregate Nominal Amount of Tranche]**  
**COVERED BONDS DUE**  
**[Year of Maturity]**

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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
*(established under the Limited Partnerships Act (Ontario))*  
(the “**Guarantor**”)

Series No. [   ]

**[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.]<sup>1</sup>**

Receipt for the sum of [   ] being the instalment of principal payable in accordance with the Terms and Conditions applicable to the Covered Bond to which this Receipt appertains (the “**Conditions**”) on [   ].

This Receipt is issued subject to and in accordance with the Conditions which shall be binding upon the holder of this Receipt (whether or not it is for the time being attached to such Covered Bond) and is payable at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Covered Bondholders).

This Receipt must be presented for payment together with the Covered Bond to which it appertains. The Issuer shall have no obligation in respect of any Receipt presented without the Covered Bond to which it appertains or any unmatured Receipts.

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<sup>1</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.

**PART 5  
FORM OF COUPON**

*[Face of Coupon]*

**The Toronto-Dominion Bank**  
(the “**Issuer**”)  
*(a Canadian chartered Bank)*

**[Specified Currency and Aggregate Nominal Amount of Tranche]**  
**COVERED BONDS DUE**  
**[Year of Maturity]**

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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
*(established under the Limited Partnerships Act (Ontario))*  
(the “**Guarantor**”)

**Series No. [   ]**

[Coupon appertaining to a Covered Bond in the denomination of [Specified Currency and Specified Denomination]].<sup>1</sup>

**[For Fixed Rate Covered Bonds:**

This Coupon is payable to bearer,  
separately negotiable and subject to the  
Conditions of the said Covered Bonds.

**Part A**

Coupon for  
[   ]  
due on [   ], [   ]

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<sup>1</sup> Delete where the Covered Bonds are all of the same denomination.

**Part B****[For Floating Rate Covered Bonds:**

Coupon for the amount due in accordance with the Conditions endorsed on, attached to or incorporated by reference into the said Covered Bonds on [the Interest Payment Date falling in [ ] [ ]/[ ]].

This Coupon is payable to bearer, separately negotiable and subject to such Conditions, under which it may become void before its due date.]

**[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.]<sup>2</sup>**

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<sup>2</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.

**PART 6  
FORM OF TALON**

*[Face of Talon]*

**The Toronto-Dominion Bank**  
(the “**Issuer**”)  
*(a Canadian chartered Bank)*

**[Specified Currency and Aggregate Nominal Amount of Tranche]**  
**COVERED BONDS DUE**  
**[Year of Maturity]**

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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
*(established under the Limited Partnerships Act (Ontario))*  
(the “**Guarantor**”)

Series No. [   ]

**[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.]<sup>1</sup>**

[Talon appertaining to a Covered Bond in the denomination of [Specified Currency and Specified Denomination]]<sup>2</sup>

On and after [   ] further Coupons [and a further Talon]<sup>3</sup> appertaining to the Covered Bond to which this Talon appertains will be issued at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Covered Bondholders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Conditions endorsed on the Covered Bond to which this Talon appertains.

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<sup>1</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.

<sup>2</sup> Delete where the Covered Bonds are all of the same denomination.

<sup>3</sup> Not required on last Coupon sheet.

*[Reverse of Receipts, Coupons and Talons]*

**ISSUING AND PAYING AGENT**

Citibank, N.A. London Branch  
Citigroup Centre 2  
25 Canada Square, Canary Wharf  
London E14 5LB

**PAYING AGENTS**

Citibank, N.A. London Branch  
Citigroup Centre 2  
25 Canada Square, Canary Wharf  
London E14 5LB

Citibank, N.A.  
388 Greenwich Street, 14<sup>th</sup> Floor  
New York, New York 10013

and/or such other or further Issuing and Paying Agent or Paying Agent and/or specified offices as may from time to time be duly appointed by the Issuer and the Guarantor and notice of which has been given to the Covered Bondholders.

**PART 7**  
**FORM OF CERTIFICATE TO BE PRESENTED BY EUROCLEAR OR**  
**CLEARSTREAM, LUXEMBOURG**

**The Toronto-Dominion Bank**  
(the “**Issuer**”)  
(a *Canadian chartered Bank*)

**[Title of Covered Bonds]**  
(the “**Securities**”)

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to a portion of the nominal amount set forth below (our “**Member Organisations**”) substantially to the effect set forth in the temporary Global Covered Bond representing the Securities, as of the date hereof, [ ] principal amount of the above captioned Securities (i) is owned by persons that are not citizens or residents of the United States, partnerships, corporations or other entities created or organised under the laws of the United States or any estate the income of which is subject to United States Federal income taxation regardless of its source or any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust (“**United States persons**”), (ii) is owned by United States persons that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Sections 1.165-12(c)(1)(iv)) (“**financial institutions**”) purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer’s agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in Clause (iii) above (whether or not also described in Clause (i) or (ii)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(c)(3) of Regulation S under the Securities Act of 1933, as amended, then this is also to certify with respect to such principal amount of Securities set forth above that, except as set forth below, we have received in writing, by tested telex or by electronic transmission, from our Member Organisations entitled to a portion of such principal amount, certifications with respect to such portion, substantially to the effect set forth in the temporary Global Covered Bond representing the Securities.

As used herein, “**United States**” means the United States of America (including the States and the District of Columbia); and its “**possessions**” include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We further certify (i) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the temporary Global Covered Bond excepted in such certifications and (ii) that as of the date hereof we have not received any notification from any of our Member Organisations to the effect that the statements made by such Member Organisations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We will retain, as required, all certificates received from Member Organisations for the period specified in U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(3)(i).

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings or official enquiries are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings or enquiries.

Dated<sup>1</sup>:

Yours faithfully,

Euroclear Bank S.A./N.V.

or

Clearstream Banking, société anonyme

By: \_\_\_\_\_

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<sup>1</sup> To be dated no earlier than the fifteenth day prior to the date to which this certification relates, namely (a) the payment date or (b) the Exchange Date.



**CERTIFICATE “A”**

**The Toronto-Dominion Bank**  
 (the “**Issuer**”)  
*(a Canadian chartered Bank)*

**[Title of Covered Bonds]**  
 (the “**Securities**”)

This is to certify that as of the date hereof, and except as set forth below, the above captioned Securities held by you for our account (i) are owned by person(s) that are not citizens or residents of the United States, partnerships, corporations or other entities created or organised under the laws of the United States or any estate the income of which is subject to United States Federal income taxation regardless of its source or any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust (“**United States person(s)**”), (ii) are owned by United States person(s) that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) (“**financial institutions**”) purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the Issuer or the Issuer’s agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in Clause (iii) above (whether or not also described in Clause (i) or (ii)) this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(c)(2) of Regulation S under the Securities Act of 1933, as amended, (the “**Act**”) then this is also to certify that, except as set forth below, the Securities are beneficially owned by (a) non U.S. person(s) or (b) U.S. person(s) who purchased the Securities in transactions which did not require registration under the Act. As used in this paragraph, the term “**U.S. person**” has the meaning given to it by Regulation S under the Act.

As used herein, “**United States**” means the United States of America (including the States and the District of Columbia); and its “**possessions**” include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Securities held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and

in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to [ ] of such interest in the above Securities in respect of which we are not able to certify and as to which we understand exchange and delivery of definitive Securities (or, if relevant, exercise of any right or collection of any interest) cannot be made until we do so certify.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings or official enquiries are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings or enquiries.

Dated<sup>2</sup>:

Name of person making certification

By: \_\_\_\_\_

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<sup>2</sup> To be dated no earlier than the fifteenth day prior to which this certification relates, namely (a) the payment date or (b) the Exchange Date.

**SCHEDULE 3  
FORMS OF REGISTERED GLOBAL AND DEFINITIVE COVERED BONDS**

**PART 1  
FORM OF REGULATION S GLOBAL COVERED BOND**

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

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

Series Number:

CUSIP:

Common Code:

ISIN No.:

Certificate No.:

Serial Number:

**THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE 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"), THE TRUST DEED (AS DEFINED HEREIN) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE (I) PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (II) TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.**

**BY ITS ACQUISITION AND HOLDING OF THIS SECURITY (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT BE (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, CHURCH, NON-U.S. 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 OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF SUCH A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER EMPLOYEE BENEFIT PLAN, ANY SUCH SUBSTANTIALLY SIMILAR U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW FOR WHICH AN EXEMPTION IS NOT AVAILABLE.**

[If this Global Covered Bond is registered in the name of Cede & Co. (or such other person as may be nominated by The Depository Trust Company (“DTC”) for the purpose) (collectively, “Cede & Co.”) as nominee for DTC, then, unless this Global Covered Bond is presented by an authorised representative of DTC to the Issuer (as defined below) or its agent for registration of transfer, exchange or payment, and any Covered Bond issued is registered in the name of Cede & Co. or such other name as is requested by an authorised representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorised representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co. or other nominee has an interest herein.

Unless and until it is exchanged in whole for securities in definitive registered form, this Global Covered Bond may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor depository or a nominee of such successor depository.]<sup>1</sup>

**The Toronto-Dominion Bank**  
(the “**Issuer**”)  
(a Canadian chartered Bank)

**REGULATION S GLOBAL COVERED BOND**

and

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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
(established under the Limited Partnerships Act (Ontario))  
(the “**Guarantor**”)

The Issuer hereby certifies that \_\_\_\_\_<sup>2</sup> is, at the date hereof, entered in the Register as the holder of the aggregate Nominal Amount of \_\_\_\_\_ of a duly

<sup>1</sup> Delete if not deposited with DTC.

<sup>2</sup> If issued under the NSS, replace with “the person whose name is entered in the Register”.

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

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

This Global Covered Bond is issued subject to, and with the benefit of, the Conditions and an Amended and Restated Trust Deed dated July 14, 2016 and made between the Issuer, the Guarantor and Computershare Trust Company of Canada, as Bond Trustee, for, *inter alios*, the Covered Bondholders (such Amended and Restated Trust Deed as further modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”).

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

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

This Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Registered Definitive Covered Bonds without Receipts, Coupons and/or Talons attached (on the basis that all the appropriate details have been included on the face of such Registered Definitive Covered Bonds and the relevant information supplementing, replacing or modifying the

Conditions appearing in the Final Terms has been endorsed on or attached to such Registered Definitive Bearer Covered Bonds) either, as specified in the applicable Final Terms:

- (i) upon not less than 60 days' written notice being given to the Registrar by Euroclear Bank S.A./N.Y. (“**Euroclear**”) and/or Clearstream Banking, Société anonyme (“**Clearstream, Luxembourg**”) acting on the instructions of any holder of an interest in this Global Covered Bond); or
- (ii) upon the occurrence of an Exchange Event.

An “**Exchange Event**” means:

1. in the case of Covered Bonds registered in the name of a nominee for a common depository, or if the applicable Final Terms specifies that this Global Covered Bond is to be held under the NSS, a Common Safekeeper for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
2. in the case of Covered Bonds registered in the name of a nominee for DTC, either the Depository Trust Company (“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; or
3. the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Covered Bonds in definitive form and a certificate to such effect from an Authorized Signatory of the Issuer has been given to the Bond Trustee.

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

- (i) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 14 (Notices) upon the occurrence of such Exchange Event; and
- (ii) DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Global Covered Bond) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (2) above, the Issuer may also give notice to the Registrar requesting exchange.

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

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

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

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

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

On any exchange or transfer as aforesaid pursuant to which either (i) Covered Bonds represented by this Global Covered Bond are no longer so represented or (ii) if Covered Bonds not so represented are to be so represented details of such exchange or transfer shall be entered by or on behalf of the Issuer in the Register, whereupon the nominal amount of this Global Covered Bond and the Covered Bonds held by the registered holder hereof shall be increased or reduced (as the case may be) by the nominal amount so exchanged or transferred.

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

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

Subject as provided in the Trust Deed, each person who is for the time being shown in the records of DTC as entitled to a particular nominal amount of the Covered Bonds represented by this Global Covered Bond (in which regard any certificate or other document issued by DTC as to the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Covered Bonds for all purposes other than with respect of payments on, and voting, giving consents and making requests in respect of, such nominal amount of such Covered Bonds for which purpose the registered holder of this Global

Covered Bond shall be deemed to be the holder of such nominal amount of the Covered Bonds in accordance with and subject to the terms of this Global Covered Bond and the Trust Deed.

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

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

This Global Covered Bond shall not be valid unless authenticated by the Registrar specified in the Final Terms and, if the Final Terms indicate that this Global Covered Bond is intended to be held under the NSS, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

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

Issued as of [            ].

**The Toronto-Dominion Bank**

By: \_\_\_\_\_  
**Duly Authorized**

Authenticated by:

**Citigroup Global Markets Deutschland AG**

as Registrar without recourse, warranty or liability

By: \_\_\_\_\_  
**Authorized Officer**

Effectuated without recourse,  
warranty or liability

\_\_\_\_\_  
as Common Safekeeper

By: \_\_\_\_\_



**PART 2**  
**FORM OF RULE 144A GLOBAL COVERED BOND**

Series Number:

CUSIP:

Common Code:

ISIN No.:

Certificate No.:

Serial Number:

**THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE 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 THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE “AGENCY AGREEMENT”), THE TRUST DEED (AS DEFINED HEREIN) AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY, OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.**

**THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT AND THE TRUST DEED REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF SUCH**

**SECURITY SENT TO ITS REGISTERED ADDRESS, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES 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 PURCHASE AND HOLDING OF THIS SECURITY (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT BE (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, CHURCH, NON-U.S. 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, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF SUCH A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER EMPLOYEE BENEFIT PLAN, ANY SUCH SUBSTANTIALLY SIMILAR U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW FOR WHICH AN EXEMPTION IS NOT AVAILABLE.**

**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.**

[If this Global Covered Bond is registered in the name of Cede & Co. (or such other person as may be nominated by The Depository Trust Company (“DTC”) for the purpose) (collectively, “Cede & Co.”) as nominee for DTC, then, unless this Global Covered Bond is presented by an authorised representative of DTC to the Issuer (as defined below) or its agent for registration of transfer, exchange or payment, and any Covered Bond issued is registered in the name of Cede & Co. or such other name as is requested by an authorised representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorised representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR

OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co. or other nominee has an interest herein.

Unless and until it is exchanged in whole for securities in definitive registered form, this Global Covered Bond may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor depository or a nominee of such successor depository.]<sup>22</sup>

**The Toronto-Dominion Bank**  
(the “**Issuer**”)  
(a Canadian chartered Bank)

**RULE 144A GLOBAL COVERED BOND**

and

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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
(established under the Limited Partnerships Act (Ontario))  
(the “**Guarantor**”)

The Issuer hereby certifies that [\_\_\_\_\_]<sup>23</sup> is, at the date hereof, entered in the Register as the holder of the aggregate Nominal Amount of \_\_\_\_\_ of a duly authorized issue of Covered Bonds of the Issuer (the “**Covered Bonds**”) of the Aggregate Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Covered Bonds (the “**Final Terms**”), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Covered Bonds as set out in Part 1 of Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail.

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

This Global Covered Bond is issued subject to, and with the benefit of, the Conditions and an Amended and Restated Trust Deed dated July 14, 2016 and made between the Issuer, the Guarantor and Computershare Trust Company of Canada, as Bond Trustee, for, *inter alios*, the Covered Bondholders (such Amended and Restated Trust Deed as further modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”).

For value received, the Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to such registered holder on each Instalment Date (if the Covered Bonds are repayable in instalments) and on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Global Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the

<sup>22</sup> Delete if not deposited with DTC.

<sup>23</sup> If issued under the NSS, replace with “the person whose name is entered in the Register”.

Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Global Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Covered Bond at the office of the Registrar specified in the Final Terms.

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

This Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Registered Definitive Covered Bonds without Receipts, Coupons and/or Talons attached (on the basis that all the appropriate details have been included on the face of such Registered Definitive Covered Bonds and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Registered Definitive Bearer Covered Bonds) either, as specified in the applicable Final Terms:

- (i) upon not less than 60 days' written notice being given to the Registrar by Euroclear Bank S.A./N.Y. ("**Euroclear**") and/or Clearstream Banking, Société anonyme ("**Clearstream, Luxembourg**") acting on the instructions of any holder of an interest in this Global Covered Bond); or
- (ii) upon the occurrence of an Exchange Event.

An "**Exchange Event**" means:

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

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

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

- (i) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 14 (*Notices*) upon the occurrence of such Exchange Event; and
- (ii) DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Global Covered Bond) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (2) above, the Issuer may also give notice to the Registrar requesting exchange.

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

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

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

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

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

On any exchange or transfer as aforesaid pursuant to which either (i) Covered Bonds represented by this Global Covered Bond are no longer so represented or (ii) if Covered Bonds not so represented are to be so represented details of such exchange or transfer shall be entered by or on behalf of the Issuer in the Register, whereupon the nominal amount of this Global Covered Bond and the Covered Bonds held by the registered holder hereof shall be increased or reduced (as the case may be) by the nominal amount so exchanged or transferred.

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

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

Subject as provided in the Trust Deed, each person who is for the time being shown in the records of DTC as entitled to a particular nominal amount of the Covered Bonds represented by this Global Covered Bond (in which regard any certificate or other document issued by DTC as to the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Covered Bonds for all purposes other than with respect of payments on, and voting, giving consents and making requests in respect of, such nominal amount of such Covered Bonds for which purpose the registered holder of this Global Covered Bond shall be deemed to be the holder of such nominal amount of the Covered Bonds in accordance with and subject to the terms of this Global Covered Bond and the Trust Deed.

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

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

This Global Covered Bond shall not be valid unless authenticated by the Registrar specified in the Final Terms and, if the Final Terms indicate that this Global Covered Bond is intended to be held under the NSS, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

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

Issued as of [            ].

**The Toronto-Dominion Bank**

By: \_\_\_\_\_  
**Duly Authorized**

Authenticated by:

**Citigroup Global Markets Deutschland AG**

as Registrar without recourse, warranty or liability

By: \_\_\_\_\_  
**Authorized Officer**

Effectuated without recourse,  
warranty or liability

\_\_\_\_\_  
as Common Safekeeper

By: \_\_\_\_\_

**PART 3**  
**FORM OF REGISTERED DEFINITIVE COVERED BOND**

**Part A**

**Issued in Reliance on Rule 144A**

**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 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 THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE “AGENCY AGREEMENT”), THE TRUST DEED (AS DEFINED HEREIN) AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY, OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.**

**THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT AND THE TRUST DEED REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF SUCH SECURITY SENT TO ITS REGISTERED ADDRESS, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR**



REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES 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 PURCHASE AND HOLDING OF THIS SECURITY (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT BE (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, CHURCH, NON-U.S. 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, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF SUCH A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER EMPLOYEE BENEFIT PLAN, ANY SUCH SUBSTANTIALLY SIMILAR U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

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.

**The Toronto-Dominion Bank**  
 (the "Issuer")  
*(a Canadian chartered Bank)*

[Specified Currency and Aggregate Nominal Amount of Tranche]  
**COVERED BONDS DUE**  
 [Year of Maturity]

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

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

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

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

This Covered Bond is issued subject to, and with the benefit of, the Conditions and an Amended and Restated Trust Deed dated July 14, 2016 and made between the Issuer, the Guarantor and Computershare Trust Company of Canada, as Bond Trustee, for, *inter alios*, the Covered Bondholders (such Amended and Restated Trust Deed as further modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”).

For value received, the Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to \_\_\_\_\_ (being the person registered in the Register or, if more than one person is so registered, the first of such named persons) on [each Instalment Date and] the Final Maturity Date or on such earlier date as this Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable on redemption of this Covered Bond and to pay interest (if any) on the Principal Amount Outstanding of this Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

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

This Covered Bond shall not be valid unless authenticated by Citigroup Global Markets Deutschland AG, as Registrar.

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

Issued as of [            ].

**The Toronto-Dominion Bank**

By: \_\_\_\_\_  
**Duly Authorized**

Authenticated by:

**Citigroup Global Markets Deutschland AG**

as Registrar without recourse, warranty or liability

By: \_\_\_\_\_  
**Authorized Officer**

**FORM OF TRANSFER OF REGISTERED COVERED BOND**

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) to

.....  
.....  
.....

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

[Specified Currency] [            ] nominal amount of this Covered Bond and all rights hereunder, hereby irrevocably constituting and appointing ..... as attorney to transfer such nominal amount of this Covered Bond in the register maintained by Citigroup Global Markets Deutschland AG with full power of substitution.

Signature(s) .....  
.....

Date: .....

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

**[CONDITIONS]**

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

**FINAL TERMS**

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

**Part B****Issued in Reliance on Regulation S**

**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”), THE TRUST DEED (AS DEFINED HEREIN) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE (I) PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (II) TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.**

**BY ITS ACQUISITION AND HOLDING OF THIS SECURITY (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT BE (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, CHURCH, NON-U.S. 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 OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF SUCH A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER EMPLOYEE BENEFIT PLAN, ANY SUCH SUBSTANTIALLY SIMILAR U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW FOR WHICH AN EXEMPTION IS NOT AVAILABLE.**

**The Toronto-Dominion Bank**  
 (the “**Issuer**”)  
*(a Canadian chartered Bank)*

**[Specified Currency and Aggregate Nominal Amount of Tranche]**  
**COVERED BONDS DUE**  
**[Year of Maturity]**

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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
*(established under the Limited Partnerships Act (Ontario))*  
 (the “**Guarantor**”)

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

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

This Covered Bond is issued subject to, and with the benefit of, the Conditions and an Amended and Restated Trust Deed dated July 14, 2016 and made between the Issuer, the Guarantor and Computershare Trust Company of Canada, as Bond Trustee, for, *inter alios*, the Covered Bondholders (such Amended and Restated Trust Deed as further modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”).

For value received, the Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to \_\_\_\_\_ (being the person registered in the Register or, if more than one person is so registered, the first of such named persons) on [each Instalment Date and] the Final Maturity Date or on such earlier date as this Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable on redemption of this Covered Bond and to pay interest (if any) on the Principal Amount Outstanding of this Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

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



This Covered Bond shall not be valid unless authenticated by Citigroup Global Markets Deutschland AG, as Registrar.

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

Issued as of [            ].

**The Toronto-Dominion Bank**

By: \_\_\_\_\_  
**Duly Authorized**

Authenticated by:

**Citigroup Global Markets Deutschland AG**

as Registrar without recourse, warranty or liability

By: \_\_\_\_\_  
**Authorized Officer**

**FORM OF TRANSFER OF REGISTERED COVERED BOND**

.....  
.....  
.....

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

[Specified Currency] [ ] nominal amount of this Covered Bond and all rights hereunder, hereby irrevocably constituting and appointing ..... as attorney to transfer such nominal amount of this Covered Bond in the register maintained by Citigroup Global Markets Deutschland AG with full power of substitution.

Signature(s) .....  
.....

Date: .....

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

**[CONDITIONS]**

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

**FINAL TERMS**

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

**PART 4**  
**FORM OF U.S. REGISTERED GLOBAL COVERED BOND**

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

[If this Global Covered Bond is registered in the name of Cede & Co. (or such other person as may be nominated by The Depository Trust Company (“DTC”) for the purpose) (collectively, “Cede & Co.”) as nominee for DTC, then, unless this Global Covered Bond is presented by an authorised representative of DTC to the Issuer (as defined below) or its agent for registration of transfer, exchange or payment, and any Covered Bond issued is registered in the name of Cede & Co. or such other name as is requested by an authorised representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorised representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co. or other nominee has an interest herein.

Unless and until it is exchanged in whole for securities in definitive registered form, this Global Covered Bond may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor depository or a nominee of such successor depository.]<sup>24</sup>

**The Toronto-Dominion Bank**  
 (the “**Issuer**”)  
*(a Canadian chartered Bank)*

**U.S. REGISTERED GLOBAL COVERED BOND**

and

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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
*(established under the Limited Partnerships Act (Ontario))*  
 (the “**Guarantor**”)

The Issuer hereby certifies that \_\_\_\_\_ is, at the date hereof, entered in the Register as the holder of the aggregate Nominal Amount of \_\_\_\_\_ of a duly authorized issue of Covered Bonds of the Issuer (the “**Covered Bonds**”) of the Aggregate Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the prospectus supplement applicable to the Covered Bonds (the “**Prospectus Supplement**”), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and

<sup>24</sup> Delete if not deposited with DTC.

Conditions of the Covered Bonds as set out in Part 2 of Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Prospectus Supplement but, in the event of any conflict between the provisions of the said Conditions and the information in the Prospectus Supplement, the Prospectus Supplement will prevail.

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

This Global Covered Bond is issued subject to, and with the benefit of, the Conditions and an Amended and Restated Trust Deed (such Amended and Restated Trust Deed as further modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated July 14, 2016 and made between the Issuer, the Guarantor and Computershare Trust Company of Canada, as Bond Trustee, for, *inter alios*, the Covered Bondholders.

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

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

This Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Registered Definitive Covered Bonds without Receipts, Coupons and/or Talons attached (on the basis that all the appropriate details have been included on the face of such Registered Definitive Covered Bonds and the relevant information supplementing, replacing or modifying the Conditions appearing in the Prospectus Supplement has been endorsed on or attached to such Registered Definitive Bearer Covered Bonds) either, (i) as specified in the applicable Prospectus Supplement or (ii) upon the occurrence of an Exchange Event.

An “**Exchange Event**” means in the case of Covered Bonds registered in the name of a nominee for DTC, either (i) the Depository Trust Company (“**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 (ii) DTC has ceased to constitute a clearing agency registered under the Exchange Act; or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Covered Bonds in definitive form and a certificate to such effect from two Authorized Signatories of the Issuer has been given to the Bond Trustee.

If this Global Covered Bond is exchangeable following the occurrence of an Exchange Event set forth in (iii) above, the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 14 (*Notices*) upon the occurrence of such Exchange Event.

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

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

Registered Definitive Covered Bonds will be issued in the minimum denominations specified in the Prospectus Supplement.

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

Covered Bonds represented by this Global Covered Bond are transferable only in accordance with, and subject to, the provisions hereof, the Trust Deed and the Agency Agreement dated June 25, 2014 (as amended and/or supplemented and/or restated from time to time) and the rules and operating procedures of DTC.

On any exchange or transfer as aforesaid pursuant to which either (i) Covered Bonds represented by this Global Covered Bond are no longer so represented or (ii) if Covered Bonds not so represented are to be so represented details of such exchange or transfer shall be entered by or on behalf of the Issuer in the Register, whereupon the nominal amount of this Global Covered Bond and the Covered Bonds held by the registered holder hereof shall be increased or reduced (as the case may be) by the nominal amount so exchanged or transferred.

Until the exchange of the whole of this Global Covered Bond as aforesaid, the registered holder hereof shall (subject as provided in the next paragraph) in all respects be entitled to the same benefits as if he were the registered holder of Registered Definitive Covered Bonds in the form(s) set out in Part 5 of Schedule 3 to the Trust Deed.

Subject as provided in the Trust Deed, each person who is for the time being shown in the records of DTC as entitled to a particular nominal amount of the Covered Bonds represented by this Global Covered Bond (in which regard any certificate or other document issued by DTC as to the nominal amount of such Covered Bonds standing to the account of any person shall be

conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Covered Bonds for all purposes other than with respect of payments on, and voting, giving consents and making requests in respect of, such nominal amount of such Covered Bonds for which purpose the registered holder of this Global Covered Bond shall be deemed to be the holder of such nominal amount of the Covered Bonds in accordance with and subject to the terms of this Global Covered Bond and the Trust Deed.

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

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

This Global Covered Bond shall not be valid unless authenticated by the Registrar specified in the Prospectus Supplement.

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

Issued as of [            ].

**The Toronto-Dominion Bank**

By: \_\_\_\_\_  
**Duly Authorized**

Authenticated by:

**Citibank, N.A.**

as Registrar without recourse, warranty or liability

By: \_\_\_\_\_  
**Authorized Officer**



**[CONDITIONS]**

[Conditions to be as set out in Part 2 of Schedule 1 to this Trust Deed or such other form as may be agreed between the Issuer, the relevant Agent(s), the Bond Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange]

**PROSPECTUS SUPPLEMENT**

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

**PART 5**  
**FORM OF U.S. REGISTERED DEFINITIVE COVERED BOND**

**The Toronto-Dominion Bank**  
 (the “**Issuer**”)  
*(a Canadian chartered Bank)*

[Specified Currency and Aggregate Nominal Amount of Tranche]  
**COVERED BONDS DUE**  
 [Year of Maturity]

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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
*(established under the Limited Partnerships Act (Ontario))*  
 (the “**Guarantor**”)

This Covered Bond is one of a Series of Covered Bonds of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer (“**Covered Bonds**”). References herein to the Conditions shall be to the Terms and Conditions [endorsed hereon/set out in Part 2 of Schedule 1 to the Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out herein] as supplemented, replaced and modified by the relevant information appearing in the prospectus supplement (the “**Prospectus Supplement**”) endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and such information in the Prospectus Supplement, such information will prevail.

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

This Covered Bond is issued subject to, and with the benefit of, the Conditions and an Amended and Restated Trust Deed (such Amended and Restated Trust Deed as further modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated July 14, 2016 and made between the Issuer, the Guarantor and Computershare Trust Company of Canada, as Bond Trustee, for, *inter alios*, the Covered Bondholders.

For value received, the Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to \_\_\_\_\_ (being the person registered in the Register or, if more than one person is so registered, the first of such named persons) on [each Instalment Date and] the Final Maturity Date or on such earlier date as this Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable on redemption of this Covered Bond and to pay interest (if any) on the Principal Amount Outstanding of this Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

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

360, or (ii) a rate of interest is to be calculated during a leap year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by 366 and divided by 365.

This Covered Bond shall not be valid unless authenticated by Citibank, N.A., as Registrar.

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

Issued as of [            ].

**The Toronto-Dominion Bank**

By: \_\_\_\_\_  
**Duly Authorized**

Authenticated by:

**Citibank, N.A.**

as Registrar without recourse, warranty or liability

By: \_\_\_\_\_  
**Authorized Officer**

**FORM OF TRANSFER OF U.S. REGISTERED COVERED BOND**

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) to

.....  
.....  
.....

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

[Specified Currency] [            ] nominal amount of this Covered Bond and all rights hereunder, hereby irrevocably constituting and appointing ..... as attorney to transfer such nominal amount of this Covered Bond in the register maintained by Citibank, N.A. with full power of substitution.

Signature(s) .....  
.....

Date: .....

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

**[CONDITIONS]**

[Conditions to be as set out in Part 2 of Schedule 1 to this Trust Deed or such other form as may be agreed between the Issuer, the relevant Agent(s), the Bond Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange]

**PROSPECTUS SUPPLEMENT**

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



**PART 6**  
**FORM OF CANADIAN REGISTERED GLOBAL COVERED BOND**

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

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

Series Number:

CUSIP:

Common Code:

ISIN No.:

Certificate No.:

Serial Number:

**THIS GLOBAL COVERED BOND IS REGISTERED IN THE NAME OF CDS CLEARING & DEPOSITORY SERVICES INC. ("CDS") OR ITS NOMINEE, CDS & CO. THIS GLOBAL COVERED BOND MAY NOT BE EXCHANGED IN WHOLE OR PART FOR A BOND REGISTERED, AND NO TRANSFER OF THIS GLOBAL COVERED BOND IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITORY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED HEREIN.**

**UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS TO THE TORONTO-DOMINION BANK (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE. THIS CERTIFICATE IS ISSUED PURSUANT TO A BOOK ENTRY ONLY SECURITIES AGREEMENT BETWEEN THE ISSUER AND CDS, AS SUCH AGREEMENT MAY BE REPLACED OR AMENDED FROM TIME TO TIME.**

**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 (AS**

DEFINED HEREIN) IN RESPECT OF THIS SECURITY, THE TRUST DEED (AS DEFINED HEREIN) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE PURSUANT TO RULE 903 OR 904 OF REGULATIONS UNDER THE SECURITIES ACT.

**The Toronto-Dominion Bank**  
 (the “**Issuer**”)  
*(a Canadian chartered Bank)*

**CANADIAN REGISTERED GLOBAL COVERED BOND**

and

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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
*(established under the Limited Partnerships Act (Ontario))*  
 (the “**Guarantor**”)

The Issuer hereby certifies that CDS & Co. is, at the date hereof, entered in the Register as the holder of the aggregate Nominal Amount of CDN \_\_\_\_\_ of a duly authorized issue of Covered Bonds of the Issuer (the “**Covered Bonds**”) of the Aggregate Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Pricing Supplement applicable to the Covered Bonds (the “**Pricing Supplement**”), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Covered Bonds as set out in Part 1 of Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Pricing Supplement but, in the event of any conflict between the provisions of the said Conditions and the information in the Pricing Supplement, the Pricing Supplement will prevail.

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

This Global Covered Bond is issued subject to, and with the benefit of, the Conditions and an Amended and Restated Trust Deed dated July 14, 2016 and made between the Issuer, the Guarantor and Computershare Trust Company of Canada, as Bond Trustee, for, *inter alios*, the Covered Bondholders (such Amended and Restated Trust Deed as further modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”).

For value received, the Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to such registered holder on each Instalment Date (if the Covered Bonds are repayable in instalments) and on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Global Covered Bond may become due and

repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Global Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Covered Bond at the specified office of the Canadian Registrar.

Except as required by applicable law, as provided by the rules and procedures of the Book-Entry-Only System or as otherwise provided herein or agreed by the Issuer and CDS, the Covered Bonds represented by this Global Covered Bond will be held under the book-entry-only securities services administered by CDS in accordance with the operating rules and procedures therefore and shall be represented by a single fully-registered permanent Global Covered Bond.

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

This Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Registered Definitive Covered Bonds without Receipts, Coupons and/or Talons attached (on the basis that all the appropriate details have been included on the face of such Registered Definitive Covered Bonds and the relevant information supplementing, replacing or modifying the Conditions appearing in the Pricing Supplement has been endorsed on or attached to such Registered Definitive Bearer Covered Bonds) upon the occurrence of an Exchange Event.

An “**Exchange Event**” means:

1. in the case of Covered Bonds registered in the name of a nominee for CDS,
  - (i) CDS has notified the Issuer that it is unwilling or unable to continue to act as a depository for the Covered Bonds and a successor depository is not appointed by the Issuer within 90 days after receiving such notice;
  - (ii) CDS has ceased to be a recognised clearing agency under the Securities Act (Ontario) or a self-regulatory organisation under the Securities Act (Quebec) 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

- (iii) the Issuer elects to terminate the book-entry system with respect to the Series CBL● Covered Bonds; or

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

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

- (i) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 14 (Notices) upon the occurrence of such Exchange Event; and
- (ii) CDS (acting on the instructions of any holder of an interest in this Global Covered Bond) may give notice to the Issuing and Paying Agent requesting exchange.

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

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

Registered Definitive Covered Bonds will be issued in the minimum denominations specified in the Pricing Supplement.

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

Covered Bonds represented by this Global Covered Bond are transferable only in accordance with, and subject to, the provisions hereof, the Trust Deed and the Agency Agreement, as supplemented by a Supplemental Agency Agreement made on May 31, 2016 (as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) and the rules and operating procedures of CDS.

On any exchange or transfer as aforesaid pursuant to which either (i) Covered Bonds represented by this Global Covered Bond are no longer so represented or (ii) if Covered Bonds not so represented are to be so represented details of such exchange or transfer shall be entered by or on behalf of the Issuer in the Register, whereupon the nominal amount of this Global Covered Bond and the Covered Bonds held by the registered holder hereof shall be increased or reduced (as the case may be) by the nominal amount so exchanged or transferred.

Until the exchange of the whole of this Global Covered Bond as aforesaid, the registered holder hereof shall (subject as provided in the next paragraph) in all respects be entitled to the same benefits as if he were the registered holder of Registered Definitive Covered Bonds in the form(s) set out in Part 7 of Schedule 3 to the Trust Deed.

Subject as provided in the Trust Deed, each person who is for the time being shown in the records of CDS as entitled to a particular nominal amount of the Covered Bonds represented by this Global Covered Bond (in which regard any certificate or other document issued by CDS as to the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Covered Bonds for all purposes other than with respect of payments on, and voting, giving consents and making requests in respect of, such nominal amount of such Covered Bonds for which purpose the registered holder of this Global Covered Bond shall be deemed to be the holder of such nominal amount of the Covered Bonds in accordance with and subject to the terms of this Global Covered Bond and the Trust Deed.

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

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

This Global Covered Bond shall not be valid unless authenticated by the Canadian Registrar specified in the Pricing Supplement.

Issued as of [            ].

**The Toronto-Dominion Bank**

By: \_\_\_\_\_  
**Duly Authorized**

Authenticated by:

**Computershare Trust Company of Canada**

as Canadian Registrar without recourse, warranty or liability

By: \_\_\_\_\_  
**Authorized Officer**

**PRICING SUPPLEMENT**

(See Attached)

**PART 7**  
**FORM OF CANADIAN REGISTERED DEFINITIVE COVERED BOND**

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

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

**The Toronto-Dominion Bank**  
 (the “**Issuer**”)  
*(a Canadian chartered Bank)*

[Specified Currency and Aggregate Nominal Amount of Tranche]  
**COVERED BONDS DUE**  
 [Year of Maturity]

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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
*(established under the Limited Partnerships Act (Ontario))*  
 (the “**Guarantor**”)

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

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

This Covered Bond is issued subject to, and with the benefit of, the Conditions and an Amended and Restated Trust Deed (such Amended and Restated Trust Deed as further modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated July 14, 2016 and made between the Issuer, the Guarantor and Computershare Trust Company of Canada, as Bond Trustee, for, *inter alios*, the Covered Bondholders.

For value received, the Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to \_\_\_\_\_ (being the person registered in the Register or, if more than one person is so registered, the first of such named persons) on [each Instalment Date and] the Final Maturity Date or on such earlier date as this Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable on redemption of this Covered Bond and to pay interest (if any) on the Principal Amount

Outstanding of this Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

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

This Global Covered Bond shall not be valid unless authenticated by the Canadian Registrar specified in the Pricing Supplement.

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

Issued as of [            ].

**The Toronto-Dominion Bank**

By: \_\_\_\_\_  
**Duly Authorized**

Authenticated by:

**Computershare Trust Company of Canada**

as Canadian Registrar without recourse, warranty or liability

By: \_\_\_\_\_  
**Authorized Officer**



**FORM OF TRANSFER OF CANADIAN REGISTERED COVERED BOND**

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) to

.....  
.....  
.....

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

[Specified Currency] [            ] nominal amount of this Covered Bond and all rights hereunder, hereby irrevocably constituting and appointing ..... as attorney to transfer such nominal amount of this Covered Bond in the register maintained by Computershare Trust Company of Canada with full power of substitution.

Signature(s) .....  
.....

Date: .....

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

**PRICING SUPPLEMENT**

(See Attached)

**SCHEDULE 4  
FORM OF NOTICE TO PAY**

*[On the letterhead of the Bond Trustee]*

To: The Toronto-Dominion Bank (the “**Issuer**”)

and

**TD Covered Bond (Legislative) Guarantor Limited Partnership** (the “**Guarantor**”)

*[insert date]*

Dear Sirs,

**Notice to Pay under Covered Bond Guarantee**

We refer to the CAD 40 billion Global Covered Bond Programme of the Issuer and the amended and restated trust deed dated July 14, 2016 made between the Issuer, Computershare Trust Company of Canada, as Bond Trustee, and the Guarantor (the “**Trust Deed**”).

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

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

Yours faithfully,

[ ]

**SCHEDULE 5**  
**PROVISIONS FOR MEETINGS OF COVERED BONDHOLDERS**

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

(i) “**voting certificate**” shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:

(a) that on the date thereof Bearer Covered Bonds (whether in definitive form or represented by a Global Covered Bond and not being Covered Bonds in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Covered Bonds will cease to be so deposited or held or blocked until the first to occur of:

(1) the conclusion of the meeting specified in such certificate or, if later, of any adjourned such meeting; and

(2) the surrender of the certificate to the Paying Agent who issued the same; and

(b) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Covered Bonds represented by such certificate;

(ii) “**block voting instruction**” shall mean an English language document issued by a Paying Agent and dated in which:

(a) it is certified that Bearer Covered Bonds (whether in definitive form or represented by a Global Covered Bond and not being Covered Bonds in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Covered Bonds will cease to be so deposited or held or blocked until the first to occur of:

(1) the conclusion of the meeting specified in such document or, if later, of any adjourned such meeting; and

- (2) the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Bearer Covered Bond which is to be released or (as the case may require) the Bearer Covered Bond or Bearer Covered Bonds ceasing with the agreement of the Paying Agent to be held to its order or under its control or so blocked and the giving of notice by the Paying Agent to the Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;
- (b) it is certified that each holder of such Bearer Covered Bonds has instructed such Paying Agent that the vote(s) attributable to the Bearer Covered Bond or Bearer Covered Bonds so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
- (c) the aggregate principal amount of the Bearer Covered Bonds so deposited or held or blocked are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (d) one or more persons named in such document (each hereinafter called a “**proxy**”) is or are authorized and instructed by such Paying Agent to cast the votes attributable to the Bearer Covered Bonds so listed in accordance with the instructions referred to in (c) above as set out in such document;
- (iii) “**24 hours**” shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and

- (iv) **“48 hours”** shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.
  
- (B) A holder of a Bearer Covered Bond (whether in definitive form or represented by a Global Covered Bond) may obtain a voting certificate in respect of such Bearer Covered Bond from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Bearer Covered Bond by depositing such Bearer Covered Bond with such Paying Agent or (to the satisfaction of such Paying Agent) by such Bearer Covered Bond being held to its order or under its control or being blocked in an account with a clearing system, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in sub paragraph (A)(i)(a) or (A)(ii)(a) above (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in sub paragraph (A)(ii)(b) above. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Covered Bondholders be deemed to be the holder of the Bearer Covered Bonds to which such voting certificate or block voting instruction relates and the Paying Agent with which such Bearer Covered Bonds have been deposited or the person holding the same to the order or under the control of such Paying Agent or the clearing system in which such Bearer Covered Bonds have been blocked shall be deemed for such purposes not to be the holder of those Bearer Covered Bonds.
  
- (C)
  - (i) A holder of Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) may, by an instrument in writing in the English language (a “form of proxy”) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorized officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a proxy) to act on his or its behalf in connection with any meeting of the Bondholders and any adjourned such meeting.
  
  - (ii) Any holder of Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) which is a corporation may by resolution of its directors or other governing body authorize any person to act as its representative (a “representative”) in connection with any meeting of the Bondholders and any adjourned such meeting.
  
  - (iii) Any proxy appointed pursuant to subparagraph (i) above or representative appointed pursuant to subparagraph (ii) above shall so long as such

appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Bondholders, to be the holder of the Registered Covered Bonds to which such appointment relates and the holder of the Registered Covered Bonds shall be deemed for such purposes not to be the holder.

- (iv) For so long as any of the Registered Covered Bonds is represented by a Global Covered Bond registered in the name of DTC or its nominee, DTC may mail an Omnibus Proxy to the Relevant Issuer in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Bondholders. Such Omnibus Proxy shall assign the voting rights in respect of the relevant meeting to DTC's direct participants as of the record date specified therein. Any such assignee participant may, by an instrument in writing in the English language signed by such assignee participant, or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorized officer of the corporation and delivered to the specified office of the Registrar or any Transfer Agent before the time fixed for the relevant meeting, appoint any person (a sub-proxy) to act on his or its behalf in connection with any meeting of Bondholders and any adjourned such meeting. All references to proxy or proxies in this Schedule other than in this paragraph shall be read so as to include references to sub-proxy or sub-proxies.

2. Notwithstanding the applicability of Section 316(a) of the Trust Indenture Act, the Issuer, the Guarantor or the Bond Trustee or (in relation to a meeting for the passing of a Programme Resolution) the Covered Bondholders of any Series may at any time and the Issuer shall upon a requisition in writing in the English language signed by the holders of not less than five per cent. of the Principal Amount Outstanding of the Covered Bonds for the time being outstanding convene a meeting of the Covered Bondholders and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Bond Trustee or the requisitionists. Every such meeting shall be held at such time and place as the Bond Trustee may appoint or approve.

3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the holders of the relevant Covered Bonds prior to any meeting of such holders in the manner provided by Condition 14 (*Notices*). Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but [(except for an Extraordinary Resolution)] it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that (i) Bearer Covered Bonds may, not less than 48 hours before the time fixed for the meeting, be deposited with Paying Agents or (to their satisfaction) held to their order or under their control or blocked in an account with a clearing system for the purpose of obtaining voting certificates or appointing proxies, or (ii) the holder of Registered Covered Bonds may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case

of corporations, may appoint representatives by resolution of the directors or other governing body. A copy of the notice shall be sent by post to the Bond Trustee (unless the meeting is convened by the Bond Trustee), and to the Issuer (unless the meeting is convened by the Issuer) and to the Guarantor (unless the meeting is convened by the Guarantor).

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

5. At any such meeting one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one twentieth of the Principal Amount Outstanding of the Covered Bonds of the relevant Series for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution (subject as provided below) or a Programme Resolution shall be one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series for the time being outstanding PROVIDED THAT at any meeting the business of which includes any of the following matters (other than in relation to a Programme Resolution) (each of which shall, subject only to Clause 20.02, only be capable of being effected after having been approved by Extraordinary Resolution) namely:

- (A) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds;
- (B) subject to any applicable redenomination provisions specified in the applicable Final Terms, alteration of the currency in which payments under the Covered Bonds, Receipts and Coupons are to be made;
- (C) alteration of the majority required to pass an Extraordinary Resolution;
- (D) any amendment to the Covered Bond Guarantee or the Security Agreement (except in a manner determined by the Bond Trustee not to be materially prejudicial to the interests of the Covered Bondholders of any Series);



- (E) except in accordance with Condition 12, the sanctioning of any such scheme or proposal as is described in paragraph 18(I) below; and
- (F) alteration of this proviso or the proviso to paragraph 6 below;

(each a “**Series Reserved Matter**”), the quorum shall be one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series for the time being outstanding.

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

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

8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Covered Bondholder or as a holder of a voting certificate or as a proxy or as a representative.

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

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

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

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

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

14. Subject as provided in paragraph 13 hereof at any meeting:
- (A) on a show of hands every person who is present in person and produces a Bearer Definitive Covered Bond or voting certificate or is the holder of a Registered Definitive Covered Bond is a proxy or representative shall have one vote; and
  - (B) on a poll every person who is so present shall have one vote in respect of each USD1,000 or such other amount as the Bond Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Covered Bonds denominated in another currency, such amount in such other currency as the Bond Trustee in its absolute discretion may stipulate) in the Principal Amount Outstanding of the Bearer Definitive Covered Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which (being a Registered Definitive Covered Bond) he is the registered holder.

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

15. The proxies named in any block voting instruction or form of proxy and representatives need not be Covered Bondholders.
16. Each block voting instruction together (if so requested by the Bond Trustee) with proof satisfactory to the Bond Trustee of its due execution or form of proxy on behalf of the relevant Paying Agent and each form of proxy should be deposited by one relevant Paying Agent or (as the case may be) by the Registrar or the relevant Transfer Agent at such place as the Bond Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction propose to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A copy of each block voting instruction and form of proxy shall (if the Bond Trustee so requires) be deposited with the Bond Trustee before the commencement of the meeting or adjourned meeting but the Bond Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction or form of proxy.
17. Any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the relevant Covered Bondholders' instructions pursuant to which it was executed PROVIDED THAT no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent or in the case of a Registered Covered Bond from the holder thereof by the Issuer at its registered office (or such other place as may have been required or approved by the Bond Trustee for the purpose) by the time being 24 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction or form of proxy is to be used.

18. A meeting of the Covered Bondholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6 above) namely:

- (A) Power to sanction any compromise or arrangement proposed to be made between the Issuer, the Guarantor, the Bond Trustee, any Appointee and the Covered Bondholders, Receiptholders and Couponholders or any of them.
- (B) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Bond Trustee, any Appointee, the Covered Bondholders, the Receiptholders, Couponholders, or the Issuer or the Guarantor or against any other or others of them or against any of their property whether such rights shall arise under the Trust Deed or the other Transaction Documents or otherwise.
- (C) Power to assent to any modification of the provisions of the Trust Deed or the other Transaction Documents which shall be proposed by the Issuer, the Guarantor, the Bond Trustee or any Covered Bondholder.
- (D) Power to give any authority or sanction which under the provisions of the Trust Deeds is required to be given by Extraordinary Resolution.
- (E) Power to appoint any persons (whether Covered Bondholders or not) as a committee or committees to represent the interests of the Covered Bondholders and to confer upon such committee or committees any powers or discretion which the Covered Bondholders could themselves exercise by Extraordinary Resolution.
- (F) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of the Trust Deed and/or the Security Agreement.
- (G) Power to discharge or exonerate the Bond Trustee and/or any Appointee from all liability in respect of any act or omission for which the Bond Trustee and/or such Appointee may have become responsible under the Trust Deed and/or the Security Agreement.
- (H) Power to authorise the Bond Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
- (I) Power to sanction any scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds in consideration of, shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations and/or securities as described above and partly for or into or in consideration of cash and for the

appointment of some person with power on behalf of the holders of the Covered Bonds to execute an instrument of transfer of the Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively.

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

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

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

22. (A) If and whenever the Issuer shall have issued and have outstanding Covered Bonds of more than one Series the foregoing provisions of this Schedule shall have effect subject to the following modifications:
- (i) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Covered Bonds of that Series;
  - (ii) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series so

affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Covered Bonds of all the Series so affected;

- (iii) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or group of Series so affected and the holders of the Covered Bonds of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Covered Bonds of each Series or group of Series so affected;
  - (iv) a Programme Resolution shall be deemed to have been duly passed only if passed at a single meeting of the Covered Bondholders of all Series; and
  - (v) to all such meetings all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Covered Bonds and Covered Bondholders were references to the Covered Bonds of the Series or group of Series in question or to the holders of such Covered Bonds, as the case may be.
- (B) If the Issuer shall have issued and have outstanding Covered Bonds which are not denominated in USD in the case of any meeting of holders of Covered Bonds of more than one currency (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) the Principal Amount Outstanding of such Covered Bonds shall be the equivalent in USD at the applicable Covered Bond Swap Rate. In such circumstances, on any poll each person present shall have one vote for each USD 1,000 (or such other USD amount as the Bond Trustee may in its absolute discretion stipulate) of the Principal Amount Outstanding of the Covered Bonds (converted as above) which he holds or represents.

23. Subject to all other provisions of the Trust Deed the Bond Trustee may without the consent of the Issuer, the Guarantor, the Covered Bondholders, the Receiptholders or the Couponholders prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Covered Bondholders and attendance and voting thereat as the Bond Trustee may in its sole discretion think fit.

**SCHEDULE 6  
N COVERED BONDS**

**PART 1  
FORM OF N COVERED BOND**

**N COVERED BOND (GEDECKTE NAMENSSCHULDVERSCHREIBUNG)**

**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.**

**THE N COVERED BOND IS NOT A TRANSFERABLE SECURITY WITHIN THE MEANING OF ART. 2 (1) LIT. (A) OF THE PROSPECTUS DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003, AS AMENDED, AND MAY ONLY BE OFFERED OR SOLD IN COMPLIANCE WITH ANY LEGISLATION WHICH IS APPLICABLE TO THE OFFERING AND SALE OF SUCH INSTRUMENTS WHERE THE OFFERING OR SALE TAKES PLACE. IN GERMANY, THE N COVERED BOND MAY IN PARTICULAR ONLY BE OFFERED OR SOLD IN ACCORDANCE WITH THE GERMAN CAPITAL INVESTMENTS ACT (*VERMÖGENSANLAGENGESETZ*).**

**The Toronto-Dominion Bank**  
(the “**Issuer**”)  
(a Canadian chartered Bank)

**SERIES [●] N COVERED BOND (*GEDECKTE NAMENSSCHULDVERSCHREIBUNG*)**

Principal Amount: **[insert currency and principal amount]**  
(in words: [●])

Issue Date: **[insert date]**

Final Maturity Date: **[insert date]**

[Extended Due for Payment Date under the Covered Bond Guarantee: **[insert date]**]

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

**TD Covered Bond (Legislative) Guarantor Limited Partnership**  
(*established under the Limited Partnerships Act (Ontario)*)  
(the “**Guarantor**”)

This certificate evidences the Series [●] N Covered Bond (*gedeckte Namensschuldverschreibung*) (the “**N Covered Bond**”) of The Toronto-Dominion Bank having the provisions specified in **[if the Terms and Conditions of the N Covered Bonds and the Final**

**Terms are to be annexed:** the Terms and Conditions of the N Covered Bonds as completed, modified, supplemented or replaced by the final terms relating to this N Covered Bond (the “**Final Terms**”), both as annexed hereto (the Terms and Conditions so supplemented, the “**N Covered Bond Conditions**”) [*if all of the blanks in all applicable provisions of the Terms and Conditions will be completed or modified, supplemented or replaced according to the information contained in the Final Terms and all non-applicable provisions of the Terms and Conditions will be deleted:* the Terms and Conditions annexed hereto (the “**N Covered Bond Conditions**”).]. Words and expressions defined or set out in the N Covered Bond Conditions shall have the same meaning when used in this certificate.

The Issuer shall pay to the registered holder of this N Covered Bond the amounts payable in respect thereof pursuant to the N Covered Bond Conditions. The Issuer hereby certifies that at the date hereof [*insert name and complete address of bondholder*] has been entered in the Register as the holder of this N Covered Bond in the aforesaid principal amount.

The rights arising out of this N Covered Bond as well as the title to this certificate only pass to a new Holder upon assignment and due registration thereof in the Register by the Registrar as further set out in the N Covered Bond Conditions. Only a holder so registered is entitled to receive payments in respect of this N Covered Bond pursuant to the N Covered Bond Conditions.

This N Covered Bond shall not be valid unless authenticated by the Registrar.

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

Issued as of [                    ].

**The Toronto-Dominion Bank**

By: \_\_\_\_\_  
**Duly Authorized**

By: \_\_\_\_\_  
**Duly Authorized**

Authenticated by:

**Citibank, N.A.**

as Registrar without recourse, warranty or liability

By: \_\_\_\_\_  
**Authorized Officer**



## PART 2 TERMS AND CONDITIONS OF THE N COVERED BONDS

The following are the terms and conditions of the N Covered Bonds (the “**Terms and Conditions**”), which will be incorporated by reference into and (as completed by the applicable Final Terms in relation to a Series of N Covered Bonds) apply to each Series of N Covered Bonds issued after the date of this Trust Deed. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, the N Covered Bond.

This N Covered Bond is one of a Series (as defined below) of Covered Bonds issued by The Toronto-Dominion Bank (the “**Issuer**” or the “**Bank**”) as part of the Issuer’s CAD 40 billion global Covered Bond programme (the “**Programme**”) and constituted by an Amended and Restated Trust Deed dated July 14, 2016 (such trust deed as further amended, supplemented or replaced, the “**Trust Deed**”) made between the Issuer, TD Covered Bond (Legislative) Guarantor Limited Partnership, as guarantor (the “**Guarantor**”) and Computershare Trust Company of Canada, as bond trustee (in such capacity, the “**Bond Trustee**” which expression shall include any successor as bond trustee).

The Covered Bonds have the benefit of an agency agreement dated the Programme Date (as amended, supplemented or replaced, the “**Agency Agreement**”) and made between the Issuer, the Guarantor, the Bond Trustee, Citibank, N.A., in its capacities as U.S. registrar (the “**U.S. Registrar**”, which expression shall include any successor in this capacity), transfer agent and paying agent (the “**U.S. Paying Agent**”, which expression shall include any successor in such capacity), Citigroup Global Markets Deutschland AG, in its capacity as European registrar (the “**European Registrar**”, which expression shall include any successor to Citigroup Global Markets Deutschland AG, in such capacity, and the “**Registrar**” or “**Registrars**” for a Tranche (as defined below) shall be as specified in the applicable Final Terms (as defined below)), and Citibank, N.A. London Branch, in its capacity as issuing and principal paying agent (the “**Issuing and Paying Agent**”, and which expression shall include any successor to Citibank, N.A. London Branch, in such capacity), calculation agent (the “**Calculation Agent**”, which expression shall include any successor to Citibank, N.A. London Branch in its capacity as such and any substitute calculation agent appointed in accordance with the Agency Agreement either with respect to the Programme or with respect to a particular Series) and as transfer agent and the other transfer agents named therein (collectively, the “**Transfer Agent**” which expression shall include any Registrar and any additional or successor transfer agents), and the paying agents named therein (the “**Paying Agents**”, which expression shall include the Issuing and Paying Agent, the U.S. Paying Agent and any substitute or additional paying agents appointed in accordance with the Agency Agreement either with respect to the Programme or with respect to a particular Series). As used herein, “**Agents**” shall mean the Paying Agents, the Registrar or Registrars, the Exchange Agent and the Transfer Agents.

References in these Terms and Conditions to “**N Covered Bonds**” are to any relevant Series of N Covered Bonds to which these Terms and Conditions are attached.

References in these Terms and Conditions (in particular in Conditions 7 and 13) to “Covered Bonds” are to all covered bonds issued by the Issuer under the Programme (including, for the avoidance of doubt, any N Covered Bonds).

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

In respect of any N Covered Bonds, references herein to these “Terms and Conditions” are to these terms and conditions and any reference herein to a “**Condition**” is a reference to the relevant Condition of the Terms and Conditions of the relevant N Covered Bonds.

The N Covered Bonds are issued in series (each, a “**Series**”). Each Series will be the subject of Final Terms (each, “**Final Terms**”) prepared in relation to such Series of N Covered Bonds

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

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

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

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

Copies of the Trust Deed, the Security Agreement, the Master Definitions and Construction Agreement (as defined below), the Agency Agreement and each of the other Transaction Documents (other than the Dealership Agreement and any subscription agreements) are available for inspection during normal business hours at the registered office for the time being of the Bond Trustee being at the date of this Trust Deed at 100 University Avenue, 11th Floor, Toronto, Ontario, Canada, M5J 2Y1 and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms of all Covered Bonds of each Series (including in relation to unlisted Covered Bonds of any Series) are obtainable during normal business hours of the specified office of each of the Paying Agents, and any holder of the Covered Bonds must produce evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, relevant Paying Agent as to its holding of Covered Bonds and identity. The holders of the Covered Bonds, the Receiptholders and Couponholders are deemed to have notice of, or are bound by, and are

entitled to the benefit of, all the provisions of, and definitions contained in, the Trust Deed, the Security Agreement, the Master Definitions and Construction Agreement, the Agency Agreement, each of the other Transaction Documents (other than the Dealership Agreement and any subscription agreements) and the applicable Final Terms which are applicable to them and to have notice of each set of Final Terms relating to each other Series.

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

## **1. Form, Principal Amount and Currency**

### ***Form***

**1.01** Each N Covered Bond is issued in registered form as a German *Namenschuldverschreibung* and represented by a certificate which bears the manual signature of two duly authorised signatories of the Issuer and is manually authenticated by or on behalf of the Registrar.

The N Covered Bond is a Fixed Rate Covered Bond, a Floating Rate Covered Bond or a Zero Coupon Covered Bond or any appropriate combination thereof, depending on the Interest Basis specified in the applicable Final Terms. The N Covered Bond may also be an Instalment Covered Bond, if specified in the applicable Final Terms.

### ***Principal Amount***

**1.02** N Covered Bonds are issued in the Principal Amount specified in the Final Terms.

### ***Currency***

**1.03** The N Covered Bonds are denominated in such currency as may be specified in the Final Terms (the “**Specified Currency**”). 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** The rights of the Holder arising from each N Covered Bond and title to the certificate itself pass by assignment and registration in the Register. Except as ordered by a court of competent jurisdiction or as required by mandatory law, the Issuer, any applicable Agents and the Registrar shall deem and treat the registered Holder of any N Covered Bond as the absolute owner thereof and holder of the rights evidenced thereby.

**2.02** The rights of the Holder arising from any N Covered Bond and title to the certificate itself may be transferred in whole or in part upon assignment of the relevant rights under the N Covered Bond by the then current Holder to the new Holder and the surrender of the certificate,

together with the duly completed and executed form of assignment agreement (which is attached to the certificate) at the specified office of the Registrar and the entry of the new Holder in the Register by the Registrar. The date stated in the duly completed form of assignment agreement as the date, on which the economic effects of the assignments shall occur, shall be the “**Transfer Date**” to be entered into the Register by the Registrar. Any transfer of part only of a N Covered Bond is permitted only for the minimum assignment amount (the “**Minimum Assignment Amount**”) specified in the relevant Final Terms or an integral multiple thereof

**2.03** If a N Covered has been allocated to the Holder's restricted assets (*Sicherungsvermögen*), the assignment agreement delivered to the Registrar must contain the consent of the trustee of the Holder or its deputy (*Treuhänder für das Sicherungsvermögen*) to the assignment (as provided in the form of assignment agreement).

**2.04** In the case of a transfer of a N Covered Bond in whole and provided the requirements specified above have been met, a new certificate will be issued to the transferee with respect to the N Covered Bond upon request. In the case of a transfer of a part only of any N Covered Bond and provided the requirements specified above have been met, new certificates in respect of the balance transferred and the balance not transferred (as the case may be) will be issued to the transferor and to the transferee respectively upon request.

**2.05** Each new certificate to be issued upon transfer of a N Covered Bond (in whole or in part) will, within seven business days (being, for the purposes of this subsection, a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar) of submission of the certificate and the duly completed and executed form of assignment agreement, be available for collection at the specified office of the Registrar or, at the request of the Holder making such submission and as specified in the relevant form of assignment agreement, be mailed at the risk of the Holder entitled to the new certificate by uninsured mail to such address as may be specified in the form of assignment agreement.

**2.06** Transfers of N Covered Bonds will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment (or the giving of such indemnity as may be required from the Issuer or the Registrar) in respect of any tax or other duties which may be imposed in relation to it.

**2.07** Any Holder may not require the transfer of a N Covered Bond to be registered during a period of 15 days ending on any due date for any payment of principal or interest. Any registration of transfer required during such period shall be deemed to have been required on the business day (as referred to in Condition 2.05 above) immediately following the last day of such period.

**2.08** Any reference herein to a “N Covered Bond” includes, unless the context otherwise requires, any new N Covered Bond that has been issued upon transfer of any N Covered Bond or part thereof. In the event that the transfer of any N Covered Bond in accordance with this Condition 2 results in two or more new N Covered Bonds (the “**Split**”), the references to “N Covered Bond” and “Holder” and the other provisions of these Terms and Conditions shall apply mutatis mutandis to such N Covered Bonds. For the avoidance of doubt, following any Split, each Holder shall only be entitled *pro rata temporis* to payments under these Terms and

Conditions. Any reference herein to “N Covered Bonds” in plural form shall constitute a reference to “N Covered Bond” in singular form. All grammatical and other changes required by the use of the word “N Covered Bond” in singular form shall be deemed to have been made herein and the provisions hereof shall be applied as if such changes had been made.

**2.09** For the purposes of these Terms and Conditions:

- (a) “**Holder**” means the holder of a N Covered Bond registered in the Register maintained by the Registrar. Any reference herein to Holder in plural form shall constitute a reference to Holder in singular form.
- (b) “**Register**” means the register maintained by the Registrar with respect to the N Covered Bonds.

### **3. Status of the N Covered Bonds**

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

### **4. Guarantee**

Payment of Guaranteed Amounts in respect of the N Covered Bonds when the same shall become Due for Payment has been unconditionally and irrevocably guaranteed by the Guarantor (the “**Covered Bond Guarantee**”) in favour of the Bond Trustee (for and on behalf of the Covered Bondholders) following a Covered Bond Guarantee Activation Event pursuant to the terms of the Trust Deed. The Guarantor shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until a Covered Bond Guarantee Activation Event (as defined below) has occurred. The obligations of the Guarantor under the Covered Bond Guarantee are direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and, except as provided in the Guarantee Priorities of Payment, unsubordinated obligations of the Guarantor, which are secured as provided in the Security Agreement. For the purposes of these Terms and Conditions, a “**Covered Bond Guarantee Activation Event**” means the earlier to occur of (i) an Issuer Event of Default together with the service of an Issuer Acceleration Notice on the Issuer and the service of a Notice to Pay on the Guarantor; and (ii) a Guarantor Event of Default together with the service of a Guarantor Acceleration Notice on the Issuer and the Guarantor. If a Notice to Pay is served on the Guarantor, the Guarantor shall pay Guaranteed Amounts in respect of the N Covered Bonds on the Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

Any payment made by the Guarantor under the Covered Bond Guarantee shall (unless such obligation shall have been discharged as a result of the payment of Excess Proceeds to the Bond

Trustee pursuant to Condition 7) discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Covered Bonds, Receipts and Coupons except where such payment has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the holders of the Covered Bonds.

## **5. Interest**

### ***Interest***

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

### ***Interest on Fixed Rate Covered Bonds***

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

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

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

Interest will be calculated on the Calculation Amount of the Fixed Rate Covered Bonds and will be paid to the Holders of the N Covered Bonds. If interest is required to be calculated for a period ending other than on an Interest Payment Date, or if no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated in accordance with Condition 5.08.

Notwithstanding anything else in this Condition 5.02, if an Extended Due for Payment Date is specified in the Final Terms, interest following the Due for Payment Date will continue to accrue and be payable on any unpaid amount in accordance with Condition 5 at a Rate of Interest determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds).

### ***Interest on Floating Rate Covered Bonds***

#### **5.03 Interest Payment Dates**

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

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

Such interest will be payable in respect of each Interest Period (which expression, shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). Interest will be calculated on the Calculation Amount of the Floating Rate Covered Bonds and will be paid to the Holders of the N Covered Bonds.

### ***Rate of Interest***

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

- (a) the Calculation Agent will determine the Reference Rate (if there is only one quotation for the Reference Rate on the Relevant Screen Page) or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the quotations for the Reference Rate in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (b) if, on any Interest Determination Date, no such rate so appears on the Relevant Screen Page or, as the case may be, if fewer than two such quotations for the Reference Rate so appear or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations of the 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 Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market in the case of LIBOR or in the Euro-zone (as defined herein) interbank market in the case of EURIBOR for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
- (c) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as described above) of the rates so quoted; or
- (d) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as described above) of the rates for the Reference Rate quoted by four major banks in the Financial Centre as selected by the Calculation

Agent, at approximately 11.00 a.m. (Financial Centre time) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period for the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

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

### ***ISDA Rate Covered Bonds***

**5.04** Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin, if any. For purposes of this Condition 5.04, “**ISDA Rate**” for an Interest Period means a rate equal to the Fixed Rates, Fixed Amounts, Floating Rates or Floating Amounts, as the case may be, as set out in the applicable Final Terms, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into a schedule and confirmation and credit support annex, if applicable, in respect of the relevant Series of N Covered Bonds, as applicable, with the Holder of such N Covered Bond under the terms of an agreement to which the ISDA Definitions applied and under which:

- the Fixed Rate Payer, Fixed Amount Payer, Floating Rate Payer or, as the case may be, Floating Amount Payer is the Issuer (as specified in the Final Terms);
- the Effective Date is the Interest Commencement Date;
- the Floating Rate Option (which may refer to a Rate Option or a Price Option, specified in the ISDA Definitions) is as specified in the applicable Final Terms;
- the Designated Maturity is the period specified in the applicable Final Terms;
- the Agent is the Calculation Agent;
- the Calculation Periods are the Interest Periods;
- the Payment Dates are the Interest Payment Dates;
- the relevant Reset Date is the day specified in the applicable Final Terms;



- the Calculation Amount is the principal amount of such N Covered Bond;
- the Day Count Fraction applicable to the calculation of any amount is that specified in the Final Terms (which may be Actual/Actual, Actual/Actual (ISDA), Actual/365 (Fixed), Actual/360, 30E/360, Eurobond Basis, 30/360, 360/360, Bond Basis, 30E/360 (ISDA), Actual/Actual (ICMA) or Act/Act (ICMA)), or if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- the Business Day Convention applicable to any date is that specified in the Final Terms (which may be Following Business Day Convention, Modified Following Business Day Convention, Modified Business Day Convention, Preceding Business Day Convention, FRN Convention or Eurodollar Convention), or if none is so specified, as may be determined in accordance with the ISDA Definitions.

For the purposes of this Condition 5.04, “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

#### *Maximum or Minimum Interest Rate*

**5.05** If any Maximum or Minimum Interest Rate is specified in the Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

#### *Accrual of Interest after the due date*

**5.06** Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Covered Bond, in respect of each Instalment Amount, on the due date for payment of the relevant Instalment Amount) unless upon due presentation or surrender thereof (if required), payment in full of the Final Redemption Amount or the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the payment thereof. In such event, interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Rate of Interest then applicable or such other rate as may be specified for this purpose in the Final Terms if permitted by applicable law (“**Default Rate**”) until the date on which, upon due presentation or surrender of the relevant N Covered Bond (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant N Covered Bond is not required as a precondition of payment), 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 N 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***

**5.07** If a Calculation Agent is specified in the Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Final Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation) will determine the Rate of Interest and calculate the amount(s) of interest payable (the “**Interest Amount(s)**”) in the manner specified in Condition 5.08 below, calculate the Final Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Final Redemption Amount or any Instalment Amount to be notified to the Issuing and Paying Agent, the Registrar, the Issuer and the Holders in accordance with Condition 14 (except for U.S. Registered Covered Bonds) as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter. 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 N Covered Bonds become due and payable under Condition 7, the Rate of Interest and the accrued interest payable in respect of the N Covered Bonds shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Rate of Interest applicable to the N Covered Bonds and a Calculation Agent, if provision is made for one in the Terms and Conditions.

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

### ***Calculations and Adjustments***

**5.08** The amount of interest payable in respect of any N Covered Bond for any period shall be calculated by applying the Rate of Interest to the Calculation Amount, and, in each case,

multiplying such sum by the Day Count Fraction, save that if the Final Terms specifies a specific amount in respect of such period, the amount of interest payable in respect of such N Covered Bond for such Interest Period will be equal to such specified amount.

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

### *Definitions*

**5.09 “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 N Covered Bonds payable in other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the relevant currency in the Financial Centre(s) specified in the Final Terms or (ii) in relation to N Covered Bonds payable in euro, a day (other than a Saturday or Sunday) which is a TARGET2 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 Financial Centre(s) specified in the Final Terms.

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

- (a) **“Following Business Day Convention”** means that such date shall be postponed to the first following day that is a Business Day;
- (b) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **“Preceding Business Day Convention”** means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (d) **“FRN Convention”** or **“Eurodollar Convention”** means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Final Terms after the calendar month in which the preceding such date occurred, provided that:

- (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
- (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
- (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

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

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (each such period an “**Accrual Period**”), such day count fraction as may be specified in the Final Terms 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 (Fixed)**” is so specified, means the actual number of days in the Accrual Period divided by 365;
- (c) if “**Actual/360**” is so specified, means the actual number of days in the Accrual Period divided by 360;
- (d) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub>, will be 30.

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as number, in which the day immediately following the last day included in the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30; and

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Accrual Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included the Accrual Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

“D<sub>1</sub>” 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<sub>1</sub> will be 30; and

“D<sub>2</sub>” 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<sub>2</sub> will be 30; and

- (g) if “**Actual/Actual (ICMA)**” or “**Act/Act (ICMA)**” is specified in the applicable Final Terms, a fraction equal to “number of days accrued/number of days in year”, as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the “**ICMA Rule Book**”), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non U.S. dollar denominated straight and convertible bonds issued after December 31, 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Interest Period.

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

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

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

“**Financial Centre**” means 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 indicated in the Final Terms or, in the case of N Covered Bonds denominated in euro, such financial centre or centres as the Calculation Agent may select.

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

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling such number (if any) of Banking Days in such city(ies) as may be specified in the Final Terms prior to the first day of such Interest Accrual Period, or if none is specified:

- (a) in the case of N Covered Bonds denominated in Pounds Sterling or in another currency if so specified in the applicable Final Terms, the first day of such Interest Period; or
- (b) in any other case, the date falling two London Banking Days (or, in the case of EURIBOR or EUROLIBOR, two TARGET2 Business Days) prior to the first day of such Interest Accrual Period.

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

“**Interest Period**” means 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.

“**Interest Period End Date**” means the date or dates specified as such in, or determined in accordance with the provisions of, the Final Terms and, as the same may be adjusted in accordance with the Business Day Convention, if any, specified in the Final Terms or, if the Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as the Interest Accrual Period, such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the Final Terms, means the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the N Covered Bonds.

“**ISDA Definitions**” means the 2006 ISDA Definitions (as amended, supplemented and updated as at the date of issue of the N Covered Bonds of the relevant Series (as specified in the Final Terms) as published by the International Swaps and Derivatives Association, Inc.).

“**Outstanding Principal Amount**” means, in respect of a N Covered Bond, its principal amount less, in respect of any Instalment Covered Bond, any principal amount on which interest shall have ceased to accrue in accordance with Condition 5.06 or otherwise as indicated in the Final Terms.

“**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 N Covered Bonds specified in, or calculated or determined in accordance with the provisions of, the Final Terms.

“**Reference Banks**” means such banks as may be specified in the Final Terms as the Reference Banks, or, if none are specified, “Reference Banks” has the meaning given in the ISDA Definitions, *mutatis mutandis*.

“**Reference Rate**” means the relevant LIBOR or EURIBOR rate specified in the applicable Final Terms.

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

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

“**TARGET2 Business Day**” means, a day in which the TARGET2 System 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***

**5.10** If any Final Redemption Amount in respect of any Zero Coupon Covered Bond is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortization Yield defined in the Final Terms or at such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant N Covered Bond (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant N Covered Bond is not required as a precondition of payment), 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 N 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 5.08 as if the Rate of Interest was the Amortization Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as



specified for this purpose in the Final Terms or, if not so specified, 30E/360 (as defined in Condition 5.09).

## **6. Redemption and Purchase**

**6.01** Unless previously redeemed, or purchased and cancelled or unless such N Covered Bond is stated in the Final Terms as having no fixed maturity date, this N Covered Bond shall be redeemed at its Final Redemption Amount specified in the applicable Final Terms in the Specified Currency on the Final Maturity Date.

Without prejudice to Condition 7, if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of N Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms (or after expiry of the grace period set out in Condition 7.01(a)) and, following service of a Notice to Pay on the Guarantor by no later than the date falling one Business Day prior to the Extension Determination Date, the Guarantor has insufficient moneys available in accordance with the Guarantee Priority of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of N Covered Bonds on the date falling on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 7.02) under the terms of the Covered Bond Guarantee or (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Guarantor under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date, provided that in respect of any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above, the Guarantor will apply any moneys available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) to pay the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of N 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 Agent as soon as reasonably practicable and in any event at least 4 Business Days prior to the Final Maturity Date of a Series of N Covered Bonds whether payment will be made in full of the Final Redemption Amount in respect of such Series of N Covered Bonds on that Final Maturity Date. Any failure by the Issuer to notify the Issuing and Paying Agent shall not affect the validity or effectiveness of the extension of maturity.

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

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

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

For the purposes of these Terms and Conditions:

“**Extended Due for Payment Date**” means, in relation to any Series of N Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date; and

“**Extension Determination Date**” means, in respect of a Series of N Covered Bonds, the date falling two Business Days after the expiry of seven days from (and including) the Final Maturity Date of such N Covered Bonds.

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

“**Rating Agency**” means either Moody’s Investors Service, Inc. or DBRS Limited, to the extent that at the relevant time they provide ratings in respect of the then outstanding Covered Bonds, or their successors and “**Rating Agencies**” means each Rating Agency.

### ***Early Redemption for Taxation Reasons***

**6.02** If, in relation to any Series of N Covered Bonds (i) as a result of any amendment to, clarification of, or change including any announced proposed change in the laws or regulations, or the application or interpretation thereof of Canada or the United Kingdom or any political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of N 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 N Covered Bonds or

any other date specified in the Final Terms, (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an “administrative action”); or (iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any administrative action or any interpretation or pronouncement that provides for a position with respect to such administrative action that differs from the theretofore generally accepted position, in each of case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, administrative action, interpretation or pronouncement is made known, which amendment, clarification, change or administrative action is effective or which interpretation, pronouncement or administrative action is announced on or after the date of issue of the N Covered Bonds, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or administrative action is effective and applicable) the Issuer would be required to pay additional amounts as provided in Condition 8, and such circumstances are evidenced by the delivery by the Issuer to the 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), (ii) or (iii) 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 N Covered Bonds in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding N Covered Bonds at their Outstanding Principal Amount or, in the case of Zero Coupon Covered Bonds, their Amortized Face Amount (as defined in Condition 6.10) or such Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the Final Terms, together with accrued interest (if any) thereon, 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 N Covered Bonds then due.

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

### ***Call Option***

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

The Issuer may not exercise such option in respect of any N Covered Bond which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such N 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 N Covered Bonds of the relevant Series in accordance with Condition 14, which notice shall be irrevocable and shall specify:

- the Series of N 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 the serial numbers of the N Covered Bonds of the relevant Series which are to be redeemed;
- the due date for such redemption, which shall be not less than thirty days nor more than 60 days after the date on which such notice is given and which shall be such date or the next of such dates (“**Call Option Date(s)**”) or a day falling within such period (“**Call Option Period**”), as may be specified in the Final Terms and which is, in the case of N Covered Bonds which bear interest at a floating rate, a date upon which interest is payable; and
- the Optional Redemption Amount at which such N Covered Bonds are to be redeemed.

#### ***Partial Redemption***

**6.05** If the N Covered Bonds are to be redeemed in part only on any date in accordance with Condition 6.03, the N Covered Bonds shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts.

In the case of the redemption of part only of a N Covered Bond, a new N Covered Bond in respect of the unredeemed balance shall be issued in accordance with Conditions 2.02 to 2.08, which shall apply as in the case of a transfer of N Covered Bonds as if such new N Covered Bond were in respect of the untransferred balance.

#### ***Put Option***

**6.06** If a Put Option is specified in the Final Terms as being applicable, upon the Holder of any N Covered Bond of this Series giving the required notice to the Issuer specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon expiry of such notice, redeem such N Covered Bond subject to and in accordance with the terms specified in the applicable Final Terms in whole (but not in part only) on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than 45 days before the Optional Redemption Date deposit the N Covered Bond during normal business hours at the specified office of the Registrar together with a duly completed early redemption notice (“**Put Notice**”) in the form which is available from the specified office of the Registrar. No N 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 N Covered Bond, a new N Covered Bond in respect of the unredeemed balance shall be issued in accordance with Condition 2 which shall apply as in the case of a transfer of N Covered Bonds as if such new N Covered Bond were in respect of the untransferred balance.

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

### ***Purchase of N Covered Bonds***

**6.07** The Issuer or any of its subsidiaries may at any time, but will at no time be obligated to, purchase Covered Bonds in the open market or otherwise and at any price. If purchases are made by tender, tenders must be available to all Holders of the relevant N Covered Bonds alike.

### ***Cancellation of Redeemed and Purchased Covered Bonds***

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

### ***Further Provisions applicable to Redemption Amount and Instalment Amount***

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

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

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

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

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

**6.11** If any Redemption Amount (other than the Final Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortized Face Amount shall be calculated as provided in Condition 6.10 but as if references in subparagraph (b)

to the date fixed for redemption or the date upon which such Zero Coupon Covered Bond becomes due and repayable were replaced by references to the earlier of:

- (a) the date on which, upon due presentation or surrender of the relevant N Covered Bond (if required), the relevant payment is made; and
- (b) (except where presentation or surrender of the relevant N Covered Bond is not required as a precondition of payment), 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 N Covered Bonds in accordance with Condition 14 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

### ***Instalment Covered Bonds***

**6.12** Any Instalment Covered Bond will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

### ***Redemption due to Illegality***

**6.13** The N 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 Agent, the Registrar and, in accordance with Condition 14, all holders of the N 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 N Covered Bond of any Series, become unlawful for the Issuer to make, fund or allow to remain outstanding any advance made by it to the Guarantor pursuant to the Intercompany Loan Agreement, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 6.13 will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 6.13, the Issuer shall deliver to the Issuing and Paying Agent 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 Agent 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 N Covered Bonds.

## **7. Events of Default**

### ***Issuer Events of Default***

**7.01** The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 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 U.S. dollars converted into U.S. dollars at the applicable Covered Bond Swap Rate) or if so directed by an Extraordinary Resolution of all the holders of the Covered Bonds shall, (but in the case of the happening of any of the events mentioned in subparagraphs (b) to (f) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor, that such event is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series) (subject in each case to being indemnified and/or secured to its satisfaction), give notice (an “**Issuer Acceleration Notice**”) in writing to the Issuer that as against the Issuer (but, for the avoidance of doubt, not against the Guarantor under the Covered Bond Guarantee) each Covered Bond of each Series is, and each such Covered Bond shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each, an “**Issuer Event of Default**”) shall occur and be continuing:

- (a) the Issuer fails to pay any principal or interest in respect of the Covered Bonds within 10 Business Days in the case of principal and 30 days in the case of interest, in each case of the respective due date; or
- (b) the Issuer fails to perform or observe any obligations under the Covered Bonds, Receipts or Coupons of any Series, the Trust Deed or any other Transaction Document (other than the Dealership Agreement and any subscription agreement for the Covered Bonds) to which the Issuer is a party (other than any obligation of the Issuer to comply with the Asset Coverage Test and any other obligation of the Issuer specifically provided for in this Condition 7.01) and such failure continues for a period of 30 days (or such longer period as the Bond Trustee may permit) next following the service by the Bond Trustee on the Issuer of notice requiring the same to be remedied (except in circumstances where the Bond Trustee considers such failure to be incapable of remedy in which case no period of continuation will apply and no notice by the Bond Trustee will be required); or
- (c) an Insolvency Event in respect of the Issuer; or
- (d) an Asset Coverage Test Breach Notice has been served and not revoked (in accordance with the terms of the Transaction Documents) on or before the Guarantor Payment Date immediately following the next Calculation Date after service of such Asset Coverage Test Breach Notice; or
- (e) if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached less than six months prior to the Final Maturity Date of that Series of Hard Bullet Covered Bonds, and the Guarantor has not cured the breach before

the earlier to occur of: (i) ten Toronto Business Days from the date that the Seller is notified of the breach of the Pre-Maturity Test and (ii) the Final Maturity Date of that Series of Hard Bullet Covered Bonds; or

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

For the purposes of these Terms and Conditions “**Calculation Date**” means the last Toronto Business Day of each month.

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

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

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

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



### ***Guarantor Events of Default***

**7.02** The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 7.02 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in U.S. dollars converted into U.S. dollars at the applicable Covered Bond Swap Rate) or if so directed by an Extraordinary Resolution of all the holders of the Covered Bonds shall (but in the case of the happening of any of the events described in paragraphs (b) to (f) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series) (subject in each case to being indemnified and/or secured to its satisfaction) give notice (the “**Guarantor Acceleration Notice**”) in writing to the Issuer and the Guarantor, that (x) each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following an Issuer Event of Default), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) all amounts payable by the Guarantor under the Covered Bond Guarantee shall thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest, in each case as provided in the Trust Deed and thereafter the Security shall become enforceable if any of the following events (each, a “**Guarantor Event of Default**”) shall occur and be continuing:

- (a) default is made by the Guarantor for a period of seven days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the Covered Bonds of any Series, except in the case of the payment of a Guaranteed Amount when Due for Payment under Condition 6.01 where the Guarantor shall be required to make payments of Guaranteed Amounts which are Due for Payment on the dates specified therein; or
- (b) if default is made by the Guarantor in the performance or observance of any obligation, condition or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series and any other obligation specifically provided for in this Condition 7.02) under the Trust Deed, the Security Agreement or any other Transaction Document (other than the obligation of the Guarantor to (i) repay the Demand Loan pursuant to the terms of the Intercompany Loan Agreement, or (ii) make a payment under a Swap Agreement if it has insufficient funds therefor) to which the Guarantor is a party and, except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Guarantor requiring the same to be remedied; or
- (c) an Insolvency Event in respect of the Guarantor; or

- (d) a failure to satisfy the Amortization Test on any Calculation Date following the occurrence and during the continuance of an Issuer Event of Default; or
- (e) the Covered Bond Guarantee is not, or is claimed by the Guarantor not to be, in full force and effect; or
- (f) if a ratings trigger prescribed by the Conditions or the Transaction Documents (and not otherwise specifically provided for in this Condition 7.02) is breached and the prescribed remedial action is not taken within the specified time period, unless, in respect of any ratings trigger other than the Account Bank Threshold Ratings, the Standby Account Bank Ratings, the Cash Management Deposit Ratings and the Servicer Deposit Threshold Ratings, such breach occurs at a time that the Guarantor is Independently Controlled and Governed.

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

### ***Enforcement***

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

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

Series then outstanding (taken together and converted into U.S. dollars at the applicable Covered Bond Swap Rate); and (ii) it shall have been indemnified and/or secured to its satisfaction.

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

No holder of the Covered Bonds, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor or to take any action with respect to the Trust Deed, the Covered Bonds, the Receipts, the Coupons, or the Security unless the Bond Trustee, having become bound so to proceed, fails so to do within a reasonable time and such failure shall be continuing. Notwithstanding any other provision of these Conditions, for so long as there are U.S. Registered Covered Bonds outstanding, in accordance with Section 316(b) of the Trust Indenture Act, the right of any holder to receive payment of principal and interest on the Covered Bonds on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of the holders of the Covered Bonds, provided that no such right of enforcement shall exist (i) in respect of a postponement of an interest payment which has been consented to by the holders of the Covered Bonds in accordance with the Trust Deed or (ii) to the extent that the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the security granted pursuant to the Trust Deed or the Security Agreement upon any property subject to such security.

## **8. Taxation**

**8.01** All amounts payable (whether in respect of principal, interest or otherwise) in respect of the N Covered Bonds, will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of N 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 or the interpretation or administration thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the N Covered Bonds, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any N Covered Bond:

- (a) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or governmental charges in respect of such N Covered Bond by reason of his having some connection with Canada or the country in which such branch is located (for these purposes "connection" includes but is not limited to any present or former connection between such holder (or between a fiduciary, seller, beneficiary, member or shareholder of, or possessor of power over such

holder if such holder is an estate, trust, partnership, limited liability company or corporation) and such jurisdiction) otherwise than the mere holding of (but not the enforcement of) such N Covered Bond; or

- (b) to, or to a third party on behalf of, a Holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the Holder or other person entitled to payments under the N Covered Bonds being a person with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)), or is, or does not deal at arm's length with any person who is, a "specified shareholder" of the Issuer for purposes of the thin capitalization rules in the *Income Tax Act* (Canada); or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directives; or
- (d) presented for payment by or on behalf of a Holder who would be able to avoid such withholding or deduction by presenting the relevant N Covered Bond to another Paying Agent in a member state of the European Union; or
- (e) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day; or
- (f) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or other governmental charges by reason of such Holder's failure to comply with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with Canada or the country in which such branch is located of such Holder, if (i) compliance is required by law as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and (ii) the Issuer has given Holders at least 30 days' notice that Holders will be required to provide such certification, identification, documentation or other requirement; or
- (g) in respect of any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or governmental charge; or
- (h) where any combination of items (a) - (g) applies;

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

For the purposes of this Condition 8.01, the term “**Holder**” shall be deemed to refer to the beneficial holder for the time being of the N Covered Bonds.

**8.02** For the purposes of these Terms and Conditions, the “**Relevant Date**” means, in respect of any N Covered Bond, the date on which payment thereof first become due and payable, or, if the full amount of the moneys payable has not been received by the 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 and/or the Guarantor become subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant branch of the Issuer is located, references in Condition 6.02, Condition 8.01 and Condition 8.05, as applicable, 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).

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

**8.05** Should any payments made by the Guarantor under the Covered Bond Guarantee be made subject to any withholding or deduction for or on account of taxes or duties of whatever nature imposed or levied by or on behalf of Canada, any province, territory, political subdivision thereof or any authority or agency therein or thereof having power to tax, or, in the case of payments made by the Guarantor under the Covered Bond Guarantee in respect of N Covered Bonds issued by a branch of the Issuer located outside of Canada, the country in which such branch is located or any political subdivision thereof or by any authority or agency therein or thereof having the power to tax, the Guarantor will not be obliged to pay any additional amounts as a consequence.

## **9. Payments**

**9.01** Subject to Condition 9.02 below, payments of principal and interest in respect of N Covered Bonds will be made on the respective due date by transfer to the Designated Account (as defined below) of the Holder appearing in the Register at the close of the business on the fifteenth business day (being for this purpose a day on which banks are open for business in the city where the Specified Office of the Registrar is located) before the relevant due date (the “**Record Date**”). For this purpose “**Designated Account**” means the account (which, in case of payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the Holder with a Designated Bank and which has been notified to the Registrar no later than

the Record Date and “**Designated Bank**” means in the case of payment in a Specified Currency (other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of payment in euro) any bank which processes payments in euro.

**9.02** If the relevant Final Terms specify that “Partial Interest Upon Transfer(s)” is applicable, in the case of a transfer of a N Covered Bond (in whole or in part) occurring during any Fixed Interest Period, payment of interest on the N Covered Bond or, in the case of a transfer in part on a *pro rata* basis, on the resulting N Covered Bonds, shall be made on the respective due date thereof to (i) the assignor of the N Covered Bond for the period from and including the last Interest Payment Date or the Interest Commencement Date, as the case may be, to but excluding the relevant Transfer Date and (ii) the assignee appearing in the Register as the new Holder on the Record Date, for the period from and including the relevant Transfer Date to but excluding the relevant Interest Payment Date, and (iii) if more than one assignment of the N Covered Bond occurs during one Interest Period, to each Holder, with respect to the period of its holding of the N Covered Bond, for the period from and including each relevant Transfer Date to but excluding the respective next following Transfer Date. This Condition 9.02 shall not apply if the relevant Final Terms specify that “Eurobond Interest Upon Transfer(s)” is applicable.

**9.03** 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) FATCA.

**9.04** The relevant Holder shall without undue delay surrender any N Covered Bond to the Issuer or the Registrar upon payment of principal and interest, if any, in full.

**9.05** If the due date for payment of any amount in respect of any N Covered Bond is not a Payment Day, the Holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to any further interest or other payment in respect of such delay.

**9.06** In the case of an inclusion of any N Covered Bond in the restricted assets of the Holder within the meaning of § 66 German Insurance Supervisory Act (*Versicherungsaufsichtsgesetz*), any payments due under the relevant N Covered Bond may be withheld (without interest payable thereon) until the trustee of the Holder or its deputy appointed in accordance with § 70 German Insurance Supervisory Act (*Treuhänder für da Sicherungsvermögen*) has given its consent pursuant to § 72 German Insurance Supervisory Act that any payments due under the N Covered Bond may be made with discharging effect to the account notified by the Holder or another account notified by the trustee or its deputy (as provided for in the form of notification attached each N Covered Bond).

**9.07** For the purposes of these Terms and Conditions:

“**Payment Day**” means (a) in the case of any currency other than euro, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) and foreign exchange markets settle payments in the Financial Centre(s) specified in the Final Terms or (b) in the case of payment in euro, a day which is a TARGET2 Business Day and on which commercial banks and foreign

exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Financial Centre(s) specified in the Final Terms.

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

## **10. Prescription and Counterclaims**

### ***Prescription***

**10.01** Claims against the Issuer for payment in respect of any amount due under any N Covered Bond shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

### ***Counterclaims***

**10.02** If so specified in the applicable Final Terms, the Issuer waives any right of set-off against the claims arising from a N Covered Bond as well as the exercise of any pledge, right of retention or other rights through which the claims of the Holder could be prejudiced:

- (a) as long as and to the extent that such claims form part of the restricted assets (*gebundenes Vermögen*) within the meaning of § 54 of the German Act Concerning the Supervision of Insurance Companies (*Gesetz über die Beaufsichtigung der Versicherungsunternehmen - Versicherungsaufsichtsgesetz*) or the N Covered Bond is being held by a German professional pension fund (*Versorgungswerk*);
- (b) as long as and to the extent that such claims belong to funds which serve as cover (*Deckungswerte*) for Pfandbriefe issued pursuant to the German Pfandbrief Act (*Pfandbriefgesetz*) or other domestic covered bonds legislation; or
- (c) as otherwise set out in the Final Terms.

The same applies *mutatis mutandis* in the event of composition or insolvency proceedings.

## **11. The Paying Agent, the Registrar and the Calculation Agent**

**11.01** The initial Paying Agent, the Registrar and, as the case may be, the Calculation Agent and their respective initial specified offices are specified in the applicable Final Terms. The Issuer and the Guarantor each reserves the right, without approval of the Bond Trustee, at any time to vary or terminate the appointment of the Paying Agent, the Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or Calculation Agent provided that the Issuer and the Guarantor will at all times maintain (i) a Registrar, (ii) a Paying Agent with a specified office in a continental European city and (iii) a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any

law implementing or complying with, or introduced in order to conform to, such Directives and (iv) a Calculation Agent where required by the Terms and Conditions applicable to any N Covered Bond. The Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same metropolitan area. Notice of all changes in the identities or specified offices of any Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer or the Guarantor to the Holders in accordance with Condition 14.

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

## **12. Replacement of the certificate relating to a N Covered Bond**

If the certificate representing any N Covered Bond is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the applicant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced certificate must be surrendered before a replacement certificate will be issued.

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

The Trust Deed contains provisions for convening meetings of the holders of the Covered Bonds to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions or the provisions of the Trust Deed. The quorum at any such meeting in respect of any Covered Bonds of any Series for passing an Extraordinary Resolution is one or more persons holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing holders of the Covered Bonds whatever the nominal amount of the Covered Bonds of such Series so held or represented, except that at any meeting the business of which includes the modification of any Series Reserved Matter (as defined below), the quorum shall be one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding. An Extraordinary Resolution passed at any meeting of the holders of the Covered Bonds of a Series shall, subject as provided below, be binding on all the holders of the Covered Bonds of such Series, whether or not they are present at the meeting, and on all Receiptholders and Couponholders in respect of such Series of Covered Bonds. Pursuant to the Trust Deed, the Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the holders of such Covered Bonds, in which event the provisions of this paragraph shall apply thereto mutatis mutandis.



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

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

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

- (a) any modification of the Covered Bonds of one or more Series, the related Receipts and/or Coupons or any Transaction Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of any of the holders of the Covered Bonds of any Series; or
- (b) any modification of the Covered Bonds of any one or more Series, the related Receipts and/or Coupons or any Transaction Document which is of a formal, minor or technical nature or is in the opinion of the Bond Trustee made to correct a manifest error or to comply with mandatory provisions of law.

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

Any such modification, waiver, authorization or determination shall be binding on all holders of the Covered Bonds of all Series of Covered Bonds for the time being outstanding, the related Receipholders and the Couponholders and the other Secured Creditors, and unless the Bond

Trustee otherwise agrees, any such modification shall be notified by the Issuer to the holders of the Covered Bonds of all Series of Covered Bonds for the time being outstanding and the other Secured Creditors in accordance with the relevant terms and conditions as soon as practicable thereafter. Notwithstanding any other provision of these Conditions, for so long as there are U.S. Registered Covered Bonds outstanding, any such modification, waiver, authorization or determination will be made in accordance with and subject to Section 316 of the Trust Indenture Act. The right of any holder of U.S. Registered Covered Bonds to receive payment of principal and interest shall not be impaired unless made in accordance with Section 316 of the Trust Indenture Act.

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

For the purposes of these Terms and Conditions:

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

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

**“Series Reserved Matter”** in relation to Covered Bonds of a Series means: (i) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds; (ii) alteration of the currency in which payments under the Covered Bonds, Receipts and Coupons are to be made; (iii) alteration of the majority required to pass an Extraordinary Resolution; (iv) any amendment to the Covered Bond Guarantee or the Security Agreement (except in a manner determined by the Bond Trustee not to

be materially prejudicial to the interests of the holders of the Covered Bonds of any Series); (v) except in accordance with Condition 12, the sanctioning of any such scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds in consideration of, shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations and/or securities as described above and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the holders of the Covered Bonds to execute an instrument of transfer of the Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively; and (vi) alteration of specific sections of the Trust Deed relating to the quorum and procedure required for meetings of holders of Covered Bonds.

#### **14. Notices**

Notices to the Holders of N Covered Bonds may be given by first class mail (or equivalent) or, if posted to an overseas address, by air mail to it at its address as recorded in the Register. Notices 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.

#### **15. Further Issues**

The Issuer may from time to time, without the consent of the Holders of any N Covered Bond, create and issue further N Covered Bonds having the same terms and conditions as such N Covered Bond in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof).

#### **16. Currency Indemnity**

The currency in which the N Covered Bonds are denominated or, if different, payable, as specified in the Final Terms (the “**Contractual Currency**”), is the sole currency of account and payment for all sums payable by the Issuer in respect of the N 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 N Covered Bond in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a N Covered Bond the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a N Covered Bond 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 N Covered Bonds or any judgement or order. Any such loss shall be deemed to constitute a loss suffered by the relevant Holder of a N Covered Bond and no proof or evidence of any actual loss will be required by the Issuer.

## **17. Waiver and Remedies**

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

## **18. Branch of Account**

**18.01** For the purposes of the Bank Act, the branch of the Bank set out in this N Covered Bond or the Final Terms shall be the branch of account (the “**Branch of Account**”) for the deposits evidenced by this N Covered Bond.

**18.02** This N 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 N 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 N 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 N Covered Bonds against any tax, duty, assessment or governmental charge which is imposed or levied upon such Holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Issuing and Paying Agent in connection with such change; and
- (c) notwithstanding (b) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (i) no Issuer Event of Default, Guarantor Event of Default, Potential Issuer Event of Default or Potential Guarantor Event of Default shall have occurred and be continuing and (ii) payments of principal and interest on N Covered Bonds of this Series 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 N Covered Bond of this Series relating thereto who is subject to taxes by reason of his having some connection with the Relevant Jurisdiction other than

the mere holding of a N Covered Bond of this Series 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 N 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 N Covered Bonds, may agree, without the consent of the holders of the N Covered Bonds, to the substitution of a Subsidiary of the Issuer in place of the Issuer as principal debtor under the N Covered Bonds and the Trust Deed, provided that the obligations of such Subsidiary in respect of the N 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 N Covered Bonds and, unless the Bond Trustee agrees otherwise, shall be notified to the holders of the N 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 N 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 N Covered Bonds and the Trust Deed; and (ii) any Subsidiary of the Issuer which is proposed to be substituted for the Issuer is included in the Registry as a registered issuer and that all other provisions of the Covered Bond Legislative Framework and the CMHC Guide are satisfied prior to the substitution of the Issuer.

## **20. Rating Agency Condition**

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

**20.02** In being entitled to have regard to the fact that a Rating Agency has confirmed that the then current rating of the relevant Series of N Covered Bonds would not be reduced or withdrawn, each of the Issuer, the Guarantor, the Bond Trustee, and the Secured Creditors (including the holders of N Covered Bonds) is deemed to have acknowledged and agreed that

confirmation of the satisfaction of the Rating Agency Condition does not impose or extend any actual or contingent liability on the Rating Agencies to the Issuer, the Guarantor, the Bond Trustee, the Secured Creditors (including the holders of N Covered Bonds) or any other person or create any legal relations between the Rating Agencies and the Issuer, the Guarantor, the Bond Trustee, the Secured Creditors (including the holders of N Covered Bonds) or any other person whether by way of contract or otherwise.

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

- (a) a confirmation of the satisfaction of the Rating Agency Condition may or may not be given at the sole discretion of each Rating Agency;
- (b) depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot confirm the satisfaction of the Rating Agency Condition in the time available, or at all, and the Rating Agency shall not be responsible for the consequences thereof;
- (c) a confirmation of the satisfaction of the Rating Agency Condition, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the N Covered Bonds forms a part; and
- (d) a confirmation of the satisfaction of the Rating Agency Condition represents only a restatement of the opinions given, and shall not be construed as advice for the benefit of any holder of N Covered Bonds or any other party.

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

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

If, in connection with the exercise of its powers, trusts, authorities or discretions the Bond Trustee is of the opinion that the interests of the holders of the N 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 N Covered Bonds then outstanding or by a direction in writing of such holders of the N Covered Bonds of at least 25 per cent. of the Principal Amount Outstanding of N Covered Bonds of the relevant Series then outstanding.

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

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

The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Loans or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Bond Trustee. The Bond Trustee will not be responsible for: (i) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Bond Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents; (iii) monitoring the Covered Bond Portfolio, including, without limitation, whether the Covered Bond Portfolio is in compliance with the Asset Coverage Test and/or the Amortization Test; or (iv) monitoring whether Loans and their Related Security satisfy the Eligibility Criteria. The Bond Trustee will not be liable to any holder of the N 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. Governing Law; Jurisdiction; Partial Invalidity**

### ***Governing Law***

**22.01** With the exception of Conditions 3 (Status of the N Covered Bonds), 7 (Events of Default), 13 (Meetings of Holders of the Covered Bonds, Modification and Waiver), 19 (Substitution), 20 (Rating Agency Condition) and 21 (Indemnification of Bond Trustee and Bond Trustee contracting with the Issuer and/or the Guarantor) of these Terms and Conditions, which 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, the N Covered Bonds and all rights and obligations arising under the N Covered Bonds (including any non-contractual rights and obligations) are governed by, and shall be construed in accordance with, the laws of the Federal Republic of Germany.

The Trust Deed, Agency Agreement 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.

### ***Place of Jurisdiction***

**22.02** The courts of the Province of Ontario (Canada) shall have the exclusive jurisdiction for any actions or other legal proceedings arising out of or in connection with the N Covered Bonds and the Issuer, the Guarantor, any applicable Agent and any Holder waive any right to invoke, and undertake not to invoke, any claim of *forum non conveniens* and irrevocably submit to the jurisdiction of the courts of Ontario in respect of any action or proceeding relating in any way to the N Covered Bonds.

### ***Partial Invalidity***

**22.03** If any provision of these Terms and Conditions is or becomes invalid or unenforceable in whole or in part, the remaining provisions shall remain unaffected thereby. Invalid or unenforceable provisions shall be deemed to be replaced by such valid and enforceable provisions which taking into consideration the purpose and intent of these Terms and Conditions have to the extent legally possible the same economic effect as the invalid or unenforceable provisions. This shall apply mutatis mutandis to any gap (*Lücke*) in these Terms and Conditions.



**PART 3**  
**PRO FORMA FINAL TERMS FOR N COVERED BONDS**

Final Terms dated [     ]



THE TORONTO-DOMINION BANK  
*(a Canadian chartered bank)*

Issue of Series [●] [Principal Amount] N Covered Bond  
under the

CAD 40,000,000,000

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

**THE N COVERED BOND DESCRIBED IN THESE FINAL TERMS HAS NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION (“CMHC”) NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THESE FINAL TERMS. THE N COVERED BOND DESCRIBED IN THESE FINAL TERMS IS NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.**

**THE N COVERED BOND DESCRIBED IN THESE FINAL TERMS 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.**

**THE N COVERED BOND DESCRIBED IN THESE FINAL TERMS IS NOT A TRANSFERABLE SECURITY WITHIN THE MEANING OF ART. 2 (1) LIT. (A) OF THE PROSPECTUS DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003, AS AMENDED, AND MAY ONLY BE OFFERED OR SOLD IN COMPLIANCE WITH ANY LEGISLATION WHICH IS APPLICABLE TO THE OFFERING AND SALE OF SUCH INSTRUMENTS WHERE THE OFFERING OR SALE TAKES PLACE. IN GERMANY, THE N COVERED BOND MAY IN PARTICULAR ONLY BE OFFERED OR SOLD IN ACCORDANCE WITH THE GERMAN CAPITAL INVESTMENTS ACT (*VERMÖGENSANLAGEN-GESETZ*).**

**PART A – CONTRACTUAL TERMS**

This document constitutes the Final Terms of the N Covered Bond described herein and must be read in conjunction with the Terms and Conditions attached to the Series [●] N Covered Bond (the Terms and Conditions so supplemented, the “**N Covered Bond Conditions**”).

Capitalized terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions. All references in these Final Terms to numbered Sections and Paragraphs are – unless stated otherwise – to sections and paragraphs of the Terms and Conditions. All provisions in the Terms and Conditions corresponding to items in these

Final Terms which are indicated as not applicable, not completed or deleted shall be deemed to be deleted from the Terms and Conditions

Full information on the Issuer and the offer of the N Covered Bond is only available on the basis of the combination of these Final Terms, the Terms and Conditions and the Base Prospectus dated [●] [as supplemented on [●][and[●]]. The Base Prospectus [and the supplement(s) to the Base Prospectus] [is] [are] available during normal business hours at the registered office of the Issuer and at the Specified Office of the Registrar and Paying Agent(s) where copies may be obtained.

1. (i) Issuer: The Toronto-Dominion Bank  
Branch: [Head office of the Bank in Toronto] [London branch] [ branch]
- (ii) Guarantor: TD Covered Bond (Legislative) Guarantor Limited Partnership
2. Series Number: [ ]
3. Specified Currency: [ ]
4. Principal Amount of Series: [ ]
5. Issue Price: [ ]% of the Aggregate Principal Amount [plus accrued interest from [insert date] (if applicable)]
6. (i) Minimum Assignment Amount: [ ]  
[Should be normally either €1,000,000 or €500,000 and, in order not to trigger a prospectus requirement under the German Capital Investment Act (Vermögensanlagengesetz) (though other exceptions might be applicable), should be at least €200,000.]
- (ii) Calculation Amount: [Should be equal to the minimum assignment amount .]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [Issue Date/Not Applicable]
8. (i) Maturity Date: [ ]
- (ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: [ ]
9. Interest Basis: [ ] per cent. Fixed Rate]  
[[ ] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
(further particulars specified in item 15 below)
10. Redemption/Payment Basis: [Redemption at par] [Hard Bullet Covered Bond] [Instalment]
11. Change of Interest Basis: [If item 8(ii) applicable; Applicable – see item 9 above]/ [Not Applicable]

12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified in items 17 and 18 below)]  
[ ] [and [ ], respectively]]
13. (i) [Date [Board] approval for issuance of Covered Bonds obtained:

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Covered Bond Provisions: [Applicable/Not Applicable]
- (Condition 5.02)
- (i) Rate[(s)] of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrears on each Interest Payment Date]
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with the Business Day Convention /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 Date shall be monthly)
- (iii) Fixed Coupon Amount[(s)]: [ ] per Calculation Amount
- (iv) Broken Amount(s) [ ] per Calculation Amount, payable on the Interest Payment Date falling [on/or] [ ]
- (v) Day Count Fraction: [Actual/Actual *or* Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 *or* Eurobond Basis 30/360 *or* 360/360 *or* Bond Basis 30E/360 (ISDA) Actual/Actual (ICMA) *or* Act/Act (ICMA)]
- (vi) Determination Dates: [[ ] in each year]/[Not Applicable]
15. Floating Rate Covered Bond Provisions: [Applicable/Not Applicable]
- (Condition 5.03)
- (i) Interest Period(s): [ ]
- (ii) Specified Interest Payment Dates: [ ] (provided however that after the Extension Determination Date, the Specified Interest Payment Date shall be monthly)
- (iii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/ Modified Business Day Convention/ Preceding Business Day Convention/ FRN Convention/ Eurodollar Convention]
- (iv) Financial Centre(s): [ ]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest [ ]

- Amount(s) (if not the [Agent]):
- (vii) Screen Rate Determination:
    - Reference Rate: [LIBOR/EURIBOR]
    - Interest Determination Date(s) [Second London Business Day prior to the start of each Interest Period] [first day of each Interest Period ] [ the second day on which the TARGET2 System is open prior to the start of each Interest Period] [ ] [days prior to start of each Interest Period]
    - Relevant Screen Page [Reuters LIBOR01/Reuters EURIBOR01]
    - Relevant Time: [ ]
    - Reference Banks: [ ]
  - (viii) ISDA Determination: Issuer is [Fixed Rate/Fixed Amount/Floating Rate/Floating Amount] Payer
    - Floating Rate Option: [ ]
    - Designated Maturity: [ ]
    - Reset Date: [ ]
  - (ix) Margin(s): [+/-][ ] per cent. per annum
  - (x) Minimum Interest Rate:  
(Condition 5.05) [ ] per cent. per annum]/[Not Applicable]
  - (xi) Maximum Interest Rate:  
(Condition 5.05) [ ] per cent. per annum] /[Not Applicable]
  - (xii) Day Count Fraction: Actual/Actual *or* Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30E/360 *or* Eurobond Basis  
30/360 *or* 360/360 *or* Bond Basis  
30E/360 (ISDA)  
Actual/Actual (ICMA) *or* Act/Act (ICMA)]  
[Applicable/Not Applicable]
16. Zero Coupon Covered Bond Provisions:
- (i) Amortization Yield: [ ] per cent. per annum]
  - (ii) Reference Price: [ ]

**PROVISIONS RELATING TO REDEMPTION**

17. Call Option [Applicable/Not Applicable]
- (Condition 6.03)
- (i) Optional Redemption Date(s): [ ]
  - (ii) Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of [ ] per Calculation Amount

- such amount(s):
- (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [ ] per Calculation Amount
    - (b) Maximum Redemption Amount: [ ] per Calculation Amount
  - (iv) Notice Period [ ]
18. Put Option [Applicable/Not Applicable]
- (Condition 6.06)
- (i) Optional Redemption Date(s): [ ]
  - (ii) Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
  - (iii) Notice period [ ]
19. Final Redemption Amount of each Covered Bond [ ] per Calculation Amount
20. Early Redemption Amount:
- Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [ ] per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE N COVERED BOND**

21. Form of the Covered Bond: N Covered Bond (gedeckte Namensschuldverschreibung)
- (i) Registrar: [Name and address]
  - (ii) Paying Agent [Name and address]
- Method of payment of partial interest upon transfers during interest periods (Condition 9.02): [Eurobond Interest Upon Transfer(s)] OR [Partial Interest Upon Transfer(s)]
- (iii) Calculation Agent: [Not applicable][Name and address]
  - (iv) Settlement Procedures: Delivery [against/free of] payment.
22. Exclusion of set-off [usually “Delivery free of payment” for N Covered Bonds]  
[The Issuer 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 Holder could be prejudiced:
- [ (i) ] [as long as and to the extent that such claims form part of

the restricted assets (*gebundenes Vermögen*) within the meaning of § 54 of the German Act Concerning the Supervision of Insurance Companies (*Gesetz über die Beaufsichtigung der Versicherungsunternehmen - Versicherungsaufsichtsgesetz*) or the N Covered Bond is being held by a German professional pension fund (*Versorgungswerk*);]

[(ii)] [as long as and to the extent that such claims belong to funds which serve as cover (*Deckungswerte*) for Pfandbriefe issued pursuant to the German Pfandbrief Act (*Pfandbriefgesetz*) or other domestic covered bonds legislation;]

[(iii)] [*insert other circumstances if applicable*]  
[ ] / [Not Applicable]

Financial Centre(s) or other special provisions relating to payment dates: Details relating to Instalment Covered Bonds: amount of each instalment (“**Instalment Amounts**”), date on which each payment is to be made (“**Instalment Dates**”):

Instalment Amount(s): [Not Applicable]/[ ]

Instalment Date(s): [Not Applicable] / [ ]

Signed on behalf of the Issuer:

Signed on behalf of the Managing GP for and on behalf of the Guarantor:

By: \_\_\_\_\_  
Duly authorized

By: \_\_\_\_\_  
Duly authorized

By: \_\_\_\_\_  
Duly authorized

By: \_\_\_\_\_  
Duly authorized

**PART B – OTHER INFORMATION**

NOTE: The following information is given for purposes of information of the Holder but does not form part of the N Covered Bond Conditions.

**RATINGS**

The Covered Bonds to be issued have been rated:

Ratings: [Moody's: Aaa]  
[DBRS: AAA]

**PART 4**  
**FORM OF N COVERED BOND ASSIGNMENT AGREEMENT**

**N COVERED BOND ASSIGNMENT AGREEMENT**

**THIS N COVERED BOND ASSIGNMENT AGREEMENT (the “Agreement”) is made on [insert date] BETWEEN:**

- (1) *[insert name and complete address of assignor]* (the “Assignor”); and
- (2) *[insert name and complete address of assignee]* (the “Assignee”);

together the “Parties” and each a “Party”.

**WHEREAS:**

- (1) This Agreement relates to the Series [●] N Covered Bond due *[insert maturity date]* (the “N Covered Bond”) issued by The Toronto-Dominion Bank (the “Issuer”).
- (2) The Assignor is Holder of the N Covered Bond in the principal amount of *[insert holding of the assignor of the N Covered Bond prior to the assignment contemplated hereunder]*.

**NOW IT IS HEREBY AGREED** as follows:

**1. Definitions and Interpretations**

- 1.1 Unless specified otherwise, capitalized terms used, but not defined in this Agreement shall have the meaning given to them in the terms and conditions of the N Covered Bond which are attached to the N Covered Bond (the “N Covered Bond Conditions”).

**2. Assignment**

- 2.1 *Assignment.* The Assignor hereby assigns to the Assignee its claims against the Issuer under the N Covered Bond pursuant to the N Covered Bond Conditions together with all rights relating thereto, in the amount of:
  - [Euro][insert other specified currency] [●],000,000
  - (in words: [insert amount assigned in words] [Euro][insert other specified currency])
  - with interest from and including: [insert transfer date] (the “Transfer Date”).

- 2.2 *Acceptance of Assignment.* The Assignee hereby accepts such assignment.

**3. Notification and Registration**



3.1 *Notification of Registrar.* In accordance with Condition 2 (*Title and Transfer*) of the N Covered Bond Conditions, the Assignor shall immediately notify the Registrar of the assignment contemplated hereunder by sending an executed copy of this Agreement together with the certificate made out in its name and evidencing the N Covered Bond to **[details of the Registrar to be inserted]**.

3.2 *Effectiveness of Assignment.* The assignment shall only become effective upon registration thereof in the Register maintained by the Registrar. The Registrar will register the transfer if the requirements set out in Condition 2 (*Title and Transfer*) of the N Covered Bond Conditions are met.

#### **4. Designated Account of and Notices to the Assignee**

4.1 *Designated Account.* For the purpose of Condition 9 (*Payments*) of the N Covered Bond Conditions, the Designated Account of the Assignee shall be the bank account with the following references:

- Account holder: [●]
- Name of bank: [●]
- Account number: [●]
- SWIFT CODE: [●]
- IBAN: [●]
- Reference [●]

4.2 *Address for notices.* For the purpose of Condition 14 (*Notices*) of the N Covered Bond Conditions, the contact details of the Assignee shall be the following:

- Address: [●]
- Attention: [●]
- Telephone: [●]
- Fax: [●]
- Email: [●]

#### **5. Issue and Delivery of new certificate(s)**

Against surrender of the certificate issued in the name of the Assignor to the Registrar, the Assignee requests that a new certificate made out in its name in the amount assigned under this Agreement will be issued by the Issuer[,][**and**] authenticated by the Registrar **[and, at the risk of the Assignee, be sent by uninsured mail to the Assignee at the address first above written.]***[In case of partial assignments insert:* The Assignor requests that a new certificate made out in its name in the amount not assigned hereunder and retained by the Assignor will be issued by the Issuer[,][**and**] authenticated by the Registrar **[and, at the risk of the Assignor, be sent by uninsured mail to the Assignor at the address first above written.]**

#### **6. Copies**

This Agreement shall be executed in three original copies, each of which may be executed in any number of counterparts. Signing counterparts shall have the same effect

as if the Parties had executed a single copy of this Agreement. One original copy shall be retained by the Assignor and Assignee respectively and one original copy shall be sent to the Registrar (together with a list of authorised signatories of the Assignor and the Assignee).

**7. Governing Law, Partial Invalidity, Language**

7.1 *Governing Law.* This Agreement (including any non-contractual rights and obligations arising out of or in connection with this Agreement) shall be governed by and construed in accordance with German law.

7.2 *Partial Invalidity.* If any provision of this Agreement or part thereof should be or become invalid or unenforceable, this shall not affect the validity or enforceability of the remaining provisions hereof. The invalid or unenforceable provision shall be deemed to be replaced by such valid and enforceable provision which taking into consideration the purpose and intent of this Agreement has to the extent legally possible the same economic effect as the invalid or unenforceable provision. This shall apply *mutatis mutandis* to any omission in this Agreement.

7.3 *Language.* This Agreement is written in the English language. A German language translation may be provided for convenience. Only the English text shall be binding.

**Assignor**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Assignee**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[*the below is required, if the N Covered Bond has been allocated to the restricted assets of the Holder:*]

**Consent of the [deputy of the ]Trustee ([*Stellvertreter des*] *Treuhänder[s]* für das *Sicherungsvermögen*) with respect to the assignment**

I am writing to you in my capacity as [deputy of the] trustee of the restricted assets of the Holder ([*Stellvertreter des*] *Treuhänder[s]* für das *Sicherungsvermögen*).

I hereby give my consent to the assignment described above.

Date: .....  
signature of the [deputy of the ]Trustee

**PART 5**  
**FORM OF NOTIFICATION RE RESTRICTED ASSETS**

[On the letterhead of the Holder]

To: The Toronto-Dominion Bank (the “**Issuer**”)

and

[●] (the “**Registrar**”)

[insert date]

Dear Sirs,

**Notification of the allocation of the N Covered Bond to the Holder’s restricted assets**

Reference is made to the Series [●] N Covered Bond (the “**N Covered Bond**”) issued by The Toronto-Dominion Bank on [●] and due [●], in the principal amount of EUR [●],000,000.

Terms used, but not defined in this notice shall have the meanings given to them in terms and conditions of the N Covered Bond.

We have assigned the N Covered Bond to our restricted assets (*Sicherungsvermögen*) which are blocked for the benefit of our trustee appointed pursuant to § 70 of the German Insurance Supervision Act (*Versicherungsaufsichtsgesetz*) and its deputy (*Treuhänder für das Sicherungsvermögen bzw. dessen Stellvertreter*).

The trustee (or, as the case may be, its deputy) confirm hereinafter that all payments under the N Covered Bond may be made with discharging effect to the account designated therein.

Please acknowledge receipt of this letter by countersigning the attached copy of this letter.

Yours faithfully

By:

.....

Name:

Title:

**Consent of the [deputy of the ]Trustee (*[Stellvertreter des ]Treuhänder[s] für das Sicherungsvermögen*) with respect to payments**

I am writing to you in my capacity as [deputy of the] trustee (*[Stellvertreter des ]Treuhänder[s] für das Sicherungsvermögen*) of the restricted assets of the Holder.

I hereby agree that all payments due under the N Covered Bond may be made with discharging effect to [the account which has been notified to you by the Holder][the following account: [●]]

Date: .....

signature of the [deputy of the ]Trustee