

**SECOND AMENDED AND RESTATED SUPPLEMENTAL TRUST DEED**

**April 7, 2016**

**(supplemental to the Trust Deed dated 2 July 2013, as amended on June 27, 2014,  
December 23, 2014 and June 24, 2015)**

**RELATING TO AUSTRALIAN DOLLAR DENOMINATED  
COVERED BONDS ISSUED UNDER THE  
GLOBAL COVERED BOND PROGRAMME  
OF  
CANADIAN IMPERIAL BANK OF COMMERCE**

**CANADIAN IMPERIAL BANK OF COMMERCE  
as Issuer**

**and**

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

**and**

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

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**THIS SECOND AMENDED AND RESTATED SUPPLEMENTAL TRUST DEED** (this “**Supplemental Trust Deed**”) is made on April 7, 2016

**BETWEEN:**

- (1) Canadian Imperial Bank of Commerce, a Canadian chartered bank having its executive offices at Commerce Court, 199 Bay Street, Toronto, Ontario, Canada M5L 1A2 (the “**Issuer**”);
- (2) CIBC Covered Bond (Legislative) Guarantor Limited Partnership, a limited partnership constituted under the *Limited Partnerships Act* (Ontario) and having its principal place of business at Commerce Court, 199 Bay Street, Toronto, Ontario, Canada, M5L 1A2 herein represented by its managing general partner, CIBC Covered Bond (Legislative) GP Inc. (the “**Guarantor**”); and
- (3) Computershare Trust Company of Canada, a company incorporated under the laws of Canada, whose registered office is at 100 University Avenue, 11<sup>th</sup> 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 pursuant to the Trust Deed and Covered Bonds up to a maximum nominal amount (calculated in accordance with Section 2 of the Dealership Agreement) from time to time outstanding of CAD 20 billion (subject to increase as provided in the Dealership Agreement) (the “**Programme Limit**”) may be issued pursuant to the Programme.
- (2) By a resolution of the Board of Directors of CIBC Covered Bond (Legislative) GP Inc. in its capacity as managing general partner of the Guarantor passed on April 11, 2013 and ratified on June 24, 2013 the Guarantor has resolved to guarantee all Covered Bonds issued under the said Programme and all other amounts payable by the Issuer in the circumstances described in the Trust Deed.
- (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 the Trust Deed.
- (4) The Issuer, the Guarantor and the Bond Trustee have supplemented and amended the Trust Deed by entering into a supplemental trust deed dated October 9, 2013 as amended and restated on January 15, 2015 to provide for the issue of Australian dollar denominated Covered Bonds (the “**Australian Covered Bonds**”), governed by the law in force in New South Wales, Australia, in the Australian domestic capital market under the Programme.

- (5) The Issuer wishes to provide for the continued issue of Australian Covered Bonds by executing this second amended and restated supplemental trust deed (this **“Supplemental Trust Deed”**).
- (6) The holders of the Australian Covered Bonds shall also have the benefit of and be subject to certain terms of the Programme which shall be specified in the Trust Deed as supplemented by this Supplemental Trust Deed.

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

**1. Definitions and Interpretations**

1.1 Wherever used in this Supplemental Trust Deed, the following terms shall have the following meanings, respectively:

**“Australian Deed Poll”**, as the context requires, refers to either:

- (i) the Australian deed poll dated October 9, 2013, as amended by a supplemental deed poll dated January 15, 2015 (as may be further amended, supplemented or restated) which set out the terms and conditions of the Australian Covered Bonds issued on October 25, 2013 as may have been supplemented, modified or replaced by the Final Terms for such Australian Covered Bonds dated October 22, 2013 (for such Australian Covered Bonds and as amended, supplemented or restated, the **“Australian Covered Bond Terms and Conditions”** and a reference to a particular **“Condition”** shall be a reference to the correspondingly numbered Australian Covered Bond Term and Condition in respect of such Australian Covered Bonds); or
- (ii) the Australian deed poll dated January 15, 2015 (as amended on or about the date of this Supplemental Indenture in respect of Australian Covered Bonds to be issued on or after the date hereof and as may be further amended, supplemented or restated) which sets out or shall set out (as the case may be) the terms and conditions of the Australian Covered Bonds to be issued on or after the date of such deed poll as may be supplemented, modified or replaced by the applicable Final Terms for such Australian Covered Bonds (for such Australian Covered Bonds and as amended, supplemented or restated, the **“Australian Covered Bond Terms and Conditions”** and a reference to a particular **“Condition”** shall be a reference to the correspondingly numbered Australian Covered Bond Term and Condition in respect of such Australian Covered Bonds);

**“Final Terms”**, as the context requires, refers to one of the following:

- (i) for the Australian Covered Bonds issued on October 25, 2013, the Final Terms dated October 22, 2013; or
- (ii) for the Australian Covered Bonds issued on June 12, 2015, the Final Terms dated June 9, 2015; or

- (iii) for the Australian Covered Bonds issued on or after the date hereof, the applicable Final Terms for such Australian Covered Bonds; and

“**Programme Terms**”, as the context requires, refers to one of the following:

- (i) prior to January 15, 2015, the programme terms set out in Schedule 1 to the supplemental trust deed dated October 9, 2013 among the Issuer, the Guarantor and the Bond Trustee; or
- (ii) on or after January 15, 2015 and prior to the date hereof, the programme terms set out in Schedule 1 to the amended and restated supplemental trust deed dated January 15, 2015 among the Issuer, the Guarantor and the Bond Trustee; or
- (iii) on or after the date hereof, the programme terms set out in Schedule 1 hereto in respect of the Australian Covered Bonds issued on or after the date hereof (as may be amended, supplemented or restated).

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

- (a) words denoting the singular shall include the plural and vice versa;
- (b) words denoting one gender only shall include the other genders; and
- (c) words denoting persons only shall include firms and corporations and vice versa.

**1.3** (a) All references herein and in the applicable Australian Deed Poll to principal and/or principal amount and/or interest in respect of the Australian 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 of the applicable Australian Covered Bonds Terms and Conditions.

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

- (e) All references herein, in the Trust Deed, the Master Definitions and Construction Agreement and each other Transaction Document to Euroclear and/or

Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include references to the Austraclear System.

- (f) All references herein, in the Trust Deed, the Master Definitions and Construction Agreement and each other Transaction Document to the records of Euroclear, Clearstream, Luxembourg or DTC shall be to the records that each of Euroclear, Clearstream, Luxembourg, DTC or the Austraclear System, as applicable, holds for its customers or participants which reflect the amount of such customers' or participants' interest in the Covered Bonds.
  - (g) In this Supplemental Trust Deed references to Schedules, Clauses, sub clauses, paragraphs and sub paragraphs shall be construed as references to the Schedules to this Supplemental Trust Deed and to the Clauses, sub clauses, paragraphs and sub paragraphs of this Supplemental Trust Deed respectively unless expressly provided otherwise.
  - (h) In this Supplemental Trust Deed tables of contents and Clause headings are included for ease of reference and shall not affect the construction hereof.
- 1.4** The master definitions and construction agreement made between the parties to the Transaction Documents on July 2, 2013, as amended on June 27, 2014 and June 24, 2015 (as the same may be further amended, restated, varied or supplemented from time to time with the consent of the parties thereto, the "**Master Definitions and Construction Agreement**") is expressly and specifically incorporated into this Supplemental Trust Deed and, accordingly, the expressions defined in the Master Definitions and Construction Agreement (as so amended, restated, varied or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Supplemental Trust Deed, including the recitals hereto and this Supplemental 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 Supplemental Trust Deed, this Supplemental Trust Deed shall prevail.
- 1.5** Except as otherwise provided herein, the terms of the Trust Deed as supplemented by this Supplemental Trust Deed shall apply to the Australian Covered Bonds and the Trust Deed, this Supplemental Trust Deed and the applicable Australian Deed Poll shall be read and construed, in relation to the Australian Covered Bonds, as one document.
- 1.6** All references to "**Covered Bonds**" in the Trust Deed and Master Definitions and Construction Agreement and each other Transaction Document shall be interpreted as including Australian Covered Bonds as constituted under the applicable Australian Deed Poll and any reference to "**Covered Bondholder**" shall be construed accordingly unless otherwise specified in this Supplemental Trust Deed. The Issuer acknowledges, agrees and confirms, for the benefit of the holders of Australian Covered Bonds and the Bond Trustee, that Australian Covered Bonds are "**Covered Bonds**" for the purposes of the Trust Deed.
- 1.7** The Australian Covered Bond Terms and Conditions, as set out in Schedule 1 to the applicable Australian Deed Poll and as supplemented, modified or replaced by the applicable Final Terms, shall apply to the applicable Australian Covered Bonds.

- 1.8** The holders of the Australian Covered Bonds shall have the further benefit of and be subject to the applicable Programme Terms. For the purposes of the Trust Deed in respect of the Australian Covered Bonds, references to “**Conditions**” shall be construed as the applicable Australian Covered Bond Terms and Conditions and, in all cases, the Programme Terms (as the context requires).
- 1.9** All references in this Supplemental Trust Deed and the Trust Deed to the “Paying Agent” shall mean, in relation to a Tranche or Series of Australian Covered Bonds, the Australian Agent, or such other paying agent as the Final Terms of that Tranche or Series may specify.
- 1.10** In the event of any inconsistency among the provisions of any of the applicable Final Terms, the applicable Australian Deed Poll, this Supplemental Trust Deed and the Trust Deed relating solely to the Australian Covered Bonds, the provisions of such agreements shall prevail in the following order (with the first referenced prevailing over the next referenced and so on): the applicable Final Terms, the applicable Australian Deed Poll, this Supplemental Trust Deed and the Trust Deed.
- 1.11** The Issuer acknowledges, agrees and confirms that the applicable Australian Deed Poll is a Transaction Document as defined in the Master Definitions and Construction Agreement.

## **2. Issue of the Australian Covered Bonds**

### **2.1 Australian Deed Poll:**

The Australian Covered Bonds: (i) will be issued in Series pursuant to an Australian Deed Poll; (ii) are constituted pursuant to such Australian Deed Poll; and (iii) are in registered uncertificated (or inscribed) form as evidenced by entries in a register (the “**Australian Register**”) maintained by BTA Institutional Services Australia Limited (or such other person appointed by the Issuer from time to time to perform such registry function and such other issuing and paying agency functions as the Issuer may require) (the “**Australian Agent**”) on behalf of the Issuer.

### **2.2 Covenant to repay principal and to pay interest:**

- (a) Pursuant to the applicable Australian Deed Poll, the Issuer has covenanted with the Holders and the Bond Trustee to pay all amounts due in relation to each Australian Covered Bond in accordance with the applicable Australian Covered Bond Terms and Conditions (the “**Covenant to Pay**”). For greater certainty, sub clauses 2.2(a) to (d) of the Trust Deed shall continue to be applicable to payment of relevant amounts due in relation to the Australian Covered Bonds.
- (b) The parties hereto acknowledge that: (i) the Australian Covered Bonds are constituted by the applicable Australian Deed Poll; (ii) the Issuer has provided the Covenant to Pay pursuant to the applicable Australian Deed Poll; and (iii) the Bond Trustee holds the benefit of the Covenant to Pay as well as the benefit of the other covenants in the applicable Australian Deed Poll in trust for the Covered Bondholders of the Australian Covered Bonds pursuant to the applicable Australian Deed Poll.

- (c) Notwithstanding paragraph (b) to this sub clause 2.2, for the purposes of the Trust Deed as it relates to the Australian Covered Bonds, references to the Trust Deed shall be interpreted as references to the Trust Deed, this Supplemental Trust Deed and the applicable Australian Deed Poll and, with respect to the Trust Deed, the words “herein”, “hereof”, “hereunder” in the Trust Deed and similar words referencing the Trust Deed shall be construed as references to the Trust Deed, this Supplemental Trust Deed and the applicable Australian Deed Poll.

### **2.3 Separate Series:**

For the purposes of sub clause 2.7 of the Trust Deed, Programme Term 3 (*Events of Default*), (insofar as it relates to a Programme Resolution) Programme Term 4 (*Meetings of Holders of Covered Bonds, Modification and Waiver*), Clauses 18(n), 24 and 26 and 10.1 of the Trust Deed and (insofar as it relates to Programme Term 3 (*Events of Default*) or to a Programme Resolution or Clauses 10.1, 24 or 26 of the Trust Deed) Schedule 4 to the Trust Deed, the Covered Bonds of all Series (including, for greater certainty, the Australian Covered Bonds) shall be deemed to constitute a single Series and the provisions of such Programme Terms and Clauses shall apply to all the Covered Bonds (including, for greater certainty, the Australian Covered Bonds) together as if they constituted a single Series. In such Clauses and Schedule the expressions “Covered Bonds” and “Covered Bondholders” shall be construed accordingly.

### **3. Form of the Australian Covered Bonds**

Notwithstanding sub clause 3.2 of the Trust Deed, the Australian Covered Bonds shall be in registered uncertificated (as inscribed) form and shall be constituted by the applicable Australian Deed Poll as evidenced by entries by inscription in the Australian Register. Title to the Australian Covered Bonds shall pass in the manner, and subject to the requirements, set out in the applicable Condition 2 (*Title and Transfer*).

### **4. Persons to be treated as Covered Bondholders**

- (a) The registered holder of an Australian Covered Bond will be treated for all purposes as the sole absolute owner of the Australian Covered Bond.
- (b) The provisions in paragraph 3.6(b) of the Trust Deed shall not be applicable to Australian Covered Bonds.

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

In addition to any payments pursuant to Clause 4 of the Trust Deed, the Issuer will pay any stamp, issue, registration, documentary and other fees, duties and taxes, including interest and penalties, payable in Australia, or in any state or territory thereof, in connection with the execution and delivery of this Supplemental Trust Deed and the applicable Australian Deed Poll.

### **6. Covenant of Compliance**

In addition to the provisions of Clause 5 of the Trust Deed, 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 of the applicable Australian Deed Poll which are



expressed to be binding on it. In respect of Australian Covered Bonds, the applicable Conditions shall be binding on the Issuer, the Guarantor and the Covered Bondholders. The Bond Trustee shall be entitled to enforce the obligations of the Issuer and the Guarantor under the Australian Covered Bonds and the applicable Conditions in the manner therein provided as if the same were set out and contained in the Trust Deed, as supplemented by this Supplemental Trust Deed, which shall be read and construed as one document with the applicable Australian Deed Poll. The Bond Trustee shall hold the benefit of this covenant upon trust for itself and the Covered Bondholders according to its and their respective interests.

## **7. Application of Moneys**

All moneys received by the Bond Trustee from the sources described in the first paragraph of sub clause 11.1 of the Trust Deed, regardless of whether received pursuant to the Trust Deed, this Supplemental Trust Deed or the applicable Australian Deed Poll, shall be treated in the same manner and in accordance with the provisions of Clause 11 (*Application of Moneys*) of the Trust Deed. For greater certainty, any moneys received pursuant to this Supplemental Trust Deed or the applicable Australian Deed Poll shall, for the purposes of the Trust Deed, be considered moneys received pursuant to the Trust Deed and applied in accordance with the provisions of the Trust Deed.

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

- (a) In addition to the powers of the Bond Trustee described in Clause 18 (*Powers of the Bond Trustee*) of the Trust Deed, the Bond Trustee shall have the additional powers set out in clause (b) below. Where there are any inconsistencies between the other Transaction Documents and the provisions hereof, the provisions hereof shall, to the extent allowed by law, prevail.
- (b) For greater certainty, 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 under this Supplemental Trust Deed and the applicable Australian Deed Poll (the exercise or non exercise of which as between the Bond Trustee and the Covered Bondholders shall be conclusive and binding on the Covered Bondholders of the Australian Covered Bonds) 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 of the Australian Covered Bonds or otherwise under any provision of this Supplemental Trust Deed or the applicable Australian Deed Poll or to take at such request or direction or otherwise any other action under any provision of the applicable Australian Deed Poll, without prejudice to the generality of Clause 10.1 of the Trust Deed, 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.

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

Nothing herein or in the applicable Australian Deed Poll shall in any case in which the Bond Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions hereof conferring on it any trusts, powers,

authorities or discretions exempt the Bond Trustee from or indemnify it against any liability for breach of trust.

**10. 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 Australian Covered Bonds.

**11. Supplemental**

This Supplemental Trust Deed is supplemental to the Trust Deed. Save as expressly amended by this Supplemental Trust Deed, the Trust Deed shall remain in full force and effect and all of the other rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Supplemental Trust Deed.

**12. Notices**

Any notice or communication under or in connection with this Supplemental Trust Deed, the Trust Deed or the applicable Australian Deed Poll shall be given in the manner and at the times set out in Clause 28 of the Trust Deed or at such other address as the recipient may have notified to the other parties hereto and/or thereto in writing.

**13. Amendments**

Subject to the terms of Clause 21 of the Trust Deed, and except as otherwise expressly provided in this Supplemental Trust Deed, the provisions in this Supplemental Trust Deed may be amended or modified only by written agreement of all of the parties hereto, and if any such amendment or waiver is determined to be material in the opinion of the Guarantor, Rating Agency Confirmation shall be required in respect thereof. 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 Rating Agency Confirmation provided that failure to deliver such notice shall not constitute a breach of the obligations of the Guarantor under this Supplemental Trust Deed. This Supplemental Trust Deed (and the benefits and obligations contained in it) may not be assigned by any party without the prior written consent of each of the other parties hereto and Rating Agency Confirmation having been obtained in respect of such assignment.

**14. Governing Law**

This Supplemental 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.

**15. Counterparts**

This Supplemental 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 Supplemental Trust Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart.

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

**CANADIAN IMPERIAL BANK OF  
COMMERCE**

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

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

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

**COMPUTERSHARE TRUST COMPANY OF  
CANADA**

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

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

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

**CANADIAN IMPERIAL BANK OF  
COMMERCE**

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

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

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

**COMPUTERSHARE TRUST COMPANY OF  
CANADA**

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

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

**SCHEDULE 1**  
**PROGRAMME TERMS DATED APRIL 7, 2016**

*The following are the programme terms (the “**Programme Terms**”) in respect of the Australian Covered Bonds, which as supplemented, modified or replaced in relation to any Australian Covered Bonds by the applicable Final Terms, will be applicable to the holders of each Series of Australian Covered Bonds issued pursuant to the applicable Australian Deed Poll.*

The Covered Bond Guarantee has been created in, and pursuant to, and on the terms set out in, the Trust Deed and 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 general security agreement (such general security agreement as amended, supplemented or replaced the “**Security Agreement**”) dated July 2, 2013 and made between the Guarantor, the Bond Trustee and certain other Secured Creditors.

The Programme Terms include summaries of and are subject to, the provisions of the Trust Deed, the Security Agreement, the Agency Agreement and the other Transaction Documents. The Terms and Conditions include a summary of and are subject to, certain provisions of the applicable Australian Deed Poll.

The Australian Covered Bonds are issued in series (each, a “**Series**”), and each Series may comprise one or more tranches (“**Tranches**” and each, a “**Tranche**”) of Australian Covered Bonds. Each Tranche will be the subject of final terms (each, “**Final Terms**”).

Save as provided in Programme Terms 3 and 4, references in these Programme Terms to “**Covered Bonds**” are to Australian Covered Bonds of the relevant Series in units of the lowest Specified Denomination in the Specified Currency and references in these Programme Terms to “**Covered Bondholders**” are to the Holders.

References in these Programme Terms to the Final Terms are to Part A of the Final Terms prepared in relation to the Australian Covered Bonds of the relevant Tranche or Series.

In respect of any Australian Covered Bonds, references herein to “**Terms and Conditions**” are to the terms and conditions set out in the applicable Australian Deed Poll as supplemented or modified or (to the extent thereof) replaced by Part A of the Final Terms and any reference herein to a “**Condition**” is a reference to the relevant Condition of the Terms and Conditions of the relevant Australian Covered Bonds.

Except where the context otherwise requires, capitalized terms used or otherwise defined in the Programme Terms shall bear the meanings given to them in the applicable Final Terms and/or the Master Definitions and Construction Agreement made between the parties to the Transaction Documents on or about July 2, 2013, as amended on June 27, 2014 and June 24, 2015 (such master definitions and construction agreement as amended, supplemented or replaced, the “**Master Definitions and Construction Agreement**” or the “**Master Definitions**”).

**1. Guarantee**

Payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment has been unconditionally and irrevocably guaranteed by the Guarantor (the “**Covered Bond Guarantee**”) in favour of the Bond Trustee (for and on behalf of the Covered Bondholders) following a Covered Bond Guarantee Activation Event pursuant to

the terms of the Trust Deed. The Guarantor shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until a Covered Bond Guarantee Activation Event (as defined below) has occurred. The obligations of the Guarantor under the Covered Bond Guarantee are direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and, except as provided in the Guarantee Priorities of Payments, unsubordinated obligations of the Guarantor, which are secured as provided in the Security Agreement. For the purposes of these Programme Terms and the applicable 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 Programme Term 3) 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.

## 2. Redemption and Purchase

### Extended Due for Payment Date Provisions

**2.1** Without prejudice to Condition 7 and Programme Term 3, if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Australian 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 Programme Term 3.1(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 Australian 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 Programme Term 3.2) 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 Australian 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 Australian 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 Australian Covered Bonds whether payment will be made in full of the Final Redemption Amount in respect of such Series of Australian 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 Australian Covered Bonds (in accordance with Condition 13), the Rating Agencies, the Bond Trustee, the Australian 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 first paragraph of this Programme Term 2.1 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 Australian 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 Programme Term 3.2) 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 Australian Covered Bond of the relevant Series of Australian Covered Bonds and shall pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such Australian 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 Programme Term 2.1.

For the purposes of this Programme Term 2.1:

**“Extended Due for Payment Date”** means, in relation to any Series of Australian 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 Australian Covered Bonds, the date falling two Business Days after the expiry of seven days from (and including) the Final Maturity Date of such Australian 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 any one of Moody’s Investors Service, Inc., Fitch Ratings, Inc. and DBRS Limited, to the extent that at the relevant time they provide ratings in respect of the then outstanding Australian Covered Bonds, or their successors and “Rating Agencies” means more than one Rating Agency.

## Redemption due to Illegality

**2.2** 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 Australian Agent (with respect to Australian Covered Bonds) and, in accordance with Condition 13, 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 Programme Term 2.2 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 Programme Term 2.2, the Issuer shall deliver to the Australian 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 Australian 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 Australian Covered Bonds.

## **3. Events of Default**

### Issuer Events of Default

**3.1** 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 Programme Term 3.1 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed (and the Covered Bonds of any other Series constituted by the applicable Australian Deed Poll)) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in Canadian dollars converted into Canadian 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, Receipts or Coupons of any Series, the Trust Deed or any other Transaction Document to which the Issuer is a party (other than the Dealership Agreement and any subscription agreement for the Covered Bonds) but excluding any obligation of the Issuer to comply with the Asset Coverage Test 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 Programme Term 3.1) 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 Programme Terms “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 Programme Term 3.1, 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 Programme Term 3.3.

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

**3.2** 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 Programme Term 3.2 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed (and the Covered Bonds of any other Series constituted by the applicable Australian Deed Poll)) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in Canadian dollars converted into Canadian 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) 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 Programme Term 3.2) 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 Programme Term 3.3 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

**3.3** 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 Canadian 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 Canadian 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.

#### **4. 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 Programme Terms, the applicable 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 Programme Term 3 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 Canadian dollars shall be converted into Canadian 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, 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.

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 the applicable Condition 8 and/or in any undertaking or covenant given in addition to, or in substitution for, the applicable Condition 8 pursuant to the Trust Deed.

For the purposes of these Programme Terms:

**“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 conditions relating to the replacement of lost, stolen, mutilated, defaced or destroyed 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 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.

## 5. Currency Indemnity

If the Discharge Amount (as defined in the applicable Condition 15) is less than the amount in the Contractual Currency (as defined in the applicable Condition 15) 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.

## 6. Branch of Account

**6.1** For the purposes of the Bank Act, the branch of the Bank set out in the applicable Final Terms shall be the branch of account (the "**Branch of Account**") for the deposits evidenced by the Covered Bonds.

**6.2** The Covered Bonds will be paid without the necessity of first being presented for payment at the Branch of Account.

**6.3** If the Branch of Account is not in Canada, the Bank may change the Branch of Account for the deposits evidenced by the Covered Bonds, upon not less than seven days' prior notice to its Holder given in accordance with the applicable Condition 13 and upon and subject to the following terms and conditions:

- (a) if a Covered Bond is denominated in Yen, the Branch of Account shall not be in Japan;
- (b) the Issuer shall indemnify and hold harmless the Holders of the Covered Bonds and Coupons relating thereto against any tax, duty, assessment or governmental charge which is imposed or levied upon such Holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Australian 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 this Series and Coupons relating thereto to Holders thereof (other than Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel to the Issuer, be subject to any taxes, as hereinafter defined, to which they would not have been subject had such change not taken place. For the purposes of this section, an "**Excluded Holder**" means a Holder of a Covered Bond of this Series or 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 this 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 this Series or interest thereon for or on behalf of a Relevant Jurisdiction or any authority therein or thereof having power to tax.

## **7. 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 Programme Term 7 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 the applicable Condition 13.

It shall be a condition of any substitution pursuant to this Programme Term 7 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.

## **8. Rating Agency Confirmation**

If a Rating Agency Confirmation or some other response by a Rating Agency is a condition to any action or step or is otherwise required under any Transaction Document and a written request for such Rating Agency Confirmation 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 or Fitch, 10 Business Days) of actual receipt of such request by the Rating Agency, such request elicits no confirmation or response and/or such request elicits no statement by the Rating Agency that such confirmation or response could not be given, the Requesting Party will be entitled to disregard the requirement for a Rating Agency Confirmation 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 Rating Agency Confirmation or affirmation of rating or other response in respect of such action or step.

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

If, in connection with the exercise of its powers, trusts, authorities or discretions the Bond Trustee is of the opinion that the interests of the holders of the Covered Bonds of any one or



more Series would be materially prejudiced thereby, the Bond Trustee shall not exercise such power, trust, authority or discretion without the approval by Extraordinary Resolution of such holders of the relevant Series of Covered Bonds then outstanding or by a direction in writing of such holders of the Covered Bonds of at least 25 per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding.

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

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

The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Portfolio Assets, 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 the Portfolio Assets satisfy the Eligibility Criteria. The Bond Trustee will not be liable to any holder of the Covered Bonds or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by reasonable and prudent institutional mortgage lenders in the Seller's market in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.