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PROSPECTUS DATED 5 AUGUST 2025

CANADIAN IMPERIAL BANK OF COMMERCE
(a Canadian chartered bank)
CAD 60,000,000,000
Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
CIBC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP
(a limited partnership formed under the laws of Ontario)

*This document (the "**Prospectus**") constitutes a base prospectus ("**Base Prospectus**") for the purpose of* Article *8 of the Prospectus Regulation (as defined below) in respect of all Covered Bonds other than Exempt Covered Bonds (as defined below) issued under this CAD 60 billion global legislative covered bond programme (the "**Programme**"). You are advised to read the Prospectus in full.*

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

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

The Covered Bonds may be issued in registered or bearer form.

The maximum aggregate nominal amount of all Covered Bonds outstanding at any one time under the Programme will not exceed CAD 60 billion (or its equivalent in other currencies calculated as described in the Dealership Agreement described herein) subject to any increase as described herein. The price and amount of the Covered Bonds to be issued under the Programme will be determined by the Issuer and the relevant Dealer or Dealers at the time of issue in accordance with prevailing market conditions. **An investment in Covered Bonds issued under the Programme involves certain risks. See "*Risk Factors*" for a discussion of certain risk factors to be considered in connection with an investment in the Covered Bonds and an investment in the Covered Bonds issued by the Issuer.**

Unless otherwise specified in the applicable Final Terms, the head office of the Bank in Toronto will take the deposits evidenced by the Covered Bonds but without prejudice to the provisions of Condition 9 (see "*Terms and Conditions of the Covered Bonds—Payments*"). For the purposes of the *Bank Act (Canada)* (the "**Bank Act**"), the Bank will designate a "Branch of Account" for deposits evidenced by the Covered Bonds, which designation will be specifically stated in the Final Terms relating to the Covered Bonds being issued. Irrespective of the Branch of Account designation, the Bank is (a) the legal entity that is the issuer of the Covered Bonds and (b) the legal entity obligated to repay the Covered Bonds. The Bank is the only legal entity that will issue Covered Bonds pursuant to this Prospectus. The "Branch of Account" which the Bank may

designate for any issue of Covered Bonds is detailed in the section entitled "General Description of the Programme" on page 17. The determination by the Bank of the Branch of Account for an issuance of Covered Bonds will be based on specific considerations, including, without limitation, those in connection with market, regulatory, tax or capital purposes, relating to (i) the market or jurisdiction into which the Covered Bonds are being issued, such as the Bank will issue Covered Bonds through a particular branch because of investors' preferences in a specific market or jurisdiction, (ii) specific regulatory requirements, such as a regulator requiring that a branch increase its liquidity through locally sourced funding, or (iii) specific tax implications that would affect the Bank or investors, such as the imposition of a new tax if an alternative branch was used, in relation to which please see further details in the section entitled "Taxation" on page 299. CIBC has issued covered bonds in the past through the head office of the Bank in Toronto, and its London and Sydney branches. A branch of the Bank is not a subsidiary of the Bank or a separate legal entity from the Bank.

This Base Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") as competent authority under Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**") in respect of the Covered Bonds (other than the Exempt Covered Bonds) issued under the Programme as described in this Base Prospectus. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Guarantor or the quality of the Covered Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Covered Bonds. The CSSF assumes no responsibility as to the economic and financial soundness of the transactions contemplated by this Base Prospectus and the quality or solvency of the Issuer in accordance with Article 6(4) of the Luxembourg act dated 16 July 2019 on prospectuses. Application has also been made to the Luxembourg Stock Exchange for Covered Bonds (other than Exempt Covered Bonds) issued under the Programme during the period of 12 months from the date of this Prospectus to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. Unless otherwise specified herein and except in the case of Exempt Covered Bonds, references in this Prospectus to Covered Bonds being "listed" (and all related references) shall mean that such Covered Bonds are intended to be admitted to trading on the Luxembourg Stock Exchange's regulated market (the "**Regulated Market**") and are intended to be listed on the Official List of the Luxembourg Stock Exchange. The Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, "**MiFID II**").

This Prospectus is valid until 5 August 2026, a period of 12 months from its date. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply once this Prospectus is no longer valid.

The Bank may also issue unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any regulated market and/or Covered Bonds listed on other stock exchanges outside the EEA (the "**Exempt Covered Bonds**"). References to "Exempt Covered Bonds" are to Covered Bonds for which no prospectus is required to be published under the Prospectus Regulation. Such Exempt Covered Bonds do not form part of the Base Prospectus and will not be issued pursuant to this Base Prospectus and the CSSF has neither approved nor reviewed information contained in this Prospectus in connection with such Exempt Covered Bonds. All Covered Bonds will have the benefit of the Covered Bond Guarantee and the Security (as defined on page 268) granted over the Charged Property.

In the case of any Covered Bonds which are to be admitted to trading on a regulated market within the European Economic Area (the "**EEA**") or offered to the public in a member state of the EEA in circumstances which would otherwise require the publication of a prospectus under the

Prospectus Regulation, the minimum denomination of such Covered Bonds shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Covered Bonds).

On 3 July 2013, the Issuer was registered as a registered issuer and the Programme was registered in the registry (the "**Registry**") established by Canada Mortgage and Housing Corporation ("**CMHC**") pursuant to Section 21.51 of Part I.1 of the *National Housing Act* (Canada).

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

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

Amounts payable under the Covered Bonds may be calculated by reference to the Euro Inter-Bank Offered Rate ("**EURIBOR**"), the Secured Overnight Financing Rate ("**SOFR**"), the Sterling Overnight Index Average ("**SONIA**"), the Euro Short-term Rate ("**€STR**") or the Norwegian Interbank Offered Rate ("**NIBOR**"), which are provided by the European Money Markets Institute ("**EMMI**"), the Federal Reserve Bank of New York ("**New York Federal Reserve**"), the Bank of England, the European Central Bank and the Norske Finansielle Referanser AS ("**NORE**"), respectively. As at the date of this Prospectus, the EMMI and NORE appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (the "**ESMA**") pursuant to Article 36 of the Benchmarks Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**"). As at the date of this Prospectus, the New York Federal Reserve, the Bank of England and the European Central Bank do not appear on such register. As far as the Issuer is aware, the New York Federal Reserve, as administrator of SOFR, the Bank of England, as administrator of SONIA, and the European Central Bank, as administrator of €STR, are not required to be registered by virtue of Article 2 of the EU Benchmarks Regulation.

The Covered Bonds issued pursuant to this Prospectus and the related Covered Bond Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Covered Bonds issued pursuant to this Prospectus are being offered only (i) in offshore transactions (as defined in Regulation S) to non-U.S. persons in reliance upon Regulation S and (ii) in the case of Legended Covered Bonds (as defined herein) only to (a) qualified institutional buyers (as defined in Rule 144A under the Securities Act ("**Rule 144A**") in reliance upon Rule 144A or (b) institutional accredited investors within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act. See "*Form of the Covered Bonds*" for a description of the manner in which Covered Bonds will be issued pursuant to this Prospectus. Registered Covered Bonds are subject to certain restrictions on transfer: see "*Subscription and Sale*". Covered Bonds in bearer form are subject to U.S. tax law requirements.

Covered Bonds issued under the Programme are expected on issue to be assigned a rating by Moody's Investors Service, Inc. ("**Moody's**") and Fitch Ratings, Inc. ("**Fitch**"). Covered Bonds are expected on issue to be assigned the following ratings: "Aaa" by Moody's and "AAA" by Fitch, unless otherwise specified in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or

withdrawal at any time by the assigning agency and each rating should be evaluated independently of any other. Investors are cautioned to evaluate each rating independently of any other rating. Unless otherwise specified in the applicable Final Terms, it is not expected that any credit rating applied for in relation to any Series of Covered Bonds will be issued by a credit rating agency established in the EU or the UK and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**EU CRA Regulation**") or Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the "**EUWA**") (the "**UK CRA Regulation**" and together with the EU CRA Regulation, the "**CRA Regulations**"). The credit ratings included and referenced in this Prospectus have been issued by Standard & Poor's Financial Services LLC, Moody's, Moody's Canada Inc., Fitch and DBRS Limited ("**DBRS**"), none of which is established in the EU or the UK, but each of which has an affiliate established in the EU or the UK and registered under the applicable CRA Regulation. See "Credit Rating Agencies" on page 12.

In general, European and UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EU (in the case of European regulated investors) or (in the case of UK regulated investors) the UK and registered under the applicable CRA Regulation (a "**Registered CRA**"), unless the rating is provided by a credit rating agency operating in the EU or the UK before 7 June 2010, or a non-EU or non-UK credit rating agency that is a member of the same group, where the Registered CRA has submitted an application for registration in accordance with the applicable CRA Regulation (or, in the case of a non-EU or non-UK affiliate, the Registered CRA has in such application disclosed an intention to endorse the non-EU or non-UK affiliate's ratings) and such registration (or, in the case of the non-EU or non-UK affiliate's rating, the ability to endorse the relevant non-EU or non-UK affiliate's rating) is not refused.

Arrangers for the Programme

HSBC **CIBC Capital Markets**

Dealers

BofA Securities **CIBC Capital Markets**

BNP PARIBAS **COMMERZBANK** **DZ BANK AG** **HSBC**

J.P. Morgan **Natixis** **NatWest** **UBS Investment Bank**

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

U.S. INFORMATION

The Covered Bonds and the Covered Bond Guarantee have not been approved or disapproved by the SEC or any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is a criminal offence.

This Prospectus is being provided on a confidential basis in the United States to a limited number of "qualified institutional buyers" within the meaning of Rule 144A ("**QIBs**") or institutional "accredited investors" as defined in Rule 501(a)(l), (2), (3) or (7) under the Securities Act ("**Institutional Accredited Investors**" or "**IAI**") for informational use solely in connection with the consideration of the purchase of the Covered Bonds being offered hereby. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

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

Covered Bonds issued on or after the date of this Prospectus which are to be consolidated and form a single series with Covered Bonds issued prior to the date hereof will be subject to the Conditions of the Covered Bonds applicable on the date of issue of the first tranche of Covered Bonds of such series. Such Conditions are incorporated by reference herein and form part of this Prospectus.

Copies of Final Terms for Covered Bonds that are admitted to trading on a regulated market in the EEA in circumstances requiring publication of a prospectus in accordance with the Prospectus Regulation (i) can be viewed on the website of the Luxembourg Stock Exchange at https://www.luxse.com under the name of the Issuer and the headline "Documents", (ii) will be available without charge from the Issuer at CIBC Square, 81 Bay Street, Toronto, Ontario, Canada M5J 0E7, Attention: Investor Relations and the specified office of each Paying Agent set out at the end of this Prospectus (see "*Terms and Conditions of the Covered Bonds*") and (iii) can be viewed on the Issuer's website at https://www.cibc.com/en/about-cibc/investor-relations/debt-information/legislative-covered-bond.html.

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

This Prospectus should be read and construed with any supplement hereto and with any other documents which are deemed to be incorporated herein or therein by reference and shall be read and construed on the basis that such documents are so incorporated and form part of this Prospectus. Any reference in this document to Base Prospectus means this Prospectus, together with the documents incorporated herein, any prospectus supplement and any documents specifically incorporated by reference therein. In relation to any Tranche or Series (as such terms are defined herein) of Covered Bonds, this Prospectus shall also be read and construed together with the applicable Final Terms.

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

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

None of this Prospectus nor any Final Terms nor any financial statements nor any further information supplied in connection with the Programme constitutes an offer or an invitation to subscribe for or purchase any Covered Bonds, nor are they intended to provide the basis of any credit or other evaluation and should not be considered as a

recommendation by the Issuer, the Guarantor, the Arrangers, the Dealers, affiliates of the Dealers, the Bond Trustee or any of them that any recipient of this Prospectus, any supplement hereto, any information incorporated by reference herein or therein, any other information provided in connection with the Programme and, in respect to each Tranche of Covered Bonds, the applicable Final Terms, should subscribe for or purchase any Covered Bond. Each investor contemplating purchasing Covered Bonds should determine for itself the relevance of the information contained or incorporated by reference in this Prospectus, should make its own independent investigation of the condition (financial or otherwise) and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor and should consult its own legal and financial advisors prior to subscribing for or purchasing any of the Covered Bonds. Each investor's or purchaser's purchase of Covered Bonds should be based upon such investigation as it deems necessary. Potential purchasers cannot rely, and are not entitled to rely, on the Arrangers, the Dealers or any of their affiliates or the Bond Trustee in connection with their investigation of the accuracy of any information or their decision whether to subscribe for, purchase or invest in the Covered Bonds. None of the Arrangers, the Dealers or any of their affiliates or the Bond Trustee undertakes any obligation to advise any investor or potential investor in or purchaser of the Covered Bonds of any information coming to the attention of any of the Arrangers, the Dealers or any of their affiliates or the Bond Trustee, as the case may be.

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of the Covered Bonds in certain jurisdictions may be restricted by law. In particular, no action has been taken by the Issuer or the Guarantor or the Arrangers or the Dealers or any of their affiliates which would permit a public offering of the Covered Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Covered Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the Prospectus Regulation and any other applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus or any Final Terms comes are required by the Issuer, the Guarantor, the Bond Trustee, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of the Prospectus or any Final Terms and other offering material relating to the Covered Bonds in Canada, the United States, Japan, the EEA, the UK, France, Italy, Belgium, Hong Kong, Singapore, Australia, Denmark, Switzerland and the Netherlands (see "*Subscription and Sale*" below). Neither this Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

This Prospectus has been prepared on the basis that any offer of Covered Bonds in any member state of the EEA or in the UK will be made pursuant to an exemption under the Prospectus Regulation or the UK Prospectus Regulation, as applicable, from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly, any person making or intending to make an offer in any member state of the EEA or in the UK of Covered Bonds which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of those Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer or any of their

affiliates to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or section 85 of the Financial Services and Markets Act 2000 as amended (the "FSMA"), as applicable, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or the UK Prospectus Regulation, as applicable, in each case, in relation to such offer. None of the Issuer, the Guarantor, the Bond Trustee, the Arrangers or any Dealer or any of their affiliates has authorized, nor do they authorize, the making of any offer of Covered Bonds in circumstances in which an obligation arises for the Issuer or any Dealer or any of their affiliates to publish or supplement a prospectus for such offer.

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

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

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

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

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

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

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE (the "SFA") – Unless otherwise stated in the applicable Final Terms in respect of any Covered Bonds, all Covered Bonds issued or to be issued under the Programme shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in the Monetary Authority of Singapore (the "MAS") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). This notification or any such legend included in the relevant Final Terms shall be applicable in the event that the Covered Bonds are offered in Singapore other than to institutional investors and/or accredited investors (each as defined in the SFA) and, if applicable, will constitute notice to "relevant persons" (as defined in section 309A(1) of the SFA) for purposes of Section 309B(1)(c) of the SFA.

No website referred to herein nor any information contained thereon, forms part of this Prospectus, nor have the contents of any such website been approved by or submitted to the CSSF, unless, in each case, such website or information is expressly incorporated by reference in this Base Prospectus.

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

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

All references in this Prospectus to "U.S.$", "U.S. dollars", "USD" or "United States dollars" are to the currency of the United States of America, to "$", "C$", "CAD" or

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

All references in this Prospectus to: (a) "Prospectus Regulation" are to Regulation (EU) 2017/1129, as amended; and (b) "UK Prospectus Regulation" are to the Prospectus Regulation as it forms part of United Kingdom domestic law by virtue of the EUWA.

All references in this Prospectus to the "European Economic Area" or "EEA" are to the Member States together with Iceland, Norway and Liechtenstein.

All references to "Condition(s)" are, unless otherwise specified in the applicable Final Terms, to the conditions described in the Prospectus under "*Terms and Conditions of the Covered Bonds*".

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

None of the Dealers, the Guarantor or the Issuer makes any representation to any investor in the Covered Bonds regarding the legality of its investment under any applicable laws. Any investor in the Covered Bonds should satisfy itself that it is able to bear the economic risk of an investment in the Covered Bonds for an indefinite period of time. Investors whose investment authority is subject to legal restrictions should consult their legal advisors to determine whether and to what extent the Covered Bonds constitute legal investments for them.

Each potential investor in the Covered Bonds must determine the suitability of that investment in light of his or her own circumstances. In particular, each potential investor should:

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

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact the Covered Bonds will have on its overall investment portfolio;
(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
(d) understand thoroughly the terms of the Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
(e) be able to evaluate (either alone or with the help of a financial adviser) at the time of initial investment and on an ongoing basis possible economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

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

AVAILABLE INFORMATION

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

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

Notwithstanding anything herein to the contrary, investors (and each employee, representative or other agent of the investors) may disclose to any and all persons, without limitation of any kind,

the tax treatment and tax structure of the offering and all materials of any kind (including opinions or other tax analyses) that are provided to the investors relating to such tax treatment and tax structure (as such terms are defined in U.S. Treasury Regulation Section 1.6011-4). This authorization of tax disclosure is retroactively effective to the commencement of discussions between the Issuer, the Guarantor, the Dealers or their respective representatives and a prospective investor regarding the transactions contemplated herein.

CREDIT RATING AGENCIES

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

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

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

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

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

Registered CRA affiliate: (i) is established in the EU; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to endorse credit ratings of Standard & Poor's Financial Services LLC used in specified third countries, including the United States and Canada, for use in the EU by relevant market participants.

ESMA is obliged to maintain on its website a list of credit rating agencies registered in accordance with the EU CRA Regulation. This list must be updated within 5 working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the EU CRA Regulation. The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. ESMA's website address is https://www.esma.europa.eu. Please note that this website does not form part of this Prospectus.

The UK Financial Conduct Authority (the "**FCA**") is obliged to maintain on its website a list of credit rating agencies registered in accordance with the UK CRA Regulation. The list of registered and certified rating agencies published by the FCA on its website in accordance with the UK CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated FCA list. The FCA's website address is https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras. Please note that this website does not form part of this Prospectus.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated herein by reference contain forward-looking statements within the meaning of certain securities laws. All such statements are made pursuant to the "safe harbour" provisions of, and are intended to be forward-looking statements under, applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements the Issuer makes about its operations, business lines, financial condition, risk management, priorities, targets and sustainability commitments (including with respect to CIBC's 2050 net-zero ambition and its environmental, social and governance ("**ESG**") related activities), ongoing objectives, strategies, the regulatory environment in which the Issuer operates and outlook for calendar year 2025 and subsequent periods.

Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate", "forecast", "target", "predict", "commit", "ambition", "goal", "strive", "project", "objective" and other similar expressions or future or conditional verbs such as "will", "may", "should", "would" and "could". By their nature, these statements require the Issuer or the Guarantor to make assumptions, including economic assumptions, and are subject to inherent risks and uncertainties that may be general or specific. Given the potential recession risks tied to the actual and proposed U.S. imposition of tariffs on Canada and other countries and their countermeasures, the continuing impact of hybrid work arrangements and high interest rates on the U.S. real estate sector, and the war in Ukraine and conflict in the Middle East on the global economy, financial markets, and the Issuer's and the Guarantor's business, results of operations, reputation and financial condition, there is inherently more uncertainty associated with the Issuer's and the Guarantor's assumptions as compared to prior periods. A variety of factors, many of which are beyond the Issuer and the Guarantor's control, affect the Issuer and the Guarantor's

operations, performance and results, and could cause actual results to differ materially from the expectations expressed in any of these forward-looking statements.

These factors include: trade policies and tensions, including tariffs; inflationary pressures in the U.S.; global supply-chain disruptions; geopolitical risk, including from the war in Ukraine and conflict in the Middle East, the occurrence, continuance or intensification of public health emergencies, such as the impact of post-pandemic hybrid work arrangements, and any related government policies and actions; credit, market, liquidity, strategic, insurance, operational, reputation, conduct and legal, regulatory and environmental risk; currency value and interest rate fluctuations, including as a result of market and oil price volatility; the effectiveness and adequacy of the Issuer's risk management and valuation models and processes; legislative or regulatory developments in the jurisdictions where the Issuer and the Guarantor operate, including the Organisation for Economic Co-operation and Development Common Reporting Standard, and regulatory reforms in the UK and Europe, the Basel Committee on Banking Supervision's global standards for capital and liquidity reform, and those relating to bank recapitalization legislation and the payments system in Canada; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions, and interest rate and liquidity regulatory guidance; exposure to, and the resolution of, significant litigation or regulatory matters, the Issuer's and the Guarantor's ability to successfully appeal adverse outcomes of such matters and the timing, determination and recovery of amounts related to such matters; the effect of changes to accounting standards, rules and interpretations; changes in the Issuer's estimates of reserves and allowances; changes in tax laws; changes to the Issuer's credit ratings; political conditions and developments, including changes relating to economic or trade matters such as tariffs; the possible effect on the Issuer's and the Guarantor's business of international conflicts, such as the war in Ukraine and conflict in the Middle East, and terrorism; natural disasters, disruptions to public infrastructure and other catastrophic events; reliance on third parties to provide components of the Issuer's and the Guarantor's business infrastructure; potential disruptions to the Issuer's information technology systems and services; increasing cyber security risks which may include theft or disclosure of assets, unauthorized access to sensitive information, or operational disruption; social media risk; losses incurred as a result of internal or external fraud; anti-money laundering; the accuracy and completeness of information provided to the Issuer and the Guarantor concerning clients and counterparties; the failure of third parties to comply with their obligations to the Issuer, the Guarantor and the Issuer's affiliates or associates; intensifying competition from established competitors and new entrants in the financial services industry including through internet and mobile banking; technological change, including the use of data and artificial intelligence in the Issuer's and the Guarantor's business; global capital market activity; changes in monetary and economic policy; general business and economic conditions worldwide, as well as in Canada, the U.S. and other countries where the Issuer has operations, including increasing Canadian household debt levels and global credit risks; climate change and other ESG related risks including the Issuer's ability to implement various sustainability-related initiatives internally and with its clients within expected time frames and its ability to scale its sustainable finance products and services; the Issuer's success in developing and introducing new products and services, expanding existing distribution channels, developing new distribution channels and realizing increased revenue from these channels; changes in client spending and saving habits; the Issuer's ability to attract and retain key employees and executives; the Issuer's ability to successfully execute its strategies and complete and integrate acquisitions and joint ventures; the risk that expected benefits of an acquisition, merger or divestiture will not be realized within the expected time frame or at all; and the Issuer's and the Guarantor's ability to anticipate and manage the risks associated with these factors.

This list is not exhaustive of the factors that may affect any of these forward-looking statements. These and other factors should be considered carefully and prospective purchasers of Covered Bonds should not place undue reliance on these forward-looking statements. Additional information about these factors can be found in the "*Risk Factors*" section in this Prospectus and other documents incorporated by reference herein (see "*Documents Incorporated by Reference*").

The forward-looking statements included in this Prospectus are made only as of the date of this Prospectus. Except as may be required by applicable law or stock exchange rules or regulations, the Issuer and the Guarantor expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's or Guarantor's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. New factors emerge from time to time, and it is not possible to predict which will arise. In addition, neither the Issuer nor the Guarantor can assess the effect of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statement.

LIMITATIONS ON ENFORCEMENT OF U.S. LAWS AGAINST THE ISSUER, THE GUARANTOR, THEIR RESPECTIVE MANAGEMENT AND OTHERS

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

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

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GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, information contained elsewhere in this Prospectus and, in relation to the terms and conditions of any particular Tranche of Covered Bonds, the applicable Final Terms. Words and expressions defined elsewhere in this Prospectus shall have the same meanings in this overview. A glossary of certain defined terms is contained at the end of this Prospectus. This overview constitutes a general description of the Programme for purposes of Article 25(1) of Commission Delegated Regulation (EU) 2019/980.

Issuer:	Canadian Imperial Bank of Commerce (the "**Bank**" or the "**Issuer**" or "**CIBC**").
Issuer Legal Entity Identifier (LEI):	2IGI19DL77OX0HC3ZE78
Branch of Account:	The head office of the Bank in Toronto, or any of the London, Hong Kong, Singapore and Sydney branches as may be specified in the applicable Final Terms, any such branch being the "**Branch of Account**" for the purposes of the Bank Act, will take the deposits evidenced by the Covered Bonds, but without prejudice to the provisions of Condition 9 (see "*Terms and Conditions of the Covered Bonds – Payments*").
Guarantor:	CIBC Covered Bond (Legislative) Guarantor Limited Partnership.
Guarantor Legal Entity Identifier (LEI):	549300P5KCLQKBRPP437
Arrangers:	Canadian Imperial Bank of Commerce, London Branch and HSBC Bank plc ("**HSBC**").
Dealers:	Canadian Imperial Bank of Commerce, London Branch, BNP Paribas, Commerzbank Aktiengesellschaft, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, HSBC Continental Europe, Merrill Lynch International, J.P. Morgan Securities plc, Natixis, NatWest Markets Plc and UBS AG London Branch or such other dealer(s) as may be appointed from time to time by the Issuer generally in respect of the Programme or in relation to a particular Series or Tranche of Covered Bonds.
Seller:	The Bank, any New Seller, or other party for whom Rating Agency Confirmation has been received, who may from time to time accede to the Mortgage Sale Agreement and sell New Loans and their Related Security to the Guarantor.
Servicer:	The Bank, subject to replacement in accordance with the terms of the Servicing Agreement.
Cash Manager:	The Bank, subject to replacement in accordance with the terms of the Cash Management Agreement.

Issuing and Paying Agent, European Registrar, European Exchange Agent, Calculation Agent and Transfer Agent:	HSBC Bank plc, acting through its office at 8 Canada Square, London, E14 5HQ.
U.S. Registrar, Transfer Agent and Exchange Agent:	HSBC Bank USA, National Association acting through its offices at 66 Hudson Boulevard East, New York, NY 10001.
Bond Trustee:	Computershare Trust Company of Canada, acting through its offices located at 320 Bay Street, 14th Floor, Toronto, Ontario, Canada M5H 4A6.
Asset Monitor:	Ernst & Young LLP, acting through its offices at EY Tower, Toronto, Ontario Canada M5H 0B3.
Custodian:	Computershare Trust Company of Canada, acting through its offices located at 320 Bay Street, 14th Floor, Toronto, Ontario, Canada M5H 4A6.
Interest Rate Swap Provider:	The Bank, subject to replacement in accordance with the terms of the Interest Rate Swap Agreement.
Covered Bond Swap Provider:	The Bank, subject to replacement in accordance with the terms of the Covered Bond Swap Agreement.
GDA Provider:	Initially, the Bank, acting through its head office in Toronto.
Account Bank:	Initially, the Bank, acting through its head office in Toronto.
Standby Account Bank:	The Bank of Nova Scotia, acting through its offices located at 40 Temperance Street, 9th Floor, Toronto, Ontario M5H 0B4.
Standby GDA Provider:	The Bank of Nova Scotia, acting through its offices located at 40 Temperance Street, 9th Floor, Toronto, Ontario M5H 0B4.
Description:	Global Covered Bond Programme.
Covered Bond Legislative Framework:	The Issuer and the Programme were registered in the Registry in accordance with the Covered Bond Legislative Framework and the CMHC Guide on 3 July 2013.
Certain Restrictions:	Each Series or Tranche of Covered Bonds denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*").
Programme Size:	Up to CAD 60,000,000,000 (or its equivalent in Specified Currencies), outstanding at any time, subject to increase. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealership Agreement.

	Covered Bonds denominated in a currency other than Canadian dollars shall be translated into Canadian dollars at the exchange rate specified in the Covered Bond Swap Agreement relating to such Covered Bonds, or if the Covered Bond Swap Agreement has terminated, the applicable spot rate of exchange for the purchase of such currency against payment of Canadian dollars being quoted by the Issuing and Paying Agent on the date of the agreement to issue such Covered Bonds was made which, where the parties enter into a subscription agreement in respect of the Covered Bonds, shall be the date of execution thereof, and in all other cases, the date of the applicable Final Terms.
Distribution:	Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis, subject to the restrictions set forth in "*Subscription and Sale*".
Issuance of Series:	Covered Bonds will be issued in series (each, a "**Series**"). Each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") issued on different issue dates. The Covered Bonds of each Series will all be subject to identical terms, except that (i) the issue date and the date and amount of the first payment of interest may be different in respect of different Tranches and (ii) a Series may comprise Covered Bonds in bearer form and Covered Bonds in registered form and Covered Bonds in more than one denomination. The Covered Bonds of each Tranche will be subject to identical terms in all respects, save that a Tranche may comprise Covered Bonds in bearer form and Covered Bonds in registered form and may comprise Covered Bonds of different denominations.
Specified Currencies:	Covered Bonds may be denominated in any currency or currencies subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, such currencies to be agreed upon between the Issuer, the relevant Dealer(s) and the Bond Trustee (as set out in the applicable Final Terms). Payments in respect of Covered Bonds may, subject to compliance as described above, be made in and/or linked to, any currency or currencies other than the currency in which such Covered Bonds are denominated as may be specified in the applicable Final Terms.
Denomination:	Covered Bonds may be issued on a fully-paid basis at any price and in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms, save that the minimum denomination of each Covered Bond to be admitted to trading on a regulated market within the EEA will be at least €100,000 (or, if the Covered Bonds are denominated in a currency other than euros, at least the equivalent amount in such currency as at the Issue Date of such Covered Bonds) or such other higher amount as may be required from time to time by the relevant regulator (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

	The minimum denomination of each Definitive IAI Registered Covered Bond and each Rule 144A Global Covered Bond will be as stated in the applicable Final Terms in U.S. dollars (or its approximate equivalent in other Specified Currencies).
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant regulator (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Form of the Covered Bonds:	The Covered Bonds will be issued in bearer or registered form as described in "*Form of the Covered Bonds*". Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds and vice versa. Each Tranche of Bearer Covered Bonds will be issued in the form of either a Temporary Global Covered Bond or a Permanent Global Covered Bond deposited with the Common Safekeeper for Euroclear and Clearstream, Luxembourg (in the case of Bearer Covered Bonds intended to be issued in NGCB form) or otherwise with a Common Depositary for Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. A Temporary Global Covered Bond will be exchangeable for a Permanent Global Covered Bond or, if so specified in the applicable Final Terms, Bearer Definitive Covered Bonds. A Permanent Global Covered Bond will be exchangeable for Bearer Definitive Covered Bonds only in the limited circumstances specified in the "*Terms and Conditions of the Covered Bonds*". Registered Covered Bonds sold in reliance on Regulation S will be issued in the form of Regulation S Global Covered Bonds, while Registered Covered Bonds sold in reliance on Rule 144A will be issued in the form of Rule 144A Global Covered Bonds (together, the "**Registered Global Covered Bonds**"). Registered Global Covered Bonds will (i) if held under the new safekeeping structure for registered global securities which are intended to constitute eligible collateral for Eurosystem monetary policy and intra-day credit operations (the "**NSS**"), be registered in the name of a nominee of, and delivered to, a common safekeeper for Euroclear and/or Clearstream; and (ii) if not held under the NSS, be deposited with a custodian for, and registered in the name of a nominee for, DTC, CDS or Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Registered Global Covered Bonds will be exchangeable for Registered Definitive Covered Bonds in the limited circumstances specified in "*Terms and Conditions of the Covered Bonds*". Registered Covered Bonds sold to Institutional Accredited Investors will be issued in definitive form in the name of the holder thereof in denominations specified in the applicable Final Terms.

	Registered Covered Bonds are subject to transfer restrictions described under "*Subscription and Sale*". See "*Form of the Covered Bonds*" for further details.
Interest:	Covered Bonds may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate (detailed in a formula or otherwise) and may vary during the lifetime of the relevant Series.
Types of Covered Bonds:	The following is a list of the types of Covered Bonds that may be issued under the Programme: • Fixed Rate Covered Bonds • Floating Rate Covered Bonds • Instalment Covered Bonds • Zero Coupon Covered Bonds
Fixed Rate Covered Bonds:	Fixed Rate Covered Bonds will bear interest at a fixed rate which will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms), provided that 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 the unpaid amount in accordance with Condition 5, at the applicable Rate of Interest, including, if applicable, as may be determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds) even where the relevant Covered Bonds are Fixed Rate Covered Bonds.
Floating Rate Covered Bonds:	Floating Rate Covered Bonds will bear interest at a rate determined: (i) on the same basis as the floating rate under a schedule and confirmation and credit support annex, if applicable, for the relevant Tranche and/or Series of Covered Bonds in the relevant Specified Currency governed by the Covered Bond Swap Agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; as set out in the applicable Final Terms. The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Tranche and Series of Floating Rate Covered Bonds as set out in the applicable Final Terms.
Instalment Covered Bonds:	Instalment Covered Bonds are redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Zero Coupon Covered Bonds:	Zero Coupon Covered Bonds may be offered and sold at a discount to their nominal amount and will not bear interest except in the case of late payment.
Rating Agency Confirmation:	Any issuance of new Covered Bonds will be conditional upon obtaining Rating Agency Confirmation in respect of the ratings of the then outstanding Covered Bonds by the Rating Agencies.
Ratings:	Covered Bonds issued under the Programme are expected on issue to be assigned the following ratings: an "Aaa" by Moody's and an "AAA" by Fitch unless otherwise specified in the applicable Final Terms.
Listing and admission to trading:	Application has been made to admit Covered Bonds issued under the Programme for the period of 12 months from the date of this Prospectus to the Official List and to admit the Covered Bonds to trading on the Regulated Market.
Redemption:	The applicable Final Terms relating to each Tranche of Covered Bonds will indicate either that the relevant Covered Bonds of such Tranche cannot be redeemed prior to their stated maturity (other than in the case of Instalment Covered Bonds or following an Issuer Event of Default or a Guarantor Event of Default or as indicated below) or that such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the holders of the Covered Bonds, on a date or dates specified prior to such stated maturity and at a price or prices set out in the applicable Final Terms. Early redemption will be permitted for taxation reasons and illegality as mentioned in "*Terms and Conditions of the Covered Bonds — Early Redemption for Taxation Reasons*" and "**—** Redemption due to Illegality".

Extendable obligations under the Covered Bond Guarantee:	The applicable Final Terms may also provide that (if a Notice to Pay has been served on the Guarantor) the Guarantor's obligations under the Covered Bond Guarantee to pay the Guaranteed Amounts corresponding to the Final Redemption Amount of the applicable Series of Covered Bonds on their Final Maturity Date (subject to applicable grace periods) may be deferred until the Extended Due for Payment Date. In such case, such deferral will occur automatically (i) if the Issuer fails to pay the Final Redemption Amount of the relevant Series of Covered Bonds on their Final Maturity Date (subject to applicable grace periods) and (ii) if the Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds are not paid in full by the Guarantor by the Extension Determination Date (for example, because the Guarantor has insufficient moneys in accordance with the Priorities of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds after payment of higher ranking amounts and taking into account amounts ranking *pari passu* in the Priorities of Payments). To the extent a Notice to Pay has been served on the Guarantor and the Guarantor has sufficient time and sufficient moneys to pay in part the Final Redemption Amount, such partial payment will be made by the Guarantor on any Interest Payment Date up to and including the relevant Extended Due for Payment Date as described in Condition 6.01. Interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 5, at the applicable Rate of Interest, including, if applicable, as may be determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds). The Guarantor will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and the Extended Due for Payment Date and any unpaid amounts in respect thereof shall be due and payable on the Extended Due for Payment Date.

Taxation:	Payments in respect of Covered Bonds will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada 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 or the interpretation or administration thereof. In that event, the Issuer will (subject to customary exceptions set out in Condition 8) pay such additional amounts as will result in the holders of Covered Bonds, Receipts or Coupons (as the case may be) receiving such amounts as they would have received in respect of such Covered Bonds, Receipts or Coupons had no such withholding or deduction been required (see "*Terms and Conditions of the Covered Bonds—Early Redemption for Taxation Reasons*"). Under the Covered Bond Guarantee, the Guarantor will not be liable to pay any such additional amounts as a consequence of any applicable tax withholding or deduction, including such additional amounts which may become payable by the Issuer under Condition 8.
Canadian Taxation:	See the discussion under the heading "*Taxation—Canada*". Without limiting such discussion, if (i) any portion of interest payable on a Covered Bond is contingent or dependent on the use of, or production from, property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of a corporation; or (ii) the recipient of interest payable on a Covered Bond does not deal at arm's length with the Issuer for purposes of the *Income Tax Act* (Canada) ("**Act**"); or (iii) the recipient of interest is, or does not deal at arm's length with, a person who is a "specified shareholder" (as defined in sub-section 18(5) of the Act for the purposes of the "thin capitalization" rules) of the Issuer or any partner of the Guarantor; (iv) the recipient of interest payable on a Covered Bond is an entity in respect of which the Issuer is a "specified entity" (as defined in the Act); or (iv) interest is payable in respect of a Covered Bond owned by a person with whom the Issuer or Guarantor is not dealing with at arm's length for purposes of the Act, such interest may be subject to Canadian non-resident withholding tax.
U.S. Taxation:	See the discussion under the heading "*Taxation—U.S. Federal Income Taxation*".
U.K. Taxation:	See the discussion under the heading "*Taxation—United Kingdom Taxation*".

ERISA:	Subject to the limitations described under "*ERISA and Certain Other U.S. Benefit Plan Considerations*", a Covered Bond may be purchased by Benefit Plan Investors (as defined in Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) and other plans, subject to certain conditions. Before purchasing a Covered Bond, fiduciaries of such Benefit Plan Investors and other plans should determine whether an investment in the Covered Bonds is appropriate for such Benefit Plan Investors or other plans, as applicable, and are urged to review carefully the matters discussed in this Prospectus and to consult with their own legal and financial advisors before making an investment decision. See "*ERISA and Certain Other U.S. Benefit Plan Considerations*".
Cross Default:	If a Guarantor Acceleration Notice is served in respect of any one Series of Covered Bonds, then the obligation of the Guarantor to pay Guaranteed Amounts in respect of all Series of Covered Bonds outstanding will be accelerated.
Status of the Covered Bonds:	The Covered Bonds will constitute deposits for purposes of the Bank Act and will constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* with all deposit liabilities of the Issuer without any preference among themselves and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding. The Covered Bonds will not be deposits insured under the *Canada Deposit Insurance Corporation Act* (Canada).
Governing Law and Jurisdiction:	The Covered Bonds issued pursuant to this Prospectus and all Transaction Documents will be governed by, and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. See "*Overview of the Principal Documents*". Ontario courts have non-exclusive jurisdiction in the event of litigation in respect of the contractual documentation and the Covered Bonds governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, and, subject to certain exceptions can enforce foreign judgements in respect of agreements governed by foreign laws.
Terms and Conditions:	Final Terms will be prepared in respect of each Tranche of Covered Bonds. A copy of each Final Terms will, in the case of Covered Bonds to be admitted to the Official List and to be admitted to trading on the Regulated Market, be delivered to the CSSF and to the Luxembourg Stock Exchange on or before the closing date of such Covered Bonds. The terms and conditions applicable to each Tranche will be those set out herein under "*Terms and Conditions of the Covered Bonds*".

Clearing System:	DTC, CDS, Euroclear, Clearstream, Luxembourg and/or, in relation to any Covered Bonds, any other clearing system as may be specified in the applicable Final Terms.
Non-U.S. Selling Restrictions:	There will be specific restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of offering material in Canada, Japan, the EEA, the UK, France, Italy, Belgium, Hong Kong, Singapore, Australia, Norway, Denmark, Switzerland and the Netherlands as well as such other restrictions as may be required in connection with a particular issue of Covered Bonds as set out in the applicable Final Terms. See "*Subscription and Sale"*.
U.S. Selling Restrictions:	The Issuer is Category 2 for the purposes of Regulation S. If specified in the applicable Final Terms, Covered Bonds may be sold to QIBs in compliance with Rule 144A or to Institutional Accredited Investors in reliance on Section 4(a)(2) of the Securities Act. See "*Subscription and Sale*" on page 320 of this Prospectus. The Covered Bonds in bearer form will be issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**") unless (i) the applicable Final Terms state that the Covered Bonds are issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**") or (ii) the Covered Bonds are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstances in which the Covered Bonds will not constitute "registration required obligations" under the *United States Tax Equity and Fiscal Responsibility Act of 1982* ("**TEFRA**"), which circumstances will be referred to in the applicable Final Terms as a transfer to which TEFRA is not applicable.
Transfer Restrictions:	There are restrictions on the transfer of certain Registered Covered Bonds. See "*Subscription and Sale— Transfer Restrictions—United States*".

Covered Bond Guarantee:	Payment of interest and principal in respect of the Covered Bonds when Due for Payment will be irrevocably guaranteed by the Guarantor. The obligations of the Guarantor to make payment in respect of the Guaranteed Amounts when Due for Payment are subject to the condition that a Covered Bond Guarantee Activation Event has occurred. The obligations of the Guarantor under the Covered Bond Guarantee will accelerate against the Guarantor upon the service of a Guarantor Acceleration Notice. The obligations of the Guarantor under the Covered Bond Guarantee constitute direct obligations of the Guarantor secured against the assets of the Guarantor, including the Covered Bond Portfolio. Payments made by the Guarantor under the Covered Bond Guarantee will be made subject to, and in accordance with, the applicable Priorities of Payments.
Security:	To secure its obligations under the Covered Bond Guarantee and the Transaction Documents to which it is a party, the Guarantor has granted a first ranking security interest over its present and future acquired assets, including the Covered Bond Portfolio, in favour of the Bond Trustee (for itself and on behalf of the other Secured Creditors) pursuant to the terms of the Security Agreement.
Covered Bond Portfolio:	The Covered Bond Portfolio will consist solely of Loans (and their Related Security). Covered Bond Portfolio static data and statistics relating to the Loans comprising the Covered Bond Portfolio from time to time will be disclosed in the Investor Reports. The Investor Reports will also disclose, among other things, the results of the Asset Coverage Test and the Valuation Calculation.
Intercompany Loan:	Under the terms of the Intercompany Loan Agreement, the Bank makes available to the Guarantor an interest-bearing Intercompany Loan, comprised of a Guarantee Loan and a revolving Demand Loan, subject to increases and decreases as described below. The Intercompany Loan is denominated in Canadian dollars. The interest rate on the Intercompany Loan is a Canadian dollar floating rate determined by the Bank from time to time, subject to a maximum of the floating rate under the Interest Rate Swap Agreement less the sum of a minimum spread and an amount for certain expenses of the Guarantor. The balance of the Guarantee Loan and Demand Loan will fluctuate with the issuances and redemptions of Covered Bonds and the requirements of the Asset Coverage Test.

Upon the occurrence of (x) a Contingent Collateral Trigger Event, (y) an event of default (other than an insolvency event of default) or an additional termination event in respect of which the relevant Swap Provider is the defaulting party or the affected party, as applicable, or (z) a Downgrade Trigger Event, in each case, in respect of the Interest Rate Swap Agreement or the Covered Bond Swap Agreement, the relevant Swap Provider, in its capacity as (and provided it is) the lender under the Intercompany Loan Agreement, may deliver a Contingent Collateral Notice to the Guarantor under which it elects to decrease the amount of the Demand Loan with a corresponding increase in the amount of the Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount(s).

To the extent the Covered Bond Portfolio increases or is required to be increased to meet the Asset Coverage Test, the Bank may increase the Total Credit Commitment to enable the Guarantor to purchase New Loans and their Related Security from the Seller. The balance of the Guarantee Loan and the Demand Loan from time to time will be disclosed in the Investor Report.

Guarantee Loan: The Guarantee Loan is in an amount equal to the balance of outstanding Covered Bonds at any relevant time plus that portion of the Covered Bond Portfolio required in accordance with the Asset Coverage Test as over collateralization for the Covered Bonds in excess of the amount of then outstanding Covered Bonds (see "*Overview of the Principal Documents—Guarantor Agreement—Asset Coverage Test*").

Demand Loan: The Demand Loan is a revolving credit facility, the outstanding balance of which is equal to the difference between the balance of the Intercompany Loan and the balance of the Guarantee Loan at any relevant time. At any time prior to a Demand Loan Repayment Event (or following a Demand Loan Repayment Event if agreed to by the Bank and subject to Rating Agency Confirmation), the Guarantor may re-borrow any amount repaid by the Guarantor under the Intercompany Loan for a permitted purpose provided, among other things, such drawing does not result in the Intercompany Loan exceeding the Total Credit Commitment.

The Proceeds of the Intercompany Loan:	The Guarantor used the initial advance of proceeds from the Intercompany Loan to purchase the Initial Covered Bond Portfolio consisting of Loans and their Related Security from the Seller in accordance with the terms of the Mortgage Sale Agreement and may use additional advances (i) to purchase New Loans and their Related Security pursuant to the terms of the Mortgage Sale Agreement; and/or (ii) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (iii) subject to complying with the Asset Coverage Test to make Capital Distributions to the Limited Partner; and/or (iv) to make deposits of the proceeds in the Guarantor Accounts (including, without limitation, to fund the Reserve Fund and the Pre-Maturity Liquidity Ledger (in each case to an amount not exceeding the prescribed limit)).
Capital Contribution:	Each of the Managing GP and the Liquidation GP have contributed a nominal cash amount to the Guarantor and respectively hold 99 per cent and 1 per cent of the 0.05 per cent general partner interest in the Guarantor. The Limited Partner holds the substantial economic interest in the Guarantor (approximately 99.95 per cent) having made a Cash Capital Contribution to the Guarantor. The Limited Partner may from time to time make additional Capital Contributions.
Consideration:	Under the terms of the Mortgage Sale Agreement, the Seller sold the Initial Covered Bond Portfolio and may, from time to time, sell New Loans and their Related Security to the Guarantor on a fully-serviced basis in exchange for cash consideration. The Limited Partner may also make Capital Contributions of New Loans and their Related Security in exchange for an additional interest in the capital of the Guarantor.
Interest Rate Swap Agreement:	To provide a hedge against possible variances in the rates of interest payable on the Portfolio Assets and related amounts in the Covered Bond Portfolio (which may, for instance, include variable rates of interest or fixed rates of interest) and the amounts payable on the Intercompany Loan and, following the Covered Bond Swap Effective Date, under the Covered Bond Swap Agreement, the Guarantor has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider. See "*Overview of the Principal Documents—Interest Rate Swap Agreement*".

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

RISK FACTORS

The Issuer and the Guarantor believe that the factors described below represent the principal categories and subcategories of risks inherent in investing in Covered Bonds issued under the Programme but the inability of the Issuer and the Guarantor to pay interest, principal or other amounts on or in connection with any Covered Bonds may occur for other reasons and neither the Issuer nor the Guarantor represents that the statements below regarding the risks of holding any Covered Bonds are exhaustive. Additional risks and uncertainties not presently known to the Issuer or the Guarantor or that they currently believe to be immaterial could individually or cumulatively also have a material impact on their respective business operations or affect the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Covered Bonds.

Prospective purchasers of Covered Bonds should consider the categories of risks identified and discussed herein including pandemic inflationary pressures, global supply-chain disruptions, geopolitical risk, credit, market, liquidity, strategic, insurance, operational, reputation, conduct and legal, regulatory, and environmental, currency value and interest rate fluctuations other risk and those related to general business and economic conditions. In order to provide prospective purchasers of the Covered Bonds with a more detailed explanation of the risk factors set out below, such prospective purchasers may also wish to consider the detailed information set out elsewhere in this Prospectus, and any applicable Final Terms (including information incorporated by reference herein or therein) to reach their own views prior to making any investment decisions.

1. RISKS RELATED TO THE ISSUER'S BUSINESS ACTIVITIES AND INDUSTRY

Inflation, Interest Rates and Economic Growth

As inflation eased in 2024, central banks began reducing interest rates in the back half of the year. While interest rates will gradually begin to provide financial relief to clients, unemployment continues to be a headwind. Commercial office real estate, particularly in the United States, continues to face challenges due to post COVID-19 hybrid work arrangements and high interest rates, negatively impacting office asset valuations. The impact of interest rates on Canadian mortgages is discussed under the risk factor entitled "*Canadian consumer debt and the housing market*" below and in the "*Credit risk – Real estate secured personal lending*" section on pages 63-65 of CIBC's 2024 Annual Report. CIBC is closely monitoring the macroeconomic environment and assessing its potential adverse impact on its clients, counterparties and businesses. Further details on the macroeconomic environment are provided in the "*Economic and market environment – Outlook for calendar year 2025*" section on page 5 of CIBC's 2024 Annual Report, incorporated by reference herein.

These factors may adversely affect commercial office real estate and Canadian mortgages which in turn may have adverse impacts on CIBC's business, results of operations, reputation and financial condition.

Trade Policy Uncertainty

Newly implemented and proposed tariffs, by the U.S., and the related reciprocal measures are expected to have negative impacts on supply chains, inflation and economic activity, further amplifying ongoing U.S., Canada, China, and Mexico trade issues that existed prior to the tariff developments, and is posing a significant threat of a global recession and increasing market volatility. The ongoing uncertainty on the ultimate level and extent of tariffs could diminish

consumer and business confidence in Canada and around the globe, increasing credit, market, liquidity, operational and third-party risks.

The eventual impact of tariffs will depend on their nature and duration, as well as fiscal policies that may be enacted in response, and are expected to drive an increase in unemployment and inflation, thereby elevating credit risks. Higher unemployment and inflation could reduce discretionary consumer spending, slow loan origination and negatively impact debt servicing for both retail and commercial clients. Commercial clients may see lower overall revenues and higher costs, which could, in turn, slow growth and expansion plans. Certain sectors are expected to be more susceptible to the impact of the tariff developments, including but not limited to the manufacturing, retail and wholesale, and transportation sectors. CIBC is also monitoring the financial viability of suppliers who may be impacted should economic conditions deteriorate as the result of global tariff impacts.

Global financial markets experienced significant levels of market volatility in the second quarter from increased political and macroeconomic uncertainties driven by tariffs. Concerns around stagflation, with lower growth forecasts and rising inflation expectations, could leave central banks with limited options to manage both inflation and economic growth. CIBC's Capital Markets business maintains a defensive risk posture to manage the increased market risks and market volatility, while supporting elevated levels of client activity.

The impact of macroeconomic uncertainty on the U.S. dollar and long-term bond yields and changes in client sentiment due to macroeconomic volatility, recessionary conditions, or risks associated with banks, could lead to rising liquidity premiums in the funding market. Wider long-term issuance spreads for Canadian banks have already been observed during the second quarter as investor caution persists. CIBC continues to regularly monitor economic developments and proactively prepare mitigation plans.

These factors may have adverse impacts on CIBC's business, results of operations and financial condition.

Geopolitical Risk

The level of geopolitical risk escalates at certain points in time. While the specific impact on the global economy and on global credit and capital markets would depend on the nature of the event, in general, any major event could result in instability and volatility, leading to widening spreads, declining equity valuations, flight to safe-haven currencies and increased purchases of gold. In the short run, market disruption could hurt the net income of CIBC's trading and non-trading market risk positions. Geopolitical risk could reduce economic growth, and in combination with the potential impacts on commodity prices and protectionism, including from tariffs and other retaliatory measures, could have serious negative implications for general economic and banking activities.

Other areas which continue to be of concern for CIBC and its business include: conflict in the Middle East; the war in Ukraine and rising civil unrest and activism globally.

While it is difficult to predict where new geopolitical disruption will occur, CIBC pays particular attention to markets and regions with existing or recent historical instability to assess the impact of these environments on the markets and businesses in which it operates. However, despite these efforts, there is no guarantee that CIBC will be able to identify and assess the impacts of all such risks, which could have a material adverse effect on CIBC's results of operations.

Canadian Consumer Debt and the Housing Market

The latest household debt-to-income ratio data from Statistics Canada have been stable at below 2016 levels due to growth in disposable income and slower debt growth. The debt-to-service ratio has decreased in recent quarters in both mortgage and non-mortgage debt to 2016 levels, partially due to interest rates cuts combined with the rise in disposable income. Mortgage debt service ratios remain at historically high levels, while non-mortgage debt-to-income and service ratios remain at historical lows as clients maintain lower utilization and higher payment rates. Mortgage service ratios could remain elevated as mortgages continue to renew at higher rates and income growth decelerates from a slowing labour market. 2023 to 2025 year-to-date property sales volumes have slowed to 2018-2019 levels.

While the interest rate cuts in the second half of 2024 and in 2025 will provide some relief, the levels are still high and there is an expected lag on performance relief from each incremental cut. Further interest rate cuts could result in an increase in sales activity and housing prices, however, the risk and uncertainties of the current environment could prolong slower housing sales, as well as challenge unemployment and interest rate expectations. Real estate secured lending losses remain low, supported by strong housing prices, with the house price index slightly below peak 2022 levels and up year-over-year. Unemployment rates in fiscal 2025 are at the highest level since 2017 (excluding the increase in 2020 and 2021 resulting from the COVID-19 pandemic) and are expected to remain elevated in the current macroeconomic environment. Unemployment rates at high levels could elevate non-mortgage debt levels, and has increased unsecured payment pressures, typical of the credit cycle.

In recent years, the regulatory environment has seen increased scrutiny, with regulators tightening guidelines and elevating oversight over financial institutions. Changes to guidelines could impact business processes, increasing costs to CIBC and/or fines for non-compliance.

Recent changes impacting CIBC include:

- OSFI introduced a new portfolio concentration limit for uninsured originations with loan-to-income greater than 4.5x, effective 1 November 2024, with compliance reporting starting the first quarter of 2025;
- on 16 September 2024, to increase mortgage affordability for first-time homebuyers, the Department of Finance increased the maximum amortization for insured mortgages from 25 years to 30 years, and the maximum property value cap from $1 million to $1.5 million, effective 15 December 2024; and
- on 26 September 2024, OSFI issued further clarifications that existing uninsured mortgages that are straight switching from one federally regulated financial institution to another will be exempt from the re-application interest rate stress test, effective 21 November 2024.

These factors may have adverse impacts on CIBC's business, results of operations, reputation and financial condition. Further information on this risk can be found in the section entitled "*Credit Risk - Real estate secured personal lending*" at pages 63-65 of CIBC's 2024 Annual Report, incorporated by reference herein.

Climate Risk

The physical effects of climate change along with regulations designed to mitigate its negative impacts will have a measurable impact on communities and the economy. The physical risks of

climate change resulting from severe weather events and systemic issues such as rising sea levels can impact CIBC's profitability through disruptions in its own operations and damage to critical infrastructure. Transition risks, which arise as society adjusts towards a low-carbon future, can impact the financial health of its clients as changes in policy and technology aimed at limiting global warming can increase their operating costs and reduce profitability, while translating into potentially higher credit losses for CIBC. CIBC is also exposed to reputational risks due to changing stakeholder expectations related to action or inaction in addressing climate-related risks.

In the past year, a number of regulators and standard-setting organizations introduced and updated disclosure frameworks related to climate change risks, as well as environmental and social risks.

On 13 March 2024, the Canadian Sustainability Standards Board ("**CSSB**") released proposed Canadian Sustainability Disclosure Standards ("**CSDS**") 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and CSDS 2 "Climate-related Disclosures" for consultation, which align with the International Sustainability Standards Board's inaugural standards IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" ("**IFRS S1**") and IFRS S2 "Climate-related Disclosures" ("**IFRS S2**"). The proposals include certain Canadian-specific modifications to the effective dates and transition relief of IFRS S1 and IFRS S2, including the deferral of the initial application by one year to CIBC's reporting period ending 31 October 2026, to the extent that the proposed CSDS become effective in Canada.

On 20 March 2024, OSFI published updates to Guideline B-15 on Climate Risk Management ("**Guideline B-15**"), to align its minimum mandatory climate-related financial disclosure expectations with IFRS S2. OSFI is expected to continue to review Guideline B-15 as practices and standards evolve. Guideline B-15 continues to be initially effective for CIBC for its reporting period ending 31 October 2024 for certain disclosure elements, included in its 2024 Climate Report.

On 20 March 2024, OSFI also released the Climate Risk Returns to collect standardized climate-related data on emissions and exposures. The purpose of the Climate Risk Returns is to collect standardized climate-related emissions and exposure data directly from all institutions to enable OSFI to carry out evidence-based policy development, regulation, and prudential supervision as it pertains to climate risk management.

On 20 June 2024, the Canadian federal government enacted Bill C-59, which contains anti-greenwashing amendments to the *Competition Act* (Canada), to regulate misleading environmental claims. In addition, Bill C-59 provides third parties with a private right of action, with leave from the Competition Tribunal, as of 20 June 2025, for environmental claims that are alleged to have violated the misleading advertising provisions of the *Competition Act* (Canada).

On 18 December 2024, the CSSB published its first CSDS. The finalized CSDS 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and CSDS 2 "Climate-related Disclosures" align with IFRS S1 and IFRS S2, but with Canadian-specific modifications. OSFI has indicated that it plans to incorporate elements of CSDS 2 into Guideline B-15.

Additionally, the European Commission adopted the European Sustainability Reporting Standards in 2023 for entities subject to the Corporate Sustainability Reporting Directive

("**CSRD**"). In February 2025, the European Commission proposed revisions to the CSRD to simplify requirements and revise timelines. As a result, the CSRD requirements will not apply to certain CIBC subsidiaries until 2028. Potential divergence among the regulators in disclosure expectations, coupled with the pace at which the regulatory landscape changes, pose operational risks to CIBC, which could have an adverse effect on its business or results of operations. CIBC continues to monitor these developments and evolve its approach to support future regulatory requirements.

For additional information, please see the risk factor entitled "*Environmental and Social Risk*" below.

On 7 March 2025, OSFI revised the implementation date of Scope 3 emissions reporting to begin in fiscal year 2028, three years after the initial expectation, in order to align with the recently released standards from the CSSB. In addition to extending the timeline for financed emissions, OSFI's update also included an implementation date for the disclosure of off-balance sheet emissions, such as those from capital markets activities, with reporting set to begin in fiscal year 2029.

In April 2025, the Canadian Securities Administrators ("**CSA**") paused development of a new mandatory climate disclosure rule and amendments to existing diversity-related disclosure requirements. In the interim, the CSA encouraged issuers to refer to voluntary disclosure standards issued by the CSSB.

Despite CIBC's relatively low direct carbon emissions, compliance by many of its clients with new carbon emission standards could result in operational stress for those clients, which in turn may have a negative impact on CIBC's results of operations.

Interbank Offered Rate (IBOR) transition

Interest rate benchmarks including the London Interbank Offered Rate ("**LIBOR**") and other similar European benchmarks have been reformed and, in some cases, replaced by alternative benchmark rates (alternative rates) that meet regulatory definitions. Sterling, Japanese yen, Swiss franc, Euro and some USD LIBOR settings transitioned to alternative rates in 2022, and the remaining USD LIBOR settings transitioned in 2023. Canadian Dollar Offered Rate transitioned to the Canadian Overnight Repo Rate Average ("**CORRA**") on 28 June 2024. See the "Other regulatory developments" section and Note 1 to CIBC's 2024 audited consolidated financial statements in its 2024 Annual Report incorporated by reference herein, for further details.

Tax Reform

The tax environment continues to evolve with the potential for tax legislative changes in the near term that could impact CIBC and its clients as a result of the new U.S. administration and the re-election in Canada of another minority Liberal government.

On 20 June 2024, Canada enacted the Global Minimum Tax Act ("**GMTA**") to adopt the Organisation for Economic Co-operation and Development's ("**OECD**") Pillar Two, which implements a 15% GMTA on certain multinational enterprises, which applied to CIBC as of November 1, 2024. GMTA is in different stages of adoption across the jurisdictions in which CIBC operates. Recent executive orders and tax proposals issued by the new U.S. administration creates uncertainty as to additional taxes and potentially heightened complexity as to the application of GMTA globally. These included a new proposed increased U.S. tax rate on certain

residents of countries deemed to be imposing discriminatory and/or extraterritorial taxes on U.S. persons ("**Unfair Foreign Taxes**"), including, potentially, Canada's digital services tax and certain parts of the GMTA. On 28 June 2025, the Group of Seven (G7) released a statement outlining a compromise on certain aspects of Pillar Two, outlining a "side-by-side" proposal under which U.S. parented groups would be exempted from certain taxes under Pillar Two in recognition of certain existing U.S. minimum tax rules. In exchange, the proposed increased tax rate on certain residents of countries imposing such Unfair Foreign Taxes under Pillar Two was omitted from recently passed U.S. tax legislation. The implementation of the side-by-side proposal will result in additional tax changes in the United States, Canada and elsewhere. On June 29, 2025, the Government of Canada announced that Canada's digital services tax will be rescinded.

These factors may have adverse impacts on CIBC's business, results of operations and financial condition.

Further information may be found in the "*Financial results review – Taxes*" and "*Accounting and control matters – Accounting developments*" sections of CIBC's 2024 Annual Report and Note 18 to CIBC's 2024 audited consolidated financial statements in its 2024 Annual Report, incorporated by reference herein.

Technology, Information and Cyber Security Risk

CIBC is continuing to evolve its use of technology and business processes to improve the client experience and streamline operations. At the same time, cyber threats and the associated financial, reputation and business interruption risks have also increased. CIBC continues to actively manage these risks through strategic risk reviews and enterprise-wide technology and information security programs, with the goal of maintaining overall cyber-resilience that prevents, detects, and responds to threats such as data breaches, malware, unauthorized access, and denial-of-service attacks, which can result in damage to CIBC systems and information, theft or disclosure of confidential information, unauthorized or fraudulent activity, and service disruption at CIBC or its service providers, including those that offer cloud services.

Given the importance of electronic financial systems, including secure online and mobile banking provided by CIBC to its clients, CIBC monitors the changing environment globally, including cyber threats, mitigation strategies and evolving regulatory requirements, in order to improve its controls and processes to protect its systems and client information. In addition, CIBC performs cyber security preparedness, testing, and recovery exercises to validate its defences, benchmark against best practices and provide regular updates to its Board. CIBC has well-defined cyber incident response protocols and playbooks in the event that a security incident or breach occurs. CIBC also has cyber insurance coverage to help mitigate against certain potential losses associated with cyber incidents. CIBC's insurance coverage is subject to various terms and provisions, including limits on the types and amounts of coverage relating to losses arising from cyber incidents. CIBC periodically assesses its insurance coverage based on its risk tolerance and limits.

Despite CIBC's commitment to information and cyber security, and given the rapidly evolving threat and regulatory landscape, coupled with a changing business environment, it is not possible for CIBC to identify all cyber risks or implement measures to prevent or eliminate all potential cyber incidents from occurring. However, CIBC monitors its risk profile for changes and continues to refine approaches to security protection and service resilience to minimize the impact of any technology or cyber incidents that may occur. Nevertheless, there can be no guarantee that

CIBC's efforts will be entirely successful and the occurrence of any cyber incident could lead to disruptions to CIBC's businesses and results of operations.

Third Party Risk

CIBC's Board and senior management recognize the establishment of third-party relationships as important to CIBC's business model and therefore leverage them to achieve CIBC's business objectives. With the introduction of new technologies and increasing reliance on sub-contractors, the third-party landscape continues to evolve. While such relationships may benefit CIBC through reduced costs, increased innovation, improved performance and increased business competitiveness, they can also introduce risks of failure or disruption to CIBC through breakdowns in people, processes or technology or through external events that impact these third parties.

To mitigate third-party risks, prepare for future third-party risks and changing regulatory expectations, and to ensure existing processes and internal controls are operating effectively, CIBC relies on its strong risk culture and established the Third Party Risk Management program, which includes policies, procedures, expertise and resources dedicated to third-party risk management. The program identifies and manages risks that arise from third-party relationships from the point of planning through the life cycle of the business arrangement and supports the maintenance of collaborative relationships that advance its strategic direction and operational needs within CIBC's risk appetite.

Despite its mitigation efforts, CIBC remains exposed to failure or disruption as a result of breakdowns in people, processes or technology or through external events that impact these third parties, which could in turn have an adverse effect on its results of operations. Further information regarding risks to CIBC's results of operations more generally can be found under the risk factor entitled "*Operational Risk*" below. Further information on this risk can also be found at page 80 of the Issuer's 2024 Annual Report, incorporated by reference herein.

Disintermediation Risk

The level of disintermediation risk from fintechs for Canadian financial institutions is generally considered low. Canada has a growing fintech sector, with numerous startups and established tech companies offering digital financial services as alternatives to traditional banking services, such as automated investing, peer-to-peer lending, and financial management tools. Canadian consumers have demonstrated increasing use of digital services, evidenced by high rates of online banking usage. Canada's robust regulatory framework somewhat limits the speed and extent of disruption by fintechs. However, regulations are evolving, and the authorities' increasing openness to fintech innovations and open-banking could heighten disintermediation risks if CIBC doesn't continue to invest in its digital capabilities. Ease of use is the primary factor CIBC considered when evaluating disintermediation risk from fintechs. With fintechs primarily focused on digital engagement, the risk of clients choosing fintech solutions remains low. The threat may increase as fintechs delve into providing financial advice and wealth management services which has not been successfully demonstrated by any major fintech in Canada. CIBC's proactivity in adopting new technologies and integrating digital financial services somewhat mitigates this risk.

However, despite these strategic risk reviews and investments, there is no guarantee that CIBC will be able to mitigate sufficiently any negative effects to its business that may arise due to the competitive pressure created from digital disruptors. Further information on this risk can be found in the section entitled "*Disintermediation Risk*" at page 54 of CIBC's 2024 Annual Report, incorporated by reference herein.

Data and Artificial Intelligence Risk

Data is being used every day to further advance CIBC's strategic objectives and create competitive advantages. To support this, CIBC continues to invest in its data management and governance capabilities to ensure it has a strong data foundation to support reporting needs, business decision-making and grow its analytics practices to use data as a transformative asset.

With rapid advances in technology, CIBC continues to observe growth in applications of Artificial Intelligence ("**AI**") that drive productivity and competitive enhancements. Alongside the potential benefits of AI tools and technology comes risks; as AI systems make decisions based on data and models, they can inherit or amplify bias or raise concerns about fairness or ethical use. In addition, transparency in AI models is required to ensure the reasoning, accuracy or appropriateness of the output is clearly understood. CIBC has published an AI Framework and is implementing AI governance and risk management practices. From a model risk perspective, OSFI released an updated draft of Guideline E-23 on Model Risk Management which recognizes the surge in AI and Machine Learning ("**ML**") analytics increasing the risk arising from the use of models. As such, the definition of "model" in the updated draft Guideline E-23 expressly includes AI/ML methods. As CIBC navigates the increased adoption of solutions using AI, its approach will remain rooted in ensuring responsible use and ensuring operational risks are mitigated, however there can be no guarantee that such practices will be successful. If any such risks were to occur, they could have an adverse impact on CIBC's operations and financial performance.

Anti-Money Laundering/ Anti-Terrorist Financing & Sanctions Risk

Money laundering, terrorist financing activities and other related crimes pose a threat to the stability and integrity of a country's financial sector and its broader economy. In recognition of this threat, the international community has made the fight against these illegal activities a priority. CIBC is committed to adhering to all regulatory requirements pertaining to anti-money laundering ("**AML**"), anti-terrorist financing ("**ATF**") and sanctions in the jurisdictions where it operates, and continues to invest in controls to deter, detect and report money laundering, terrorist financing and sanctions evasion. Risks of non-compliance can include enforcement actions, criminal prosecutions, legal actions, and reputational damage. CIBC takes a proactive approach to compliance with amendments to AML/ATF and Sanctions legislation and regulation, in particular with respect to the numerous amendments to Canada's Proceeds of Crime (Money Laundering) and Terrorist Financing Act throughout fiscal 2024. In accordance with these amendments, CIBC has implemented procedures, processes and controls with respect to client due diligence, record keeping and reporting as well as mandatory annual AML/ATF and sanctions training for all employees to ensure that relevant regulatory obligations are met in each jurisdiction where it operates. Canada, the U.S., the U.K. and the EU continue to expand and adjust economic sanctions related to the war in Ukraine, and the conflict in the Middle East. In fiscal 2024, CIBC has continued to monitor and enhance its AML/ATF and Sanctions program as required to respond to the evolving environment and regulatory expectations.

Further details on the regulatory and operational risks the Issuer faces can be found under the risk factors entitled "*Operational Risk*" and "*Regulatory Compliance Risk*", each below. However, despite adherence to CIBC's procedures and best practices, it is not possible for CIBC to prevent exposure to these types of risk and their occurrence could have an adverse impact on its results of operations and its reputation. Further information on these types of risk can be found in the section entitled "*Anti-money laundering/ anti-terrorist financing and sanctions*" found at page 55 of CIBC's 2024 Annual Report incorporated by reference herein.

U.S. Banking Regulation Risk

CIBC's U.S. operations are subject to supervision by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**"), and are also subject to a comprehensive federal and state regulatory framework. CIBC's wholly owned subsidiary, CIBC Bancorp USA Inc. ("**CIBC Bancorp**"), is a financial holding company subject to regulation and supervision by the Federal Reserve under the Bank Holding Company Act of 1956, as amended. CIBC Bank USA, CIBC's Illinois-chartered bank, is subject to regulation by the Federal Reserve, the U.S. Federal Deposit Insurance Corporation, and the Illinois Department of Financial and Professional Regulation. CIBC's New York branch is subject to regulation and supervision by the New York Department of Financial Services and the Federal Reserve. Certain market activities of CIBC's U.S. operations are subject to regulation by the SEC and the U.S. Commodity Futures Trading Commission, as well as other oversight bodies.

The scope of these regulations impact CIBC's business in a number of ways. For example, both CIBC Bancorp and CIBC Bank USA are required to maintain minimum capital ratios in accordance with Basel III rules adopted by the U.S. bank regulatory agencies, which differ in some respects from Canada's Basel III rules. Under the U.S. bank regulatory framework, both CIBC and CIBC Bancorp are expected to provide a source of strength to the subsidiary bank and may be required to commit additional capital and other resources to CIBC Bank USA in the event that its financial condition were to deteriorate, whether due to overall challenging economic conditions in the U.S., or because of business-specific issues. The Federal Reserve (in the case of CIBC Bancorp), and both the Federal Reserve and the Illinois Department of Financial and Professional Regulation (in the case of CIBC Bank USA) also have the ability to restrict dividends paid by CIBC Bancorp or CIBC Bank USA, which could limit CIBC's ability to receive distributions on its capital investment in its U.S. banking operations.

As CIBC's combined U.S. operations grow, CIBC will become subject to additional enhanced prudential standards under the Federal Reserve's regulations applicable to foreign banking organizations. Furthermore, the Federal Reserve may also restrict CIBC's U.S. operations, organic or inorganic growth, if, among other things, they have supervisory concerns about risk management, AML or compliance programs and practices, governance and controls, and/or capital and liquidity adequacy at CIBC Bancorp, CIBC Bank USA or CIBC's New York branch, as applicable. In some instances, banking regulators may take supervisory actions that may not be publicly disclosed, which may restrict or limit CIBC's New York branch and CIBC's U.S. subsidiaries from engaging in certain categories of new activities or acquiring shares or control of other companies. Any restrictions imposed by banking regulators could negatively impact CIBC by loss of revenue, limitations on the products or services it offers, and increased operational and compliance costs.

The U.S. regulatory environment continues to evolve and future legislative and regulatory developments may impact CIBC. See also the risk factors entitled "*Anti-Money Laundering/Anti-Terrorist Financing & Sanctions Risk*" and "*Regulatory Compliance Risk*" for further information.

Operational Risk

Operational risk is the risk of loss resulting from people, inadequate or failed internal processes and systems, or from external events. Operational risk is inherent in all CIBC activities and transactions. Failure to manage operational risk can result in direct or indirect financial loss, reputational impact, or regulatory review and penalties. CIBC's operational risk management

framework sets out the requirements and roles and responsibilities in managing operational risk at CIBC.

Operational risk is managed through the three lines of defence model and articulated in the Operational Risk Management Framework. A strong risk culture and communication between the three lines of defence are important characteristics of effective risk management. All three lines of defence, including all team members are accountable for identifying, managing and mitigating operational risk within the approved Operational Risk Appetite.

For further details, see the "Management of risk – Risk overview" section at page 45 of the Issuer's 2024 Annual Report, incorporated by reference herein. Further information on this risk can be found at page 80 of the Issuer's 2024 Annual Report, incorporated by reference herein. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List of the Luxembourg Stock Exchange or any other regulated or non-regulated market.

Strategic Risk

Strategic risk is the risk of ineffective or improper implementation of business strategies, including mergers, acquisitions and divestitures. It includes the potential financial loss due to the failure of organic growth initiatives or failure to respond appropriately to changes in the business environment.

Oversight of strategic risk is the responsibility of the Executive Committee and the Board. At least annually, the CEO outlines the process and presents the strategic business plan to the Board for review and approval. As part of the annual planning process, Risk Management assesses the overall and business unit strategic plans to ensure alignment with our risk appetite. The Board reviews the plan in light of management's assessment of emerging market trends, the competitive environment, potential risks and other key issues.

One of the tools for measuring, monitoring and controlling strategic risk is attribution of regulatory capital against this risk. CIBC's regulatory capital models include a strategic risk component for those businesses utilizing capital to fund an acquisition or a significant organic growth strategy.

Despite the processes the Issuer has in place to review the strategic business plan, the inherent uncertainty associated with business planning in the rapidly changing business environment in which the Issuer operates could have a material adverse effect on the Issuer's results, financial condition and prospects. For further information see "Economic and Market Environment" on page 5 of the Issuer's 2024 Annual Report, which is incorporated by reference in this Prospectus.

Insurance Risk

Insurance risk is the risk of loss arising from the obligation to pay out benefits and expenses on insurance policies in excess of expected amounts. Unfavourable actual experience could emerge due to adverse fluctuations in timing, size and frequency of actual claims (e.g. mortality, morbidity), policyholder behaviour (e.g. cancellation of coverage), or associated expenses.

Insurance contracts provide financial compensation to the beneficiary in the event of an insured risk occurring in exchange for premiums. CIBC is exposed to insurance risk in its insurance business and in its reinsurance business within the respective subsidiaries. Senior management

of the insurance and reinsurance subsidiaries have primary responsibility for managing insurance risk with oversight by CIBC's risk management committee. The insurance and reinsurance subsidiaries also have their own boards of directors, and an independent appointed actuary who provide additional input to risk management oversight. Processes and oversight are in place to manage the risk to CIBC's insurance business. Underwriting risk on business assumed is managed through risk policies that limit exposure to an individual life, to certain types of business and to regions. CIBC's risk governance practices ensure strong independent oversight and control of risk within the insurance businesses. The subsidiaries' boards outline the internal risk and control structure to manage insurance risk, which includes risk, capital and control policies, processes as well as limits and governance. Senior management of the insurance and reinsurance subsidiaries and risk management attend the subsidiaries' board meetings. Despite these strong risk governance practices, the occurrence of large claims could have a negative impact on the Issuer's insurance and reinsurance subsidiaries which could in turn have a negative impact on the Issuer's performance and results of operations. Further information on this risk can be found at page 84 of the Issuer's 2024 Annual Report, incorporated by reference herein.

Reputation and Legal Risk

The Issuer's reputation and financial soundness are of fundamental importance to it and to its clients, shareholders, third parties, regulators, team members and communities. Reputation risk is the risk of negative publicity regarding the Issuer's business conduct or practices which, whether true or not, could significantly harm the Issuer's reputation as a leading financial institution, or could materially and adversely affect its business, operations or financial condition. Legal risk is the risk of financial loss arising from one or more of the following factors: (a) civil, criminal or regulatory enforcement proceedings against the Issuer (see Note 21 to the Issuer's 2024 audited consolidated financial statements in its 2024 Annual Report, which is incorporated by reference in this Prospectus, for a description of the Issuer's significant legal proceedings); (b) its failure to correctly document, enforce or comply with contractual obligations; (c) failure to comply with its legal obligations to clients, investors, team members, counterparties or other stakeholders; (d) failure to take appropriate legal measures to protect its assets or security interests; or (e) misconduct by its team members or agents.

Conduct risk is the risk that the actions or omissions (i.e. behaviour) of the Issuer, team members or third parties: do not align with the Issuer's desired culture, deliver poor, inappropriate or unfair outcomes for clients, team members or shareholders, result in adverse market practices and outcomes, impact CIBC's reputation as a leading financial institution, or materially and adversely affect CIBC's business, operations or financial condition.

Further information on this risk can be found at page 84 of the Issuer's 2024 Annual Report incorporated by reference herein.

Despite the operation of the Issuer's policies and procedures, there is no guarantee the Issuer will be able to anticipate the occurrence of a particular risk event, which if it were to occur would have an adverse effect on the Issuer's prospects and results of operations.

Regulatory Compliance Risk

Regulatory compliance risk is the risk of the Issuer's potential non-conformance with applicable regulatory requirements. For details on the specific regulatory developments affecting the Issuer related to tax, capital management, credit risk, liquidity risk and accounting and control matters,

see pages 9, 35-44, 57-67, 73-80 and 85-90 of its 2024 Annual Report, which are incorporated by reference in this Prospectus.

The Issuer is also exposed to risk due to regulatory reform in the UK and EU, including in relation to the revised directive and regulation on Markets in Financial Instruments ("**MiFID II/MiFIR**") which became effective January 2018 (which includes MiFIR as it forms part of UK domestic law by virtue of the EUWA) which have a significant technological and procedural impact for certain businesses operating in the UK and the EU. The reforms introduced changes to pre- and post-trade transparency, market structure, trade and transaction reporting, algorithmic trading, and conduct of business.

Despite the Issuer's regulatory compliance programme, the Issuer nonetheless remains exposed to potential non-conformance with applicable regulatory requirements in the normal course of operating its business, which could adversely affect the Issuer's businesses and results of operations. See the risk factor entitled "*Operational Risk*" above for more details about other operational risks facing the Issuer. See the sections entitled "Capital management" found at page 18 and "Credit risk" found on page 26 of the Issuer's First Quarter 2025 Report to Shareholders, incorporated by reference herein, for additional information on regulatory developments.

Environmental and Social Risk

Environmental risk is the risk of financial loss or damage to reputation associated with environmental issues, including but not limited to climate related issues (see "*Climate risk*" above for additional details), whether arising from CIBC's credit and investment activities or related to its own operations. Social risk is the potential for negative impact on CIBC's financial position, operations, legal and regulatory compliance, or reputation stemming from social considerations associated with CIBC, an activity, transaction, product, client, third-party or supplier. These social considerations include, but are not limited to inclusive banking (e.g., accessibility, reconciliation, racial equity), human rights (e.g., modern slavery, including forced labour and child labour, human trafficking, freedom of opinion and expression), and social impacts related to climate change.

Despite CIBC's efforts and commitment to responsible conduct in all of its business activities and operations, it remains exposed to financial loss or damage to reputation associated with ESG issues, which could adversely affect CIBC's businesses and results of operations. See also the risk factor entitled "*Reputation and Legal Risk*" above for further details on CIBC's exposure in this regard and the sections entitled "*Climate risk*" found at page 53 and "*Conduct risk*" found on page 84 of the Issuer's 2024 Annual Report, incorporated by reference herein.

Corporate Transactions

CIBC seeks out acquisition and divestiture opportunities that align with its strategy, risk appetite and financial goals. The ability to successfully execute on CIBC's strategy to integrate acquisitions, and the ability to anticipate and manage risks associated with such corporate transactions are subject to various factors such as receiving regulatory and shareholder approval on a timely basis and on favourable terms, retaining clients and key personnel, realizing synergies and efficiencies, controlling integration and acquisition costs, and changes in general business and economic conditions, among others. Given the inherent uncertainty involved in such corporate transactions, CIBC cannot anticipate all potential events, facts and circumstances that may arise and there could be an adverse impact on its operations and financial performance as a result of such corporate transactions.

2. RISKS RELATED TO THE ISSUER'S FINANCIAL SITUATION

The value of the Issuer's Covered Bonds may be affected by the general creditworthiness of the Issuer.

The Issuer's results could be affected by legislative and regulatory developments in the jurisdictions where the Issuer conducts business

As the Issuer operates in a number of jurisdictions (see the section entitled "*Strategic business units overview*" on pages 21-33 of the Issuer's 2024 Annual Report which is incorporated by reference in this Prospectus for further details on the Issuer's business operations and related jurisdictions) and its activities are subject to extensive regulation in those jurisdictions, the Issuer's financial performance and position could be affected by changes to law, statutes, regulations or regulatory policies, rules or guidelines in those jurisdictions where the Issuer operates, including changes in their interpretation, implementation or enforcement. Such changes could adversely affect the Issuer in a number of ways including, but not limited to, increasing the ability of competitors to compete with the products and services the Issuer provides, limiting the products and services the Issuer can provide and increasing the Issuer's costs of compliance. Any such change may require the Issuer to reallocate capital resources among its business lines, which could have a material impact on the Issuer's financial results and the Issuer's ability to make payments on the Covered Bonds issued by the Issuer. Also, in spite of the precautions the Issuer takes to prevent such an eventuality, failure to comply with law, statutes, regulations, rules and guidelines could give rise to penalties and fines that could have an adverse impact on its financial results and reputation.

Risks related to legal proceedings and other contingencies

In the ordinary course of its business, the Issuer is a party to a number of legal proceedings, including regulatory investigations, in which claims for substantial monetary damages are asserted against the Issuer and its subsidiaries. A description of significant ongoing matters to which the Issuer is a party can be found in Note 21 to the Issuer's Consolidated Financial Statements contained in the 2024 Annual Report and in Note 13 to the Issuer's comparative unaudited interim consolidated financial statements for the three and six month periods ended April 30, 2025, contained in the 2025 Second Quarter Report, incorporated by reference in this Prospectus. The provisions disclosed in Note 21 include all of the Issuer's accruals for legal matters as at October 31, 2024 and the provisions in Note 13 include all of the Issuer's accruals for legal matters as at April 30, 2025, including in each case amounts related to the significant legal proceedings described in the relevant note and to other legal matters. The Issuer believes the estimate of the aggregate range of reasonably possible losses, in excess of the amounts accrued, for its significant legal proceedings, where it is possible to make such estimate, is from nil to approximately $0.8 billion as at April 30, 2025. While there is inherent difficulty in predicting the outcome of legal proceedings, based on current knowledge and in consultation with legal counsel, the Issuer does not expect the outcome of these matters, individually or in aggregate, to have a material adverse effect on its consolidated financial statements. However, the outcome of these matters, individually or in aggregate, may be material to the Issuer's operating results for a particular reporting period. The Issuer regularly assesses the adequacy of its litigation accruals and makes the necessary adjustments to incorporate new information as it becomes available.

In addition, criminal prosecutions of financial institutions in Europe for, among other alleged misconduct, breaches of AML and sanctions regulations, anti-trust violations, market manipulation, aiding and abetting tax evasion, and providing unlicensed cross-border banking

services have become more commonplace and may increase in frequency due to increased media attention and higher expectations from prosecutors and the public.

While the Issuer takes what it believes are reasonable measures designed to ensure compliance with law, statutes, regulations and regulatory policies, rules or guidelines in the jurisdictions in which it conducts business, there can be no assurance that the Issuer will always be in compliance or deemed to be in compliance. It is possible that the Issuer could receive judicial or regulatory decisions or judgments that result in fines, criminal prosecution, damages and other costs that could damage its reputation and have a negative impact on the Issuer's results.

The Issuer relies on third parties to provide certain key components of its business infrastructure

Third parties provide key components of the Issuer's business infrastructure such as Internet connections and network access and other voice or data communication services. Given the high volume of transactions the Issuer processes on a daily basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. Despite any contingency plans the Issuer may have in place, the Issuer's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the Issuer's businesses and the communities in which they are located. This may include a disruption involving electrical, communications, transportation or other services used by the Issuer or by third parties with which the Issuer conducts business. Such disruptions could adversely affect the Issuer's ability to deliver products and services to clients and otherwise conduct business which may expose the Issuer to service disruptions, regulatory action or litigation and may have an adverse effect on its financial results and reputation. For additional information regarding risks to the Issuer in connection with third parties, see the risk factor entitled "*Third Party Risk*" above.

Borrower and Counterparty Risk Exposure

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

A number of the Issuer's counterparties are EU and UK credit institutions and investments firms, and may include Dealers under the Programme (collectively, "**BRRD Firms**"), which are subject to Directive 2014/59/EU (as amended, and including, in the case of UK credit institutions and investment firms, as implemented in the United Kingdom by virtue of the UK Banking Act, as amended by The Bank Recovery and Resolution and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018, "**BRRD**"), which is intended to enable a range of actions to be taken in relation to BRRD Firms considered to be at risk of failing. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing BRRD Firm so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of the institution's failure on the economy and financial system. The BRRD was applied in Member States of the EEA and in the UK from 1 January 2015 with the exception of the bail-in tool (referred to below) which was applicable from 1 January 2016.

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

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

In the normal course of business, the Issuer deals with BRRD Firms to whom the BRRD and its bail-in power applies. The powers set out in the BRRD will impact how such BRRD Firms are managed as well as, in certain circumstances, the rights of their creditors including the Issuer. For instance, the Issuer and the Covered Bond holders may be affected by disruptions due to a BRRD Firm party to the Programme not being able to fulfil its obligations as issuing and paying agent, European registrar, calculation agent or similar roles. Further information on credit risk and the Issuer's exposure can be found at pages 57-67 of the Issuer's 2024 Annual Report and pages 31-36 of the 2025 Second Quarter Report, incorporated by reference herein.

Changes in financial markets, market rates and prices may adversely affect the value of financial products held by the Issuer

The performance of financial markets may affect the value of financial products held by the Issuer. This market risk arises from positions in securities and derivatives held in the Issuer's trading portfolios, and from its retail banking business, investment portfolios and other non-trading activities. Market risk is the risk of economic and/or financial loss in the Issuer's trading and non-trading portfolios from adverse changes in underlying market factors, including interest rates, foreign exchange rates, equity market prices, commodity prices, credit spreads, and customer behaviour for retail products. Further details on the Issuer's exposure to market risks in its trading and non-trading portfolios can be found on pages 68-72 of the Issuer's 2024 Annual Report and pages 35-36 of the 2025 Second Quarter Report, each of which is incorporated by reference in this Prospectus.

While the Issuer has implemented risk management methods to mitigate and control these and other market risks to which the Issuer is exposed, it is difficult to predict with accuracy changes in economic and market conditions and to anticipate the effects that such changes could have on the Issuer's financial performance.

Failure to obtain accurate and complete information from or on behalf of the Issuer's clients and counterparties could adversely affect the Issuer's results

The Issuer depends on the accuracy and completeness of information about clients and counterparties. When deciding to authorise credit or enter into other transactions with clients and counterparties, the Issuer may rely on information provided to it by or on behalf of clients and counterparties, including financial statements and other financial and non-financial information. The Issuer also may rely on representations of clients and counterparties as to the completeness and accuracy of that information. The Issuer's financial results could be adversely impacted if the financial statements and other financial information relating to clients and counterparties on which it relies do not comply with recognised accounting standards such as IFRS, are materially misleading, or do not fairly present, in all material respects, the financial condition and results of operations of the clients and counterparties. See also the risk factor entitled "*Third Party Risk",* above, for information regarding risks to the Issuer in connection with business relationships with third parties.

The Issuer faces intense competition in all aspects of its business from established competitors and new entrants in the financial services industry

The competition for clients among financial services companies is intense. Client loyalty and retention can be influenced by a number of factors, including new technology used or services offered by competitors, the attributes of the Issuer's products or services, the Issuer's relative service levels and prices, the Issuer's reputation and actions taken by the Issuer's competitors and adherence with competition and anti-trust laws. Non-financial companies are increasingly providing consumers with services traditionally provided by banks (as further described in the risk factor entitled "*Disintermediation Risk*" above). Securities transactions can be conducted through the Internet and other alternative, non-trading systems. In addition, the shadow banking system may create additional competition for the Issuer. The Issuer expects these trends to continue. Such developments could reduce revenues and adversely affect the Issuer's earnings

The Issuer's revenues and earnings are substantially dependent on the economies of Canada, the United States, Europe and the Caribbean, which can in turn be affected by general business and economic conditions worldwide

The Issuer's revenues and earnings are dependent on the level of financial services its customers require. Levels of customer activity can be affected by factors such as interest rates, foreign exchange rates, consumer spending, business investment, government spending, the health of the capital markets, inflation and terrorism. The Issuer conducts most of its business in Canada, the United States, Europe and the Caribbean. Further details on the Issuer's business activities can be found in the section entitled "*Strategic business units overview*" on pages 21-33 of the Issuer's 2024 Annual Report which is incorporated by reference in this Prospectus. Consequently, the Issuer's performance is influenced by the level and cyclical nature of business and home lending activity in these countries, which is in turn impacted by both domestic and international economic and political events. There can be no assurance that a weakening in the Canadian, United States, European or Caribbean economies will not materially affect the Issuer's financial condition and results of operations. The economic conditions of other regions where the Issuer conducts operations can also affect the future performance of the Issuer.

The Issuer's success in developing and introducing new products and services, expanding distribution channels, developing new distribution channels and

realizing revenue from these channels could affect the Issuer's revenues and earnings

The Issuer's ability to maintain or increase its market share depends, in part, on its ability to adapt products and services to evolving industry standards. For a description of the Issuer's products and services see the section entitled "*Strategic business units overview*" on pages 21-33 of the Issuer's 2024 Annual Report, which is incorporated by reference in this Prospectus. There is increasing pressure on financial services companies to provide products and services at lower prices. This can reduce the Issuer's net interest income and revenues from fee-based products and services. In addition, the widespread adoption of new technologies by the Issuer, including Internet-based services, could require the Issuer to make substantial expenditures to modify or adapt existing products and services without any guarantee that such technologies could be deployed successfully. These new technologies could be used in unprecedented ways by the increasingly sophisticated parties who direct their attempts to defraud the Issuer or its customers through many channels. For additional details on the risks involved with new technologies, see also the risk factor entitled "*Technology, Information and Cyber Security Risk*" above. The Issuer might not be successful in developing and introducing new products and services, achieving market acceptance of its products and services, developing and maintaining loyal clients, developing and expanding distribution channels and/or realizing revenue from these channels, and this may adversely affect its financial position and prospects.

Movements of the Canadian dollar relative to other currencies, particularly the U.S. dollar and the currencies of other jurisdictions in which the Issuer conducts business, may affect the Issuer's revenues, expenses and earnings

The majority of the Issuer's trading exposure to foreign exchange risk arises from transactions involving the Canadian dollar, U.S. dollar, Euro, pound sterling, Australian dollar, Chinese yuan, and Japanese yen, whereas the primary risks of losses in equities are in the U.S., Canadian, and European markets. Trading exposure to commodities arises primarily from transactions involving North American natural gas, crude oil products, and precious metals. Further details on the Issuer's exposure to commodities risk can be found under the risk factor entitled "*Commodity Risk*" above. Currency exchange rate movements in Canada, the U.S., Europe and the other jurisdictions in which the Issuer conducts business impact the Issuer's financial position (as a result of foreign currency translation adjustments) and the Issuer's future earnings. For example, if the value of the Canadian dollar rises against the U.S. dollar, the Issuer's investments and earnings in the U.S. may be negatively affected. Changes in the value of the Canadian dollar relative to the U.S. dollar may also affect the earnings of the Issuer's small business, commercial and corporate clients in Canada.

The Issuer's earnings are affected by the monetary policies of central banks and other financial market developments

Changes in central banks' monetary policies and the general level of interest rates can impact the Issuer's profitability. A change in the level of interest rates can affect the interest spread between the Issuer's deposits and loans and as a result could impact the Issuer's net interest income. A discussion of the Issuer's net interest income and margin for fiscal 2024 can be found on page 7 of the Issuer's 2024 Annual Report which is incorporated by reference in this Prospectus. Changes in monetary policy and developments in the financial markets are beyond the Issuer's control and difficult to predict or anticipate and could have an adverse effect on the Issuer's ability to fulfil its obligations under the Covered Bonds.

The accounting policies and methods the Issuer utilizes determine how it reports its financial condition and results of operations, and they may require management to make judgments and estimates about matters that are uncertain; such judgments and estimates may require revision, which could have a material impact on the Issuer's financial results and financial condition.

The Issuer's financial condition and results of operations are reported using IFRS. In certain cases, IFRS allows accounting policies and methods to be selected from two or more alternatives, any of which might be reasonable, yet could result in the reporting of materially different amounts. Significant accounting policies applicable to the consolidated financial statements of the Issuer are described in Note 1 thereto on pages 117-128 of the 2024 Annual Report and on page 44 of the 2025 Second Quarter Report, which pages are incorporated herein by reference.

Certain accounting policies require the Issuer to make judgments and estimates, some of which may relate to matters that are uncertain, including fair value adjustments, the estimation of expected credit losses and determination of the amount of impairments. The Issuer believes that it has made appropriate fair value adjustments, provisions for expected credit losses and has taken appropriate impairments to date. The establishment of fair value adjustments, provisions for expected credit losses and the determination of the amount of impairment involve estimates that are based on accounting processes and judgments by management. The Issuer evaluates the adequacy of the fair value adjustments, provisions for expected credit losses and the amount of impairments on an ongoing basis. The levels of fair value adjustments, provisions for expected credit losses and the amount of the impairments could change as events warrant and may not reflect ultimate realizable amounts. The estimates and judgments made by management may require revision, and changes to them could have a material impact on the Issuer's financial results and financial condition.

The Issuer has established control procedures to ensure accounting policies are applied consistently and processes for changing methodologies are well controlled. Despite these procedures, changes in the judgments and estimates required in the critical accounting policies could have a material impact on the Issuer's financial results.

Changes to the Issuer's credit ratings

There is no assurance that the Issuer's credit ratings, which are set out on page 198 of this Prospectus, will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances in the future so warrant. In the event that a rating assigned to the Issuer, or any Covered Bonds the Issuer may issue, is subsequently suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Covered Bonds issued by the Issuer, the Issuer may be adversely affected, the market value of the Covered Bonds issued by the Issuer is likely to be adversely affected and the ability of the Issuer to make payments under the Covered Bonds issued by the Issuer may be adversely affected.

The Issuer's ability to access unsecured funding markets and to engage in certain collateral business activities on a cost-effective basis is primarily dependent upon maintaining competitive credit ratings. A lowering, suspension or withdrawal of the Issuer's credit ratings may have potentially adverse consequences for the Issuer's funding capacity or access to capital markets and may also affect the Issuer's ability, and the cost, to enter into normal course derivatives or hedging transactions and may require it to post additional collateral under certain contracts.

Liquidity Risk

Liquidity risk is the risk of having insufficient cash or its equivalent in a timely and cost-effective manner to meet financial obligations as they come due. Common sources of liquidity risk inherent in banking services include unanticipated withdrawals of deposits, the inability to replace maturing debt, credit and liquidity commitments, and additional pledging or other collateral requirements.

The Issuer's approach to liquidity risk management supports its business strategy, aligns with its risk appetite and adheres to regulatory expectations. The Issuer's management strategies, objectives and practices are regularly reviewed to align with changes to the liquidity environment, including regulatory, business and/or market developments. Liquidity risk remains within the Issuer's risk appetite.

The Issuer manages liquidity risk in a manner that enables it to withstand liquidity stress without an adverse impact on the viability of its operations. Actual and anticipated cash flows generated from on- and off-balance sheet exposures are routinely measured and monitored to ensure compliance with established internal and regulatory thresholds, including those prescribed by OSFI's Liquidity Adequacy Requirements ("**LAR**"). Furthermore, CIBC incorporates stress testing into its management and measurement of liquidity risk.

The Issuer continuously evaluates opportunities to diversify into new funding products and investor segments in an effort to maximize funding flexibility and minimize concentration and financing costs. CIBC regularly monitors wholesale funding levels and concentrations to internal limits consistent with its desired liquidity risk profile. Failure to effectively manage liquidity risk may have adverse impacts on CIBC's business, results of operations, reputation and financial condition.

Further disclosure on the measures the Issuer has in place to manage liquidity risk, including the specific requirements under the LAR are set out on pages 73-80 of the Issuer's 2024 Annual Report which is incorporated by reference in this Prospectus.

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

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

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

If a Guarantor Event of Default, discussed further in Condition 7.02 "*Guarantor Events of Default*" on page 155 of this Prospectus, occurs and the Security created by or pursuant to the Security Agreement is enforced, the Charged Property may not be sufficient to meet the claims of all the Secured Creditors, including the holders of the Covered Bonds.

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

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

Risks Resulting from the Guarantor's Reliance on Third Parties

The Guarantor has entered into agreements with a number of third parties pursuant to which such third parties have agreed to perform services for the Guarantor. In particular, but without limitation, the Servicer has been appointed to service Loans in the Covered Bond Portfolio sold to the Guarantor, the Cash Manager has been appointed to calculate and monitor compliance with the Asset Coverage Test and the Amortization Test, to conduct the Valuation Calculation and the OC Valuation, and to provide cash management services to the Guarantor and the GDA Account and Transaction Account (to the extent maintained) will be held with the Account Bank. In the event that any of those parties fails to perform its obligations under the relevant agreement to which it is a party, the realizable value of the Covered Bond Portfolio or any part thereof or pending such realization (if the Covered Bond Portfolio or any part thereof cannot be sold) the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee may be affected. For instance, if the Servicer has failed to administer adequately the Loans this may lead to higher incidences of non-payment or default by Borrowers. See "*Default by Borrowers in paying amounts due on their Loans*". The Guarantor is also reliant on the Swap Providers to provide it with the funds matching its obligations under the Intercompany Loan Agreement and the Covered Bond Guarantee, as described below.

Following a Covered Bond Guarantee Activation Event, the Guarantor is also reliant on the ability of the Standby GDA Provider (or any successor Standby GDA Provider) to repay funds deposited with it into the Standby GDA Account in order for the Guarantor to pay amounts due under the Covered Bonds. In particular, in this circumstance, if a Notice to Pay has been served on the Guarantor, Available Revenue Receipts and Available Principal Receipts not required to pay certain higher ranking obligations of the Guarantor in accordance with the Guarantee Priority of

Payments will be deposited in the Standby GDA Account and holders of Covered Bonds will be dependent on the credit of the Standby GDA Provider for the availability of these amounts.

If a Servicer Event of Default occurs pursuant to the terms of the Servicing Agreement, then the Guarantor and/or the Bond Trustee will be entitled to terminate the appointment of the Servicer and appoint a new servicer in its place. There can be no assurance that a substitute servicer with sufficient experience in administering mortgages of residential properties in Canada would be found who would be willing and able to service the Loans and their Related Security and enter into a servicing agreement with the Guarantor. If found, a substitute servicer may not have the applicable ratings from the Rating Agencies above the level specified in the Servicing Agreement or may not be rated at all and Rating Agency Confirmation may not be delivered for such substitute servicer. A substitute servicer may charge higher servicing fees that it agrees to with the Guarantor, which servicing fees will be entitled to priority over payments to holders of the Covered Bonds.

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

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

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

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

Risks Resulting from the Guarantor's Reliance on Swap Providers

To provide a hedge against possible variances in the rates of interest payable on the Portfolio Assets (which may, for instance, include variable rates of interest or fixed rates of interest) and the interest amounts payable on the Intercompany Loan and (following the Covered Bond Swap Effective Date) the amount (if any) payable under the Covered Bond Swap Agreement, the Guarantor has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider. See "*Overview of the Principal Documents – Interest Rate Swap Agreement*" on page 257 of this Prospectus. In addition, to provide a hedge against currency and/or other risks arising, following the Covered Bond Swap Effective Date, in respect of amounts received by the Guarantor under the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, the Guarantor has entered into and will enter into a Covered Bond Swap Agreement with the Covered Bond Swap Provider in respect of each Series of Covered Bonds. See "*Overview of the Principal Documents – Covered Bond Rate Swap Agreement"* on page 260 of this Prospectus.

If the Guarantor fails to make timely payments of amounts due under any Swap Agreement (except where such failure is caused by the assets available to the Guarantor being insufficient

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

If a Swap Agreement terminates, the Guarantor may be obliged to make a termination payment in an amount related to the mark to market value of such Swap Agreement to the relevant Swap Provider. There can be no assurance that the Guarantor will have sufficient funds available to make such termination payment under the relevant Swap Agreement, nor can there be any assurance that the Guarantor will be able to find a replacement swap counterparty which (i) agrees to enter into a replacement swap agreement on substantially the same terms as the terminated swap agreement, and (ii) has sufficiently high ratings to prevent a downgrade of the then current ratings of the Covered Bonds by any one of the Rating Agencies.

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

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

With respect to the Covered Bond Swap Agreement, cashflows will be exchanged under the Covered Bond Swap Agreement following the Covered Bond Swap Effective Date. See "*Glossary*" for details on how the Covered Bond Swap Effective Date is determined. Following the Covered Bond Swap Effective Date, the Guarantor will make payments to the Covered Bond Swap Provider on each Guarantor Payment Date from the amounts received by the Guarantor under the Interest Rate Swap Agreement. The Covered Bond Swap Provider may not be obliged to make payments to the Guarantor under the Covered Bond Swap Agreement until amounts are Due for Payment on the Covered Bonds, which may be up to 12 months after payments have been made by the Guarantor to the Covered Bond Swap Provider under the Covered Bond Swap

Agreement. If the Covered Bond Swap Provider does not meet its payment obligations to the Guarantor under the Covered Bond Swap Agreement and the Covered Bond Swap Provider does not make a termination payment that has become due from it to the Guarantor, the Guarantor may have a larger shortfall in funds with which to meet its obligations under the Covered Bond Guarantee than if the Covered Bond Swap Provider's payment obligations coincided with Guarantor's payment obligations under the Covered Bond Guarantee. As a result, the difference in timing between the obligations of the Guarantor under the Covered Bond Swap Agreement and the obligations of the Covered Bond Swap Provider under the Covered Bond Swap Agreement could adversely affect the Guarantor's ability to meet its obligations under the Covered Bond Guarantee.

Withholding on payments under the Covered Bond Guarantee

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

4. FACTORS WHICH ARE MATERIAL FOR PURPOSES OF ASSESSING THE RISKS RELATED TO THE COVERED BOND PORTFOLIO

a) Risks related to the constitution, maintenance and realizable value of the Covered Bond Portfolio

Changes to the constitution of the Covered Bond Portfolio

The Covered Bond Portfolio currently consists solely of Loans originated by the Seller and the Originators (which are subsidiaries of the Seller). It is expected that the constitution of the Covered Bond Portfolio will frequently change due to, for instance, repayments of Loans by Borrowers from time to time and the need to replace such Loans with New Loans in the Covered Bond Portfolio, or the Covered Bond Portfolio being increased to, among other things, permit the issuance of additional Covered Bonds and ensure that the Asset Coverage Test is met.

There is no assurance that the characteristics of New Loans assigned to the Guarantor in the future will be the same as those in the Covered Bond Portfolio at the date of this Prospectus, which may result in a material change in the composition of the Covered Bond Portfolio held by the Guarantor in support of the Covered Bonds. The New Loans may perform in a materially different manner from the existing Loans in the Covered Bond Portfolio as it existed at the time that an investor first acquired Covered Bonds. However, each Loan will be required to meet the Eligibility Criteria and satisfy the Loan Representations and Warranties set out in the Mortgage Sale Agreement although the Eligibility Criteria and the Loan Representations and Warranties may change in certain circumstances as described herein, which may also result in a material change in the New Loans in the Covered Bond Portfolio and represent a material risk to the investors if such New Loans perform in a materially different manner from the existing Loans in the Covered Bond Portfolio. See "*Overview of the Principal Documents – Mortgage Sale Agreement – Sale by the Seller of Portfolio Assets*". In addition, the Asset Coverage Test is intended to ensure that the Adjusted Aggregate Asset Amount is an amount equal to or in excess

of the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding. The Cash Manager will prepare Investor Reports that will set out certain information in relation to, among other things, the Covered Bond Portfolio, the Asset Coverage Test, the Valuation Calculation and the OC Valuation.

Risks related to maintenance of the Covered Bond Portfolio

The Asset Coverage Test and the Amortization Test are intended to ensure that the assets and cashflows of the Guarantor, including the Portfolio Assets and cashflows in respect thereof, will be adequate to enable the Guarantor to meet its obligations under the Covered Bond Guarantee following the occurrence of a Covered Bond Guarantee Activation Event. See "*Overview of the Principal Documents – Asset Coverage Test*" and *"- Amortization Test*" on pages 243 to 248 of this Prospectus for further details on these two tests. Accordingly, it is expected (but there is no assurance) that the Covered Bond Portfolio could be realized for sufficient values, together with the other assets of the Guarantor, to enable the Guarantor to meet its obligations under the Covered Bond Guarantee.

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

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

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

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

If the methodologies used to determine the Asset Percentage conclude that additional credit enhancement is required beyond the maximum provided for (by requiring a reduction in the Asset Percentage below the minimum Asset Percentage that can be set without the consent of the Issuer), and the Issuer does not agree to provide credit enhancement beyond the maximum provided for (by agreeing to a reduction in the Asset Percentage below the minimum Asset Percentage), any Rating Agency may reduce, remove, suspend or place on credit watch, its rating of the Covered Bonds and the assets of the Guarantor may be seen to be insufficient to ensure that, in the scenarios employed in the cashflow models, the assets and cashflows of the Guarantor will be adequate to enable it to meet its obligations under the Covered Bond Guarantee following

a Covered Bond Guarantee Activation Event, notwithstanding that the Asset Coverage Test continues to be met.

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

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

3) Risks related to a failure to meet the Amortization Test

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

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

Prior to the occurrence of an Issuer Event of Default, the Asset Monitor will, subject to receipt of the relevant information from the Cash Manager, test the calculations performed by the Cash Manager in respect of the Asset Coverage Test, the Valuation Calculation and the OC Valuation once each year and more frequently in certain circumstances as required by the terms of the

Asset Monitor Agreement. Following the occurrence of an Issuer Event of Default, the Asset Monitor will be required to test the calculations performed by the Cash Manager in respect of the Amortization Test. See further "*Overview of the Principal Documents—Asset Monitor Agreement*".

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

The Properties subject to the Related Security for Loans in the Covered Bond Portfolio do not undergo periodic valuations and prior to 1 July 2014 were not required to be indexed to account for subsequent market developments. Valuations are obtained when a Loan is originated, but generally not subsequent to origination.

Commencing 1 July 2014, the Guarantor employs an indexation methodology that meets the requirements provided for in the CMHC Guide to determine indexed valuations for Properties relating to the Loans in the Covered Bond Portfolio (which methodology may be updated from time to time upon notice to CMHC and will, at any time, be disclosed in the then-current Investor Report, the "**Indexation Methodology**") for purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation and in calculating the value of the covered bond collateral held as Contingent Collateral.

Neither the Issuer nor the Guarantor can give any assurance as to the accuracy or completeness of any data obtained from a third-party index, which is used in the Indexation Methodology and it is not expected that a sponsor of a third-party index will represent as to the accuracy or completeness of such data or accept any liability therefor.

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

Canadian mortgage loans generally provide for the renewal of the loans periodically (e.g., every five years), but the amortization period of the loans is generally much longer (e.g., 25 years). The borrower faces a change, perhaps a substantial change, in the applicable interest rate on the loan at the time of renewal and the prospect of seeking a replacement loan from another lender if the current lender does not renew the loan. In an adverse economic environment, obtaining a replacement loan may be difficult. Accordingly, if prevailing interest rates have risen significantly, an existing lender may need to renew the loan at below market rates in order to avoid a default on a loan up for renewal.

If the Guarantor is required to liquidate a large number of Loans that have interest rates significantly below prevailing interest rates, the Guarantor may not realize sufficient proceeds to pay the Covered Bonds in full.

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

If, prior to maturity of Hard Bullet Covered Bonds, the Pre-Maturity Test is breached, the Guarantor may offer to sell Randomly Selected Loans to seek to generate sufficient cash to enable the Guarantor to pay the Final Redemption Amount on any Hard Bullet Covered Bonds should the Issuer fail to pay the Final Redemption Amount on the Final Maturity Date: see

"*Overview of the Principal Documents—Guarantor Agreement—Sales of Randomly Selected Loans following a breach of the Pre-Maturity Test*".

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

There is no guarantee that a buyer will be found to acquire such Portfolio Assets at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained, which may affect payments under the Covered Bond Guarantee. However, prior to the service of a Guarantor Acceleration Notice, the Portfolio Assets may not be sold by the Guarantor for less than an amount equal to the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds until six months prior to: (i) the Final Maturity Date in respect of such Covered Bonds; or (ii) (if the same is specified as applicable in the applicable Final Terms) the Extended Due for Payment Date under the Covered Bond Guarantee in respect of such Covered Bonds. In the six months prior to, as applicable, the Final Maturity Date or Extended Due for Payment Date, the Guarantor is obliged to sell Portfolio Assets for the best price reasonably available notwithstanding that such price may be less than the Adjusted Required Redemption Amount. The Seller that assigned the relevant Portfolio Assets to the Guarantor will have a right of pre-emption to purchase such Portfolio Assets in the event the Guarantor wishes to or is required to sell such Portfolio Assets (see "*Overview of the Principal Documents—Mortgage Sale Agreement—Right of pre-emption*"). The Guarantor may also use Portfolio Assets to repay the Demand Loan and will, following a Covered Bond Guarantee Activation Event, receive credit for such repayment equal to the True Balance on such Portfolio Assets or in certain circumstances, the fair market value thereof.

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

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

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

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

Risks related to the realizable value of the Covered Bond Portfolio

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

- representations or warranties not being given by the Guarantor or the Seller, as the case may be (unless otherwise agreed with the Seller), on the sale of the Portfolio Assets by the Guarantor;
- default by Borrowers of amounts due on the Loans (see "*Default by Borrowers in paying amounts due on their Loans*");
- the insolvency of the Seller (including as initial Servicer);
- changes to the lending criteria of the Seller (or the relevant Originator) assigning the Portfolio Assets;
- the Guarantor not being the registered creditor of the Loans in the Covered Bond Portfolio and notice of the sale, transfer and assignment of such Loans and their Related Security not having been given to Borrowers;
- recourse to the Seller being limited under the terms of the Mortgage Sale Agreement;
- possible regulatory changes by OSFI, CMHC and other regulatory authorities;
- law or regulations that could lead to some terms of the Loans being unenforceable; and
- general market conditions which may make the sale of Portfolio Assets at a price sufficient to repay all amounts due under the Covered Bonds and the Transaction Documents unattainable or difficult.

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

In the event the Bank is required to assign some or all of its obligations to one or more third party service providers, as Servicer, Covered Bond Swap Provider, Interest Rate Swap Provider or Cash Manager, such third party service providers may require fees for such services in excess of the rates or amounts, if any, currently being paid to the Bank by the Guarantor. Any such increase in fees for the services currently provided by the Bank could have an adverse impact on the ability of the Guarantor to meet its obligations under the Covered Bonds. Additionally, there can be no assurance that any such third party service provider will (i) have the same level of operational experience as the Bank and operational issues may arise in connection with the appointment of a third party service provider, or (ii) not require more onerous terms in any relevant Transaction Document.

b) Risks related to the Covered Bond Portfolio Generally

Risks resulting from no new Guarantor or Seller representations and warranties

Following the occurrence of a Covered Bond Guarantee Activation Event (including as a result of an Issuer Event of Default following a breach of the Pre-Maturity Test), and/or an Asset Coverage Test Breach Notice or a Notice to Pay is served on the Guarantor (and, in the case of an Asset

Coverage Test Breach Notice, for so long as such notice has not been revoked), the Guarantor may be obliged to sell Portfolio Assets to third party purchasers, subject to a right of pre-emption of the Seller that assigned such Portfolio Assets to the Guarantor (see "*Overview of the Principal Documents—Guarantor Agreement—Method of sale of Portfolio Assets*"). In respect of any sale of Portfolio Assets to third parties, however, the Guarantor will not be permitted to give warranties or indemnities in respect of those Portfolio Assets (unless expressly permitted to do so by the Bond Trustee). There is no assurance that the Seller would give any warranties or representations in respect of the Portfolio Assets. Any Loan Representations and Warranties previously given by the Seller in respect of Loans in the Covered Bond Portfolio may not have value for a third party purchaser particularly if the Seller is then insolvent. Accordingly, there is a risk that the realizable value of the Portfolio Assets could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee.

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

Borrowers may default on their obligations due under the Loans. Defaults may occur for a variety of reasons. The Loans are affected by credit, market, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal. Examples of such factors include changes in the national or international economic climate, local, regional or national economic or housing conditions, changes in law, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Other factors involving Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies of Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Loans. In addition, the ability of a Borrower to sell a property given as security for a Loan at a price sufficient to repay the amounts outstanding under that Loan will depend upon a number of factors, including general market conditions, the availability of buyers for that property, the value of that property and property values in general at the time. Non-Performing Loans in the Covered Bond Portfolio will be given no credit for the purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation and the OC Valuation. See "*Overview of the Principal Documents – Guarantor Agreement*" on page 241 of this Prospectus for additional information on those tests.

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

Risks particular to the Home Power Plan Mortgage Loans

The Issuer expects that the Covered Bond Portfolio will from time to time include Home Power Plan Mortgage Loans. For a detailed description of the Home Power Plan Mortgage Loans, see "*Overview of the Principal Documents – Mortgage Sale Agreement – Multiproduct Accounts*" on page 221 of this Prospectus. Such Home Power Plan Mortgage Loans are subject to certain additional risks which include, without limitation, the following:

- the risk that Home Power Plan Mortgage Loans may be more difficult for the Guarantor to sell to third parties than other Loans due to the related servicing and priority arrangements governing the Home Power Plan Mortgage Loans and/or the continuing ownership

interests of the Seller and/or Multiproduct Purchasers in the related Multiproduct Accounts and the related Multiproduct Mortgages;

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

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

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

Each of the Loans originated by the Seller or the applicable Originator will have been originated in accordance with such Seller's or the applicable Originator's Lending Criteria at the time of origination. See "*Loan Origination and Lending Criteria*" on page 209 of this Prospectus for additional information. It is expected that the Seller's or the applicable Originator's Lending Criteria will generally consider type of property, term of loan, age of applicant, LTV ratio, status of applicants and credit history. In the event of the sale of any Loans and their Related Security to the Guarantor, the Seller will only warrant that such Loans and their Related Security meet the Eligibility Criteria and were originated in accordance with the Seller's or the applicable Originator's Lending Criteria applicable at the time of origination. The Seller and the Originators retain the right to revise their Lending Criteria from time to time. If the Lending Criteria change in a manner that affects the creditworthiness of the Loans, that may lead to increased defaults by Borrowers and may affect the realizable value of the Covered Bond Portfolio, or part thereof, and the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee. As described above, however, Non-Performing Loans in the Covered Bond Portfolio will be given no credit for the purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation and the OC Valuation.

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

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

Other than (i) registrations in the appropriate land registry or land titles offices in respect of the sale, transfer and assignment of the Loans from the Seller to the Guarantor effected by the Mortgage Sale Agreement, and (ii) the provision to Borrowers under the related Loans or the obligors under their Related Security of actual notice of the sale, transfer and assignment thereof to the Guarantor, all material filings, recordings, notifications, registrations or other actions under

all applicable laws will have been made or taken in each jurisdiction where necessary or appropriate (other than certain registrations in the Province of Quebec which will be made when permitted by applicable law) to give legal effect to the sale, transfer and assignment of the Loans and their Related Security and the right to transfer servicing of such Loans and their Related Security as contemplated by the Mortgage Sale Agreement, and to validate, preserve, perfect and protect the Guarantor's ownership interest in and rights to collect any and all of the related Loans being purchased on the relevant Transfer Date, including the right to service and enforce such Loans and their Related Security. Since the Seller or Multiproduct Purchaser will be entitled to an interest in the related Multiproduct Mortgage to the extent of the outstanding indebtedness owing under any related Home Power Plan Line of Credit or Home Power Plan Mortgage Loan not owned by the Guarantor, the Guarantor will have to join the Seller or Multiproduct Purchaser in enforcement proceedings against the related Borrower.

Notice of the sale, transfer and assignment of the Loans and, where appropriate, the registration or recording in the appropriate land registry or land title offices of the transfer of legal title to the Mortgages will not be given or made, as the case may be, except in the circumstances described in "*Overview of the Principal Documents—Mortgage Sale Agreement—Notice to Borrower of the Sale, assignment and transfer of the Loans and their Related Security and registration of transfer of title to the Mortgages*". Similarly, neither Borrowers nor obligors will be given notice of the interests of the Bond Trustee (for itself and on behalf of the other Secured Creditors) in the Loans and their Related Security, granted pursuant to the terms of the Security Agreement, nor will the interests of the Bond Trustee (for itself and on behalf of the other Secured Creditors) in the Mortgages be registered in the appropriate land registry or land titles offices, prior to notice of the Guarantor's interests in the Loans and their Related Security, and/or registration of the transfer of title to the Mortgages, having been given or made, as the case may be.

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

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

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

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

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

While the exercise of set-off rights by Borrowers may adversely affect the realizable value of the Covered Bond Portfolio and/or the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee or the Bond Trustee (for itself and on behalf of the other Secured Creditors) to realize on the Covered Bond Portfolio under the Security Agreement, approximately 99.99% of the Loans in the Covered Bond Portfolio as at 30 April 2025 expressly prohibited the exercise of such rights by the related Borrower. In addition, the Canadian dollar deposits of Borrowers with the Bank are currently insured up to C$100,000, subject to certain exceptions, by Canada Deposit Insurance Corporation, a Canadian Crown corporation.

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

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

Limitations on recourse to the Seller

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

If any Portfolio Asset assigned by the Seller to the Guarantor does not materially comply with any of the Loan Representations and Warranties made by the Seller as at the Transfer Date of that Portfolio Asset, then the Seller will be required to notify the Guarantor and the Bond Trustee as soon as reasonably practical after becoming aware of the fact and, upon receipt of a request to

do the same from the Guarantor, remedy the breach within 20 Toronto Business Days of receipt by it of the request. There is no further recourse to the Seller in respect of a breach of a Loan Representation or Warranty.

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

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

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

a) Risks related to all Covered Bonds

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

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

Issuer liable to make payments when due on the Covered Bonds

The Issuer is liable to make payments when due on the Covered Bonds. The Covered Bonds constitute deposit liabilities of the Issuer for purposes of the Bank Act, however 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). As a result, Holders of the Covered Bonds are, subject to the paragraph below, solely exposed to the Issuer for payment on the Covered Bonds and may not be repaid on their investments in the Covered Bonds.

The Guarantor has no obligation to pay the Guaranteed Amounts payable under the Covered Bond Guarantee until the occurrence of a Covered Bond Guarantee Activation Event. The

occurrence of an Issuer Event of Default does not constitute a Guarantor Event of Default. However, failure by the Guarantor to pay amounts when Due for Payment under the Covered Bond Guarantee would constitute a Guarantor Event of Default which would entitle the Bond Trustee to accelerate the obligations of the Issuer under the Covered Bonds (if the Covered Bonds have not already become due and payable) and the obligations of the Guarantor under the Covered Bond Guarantee and entitle the Bond Trustee to enforce the Security. Holders of the Covered Bonds can only look to the Guarantor for payment on the Covered Bonds for the Guaranteed Amounts and only in the circumstances stated above. To the extent that the Holders of the Covered Bonds do not recover the Guaranteed Amounts from the Guarantor, they may be materially adversely affected in respect of their investments in the Covered Bonds.

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

Subsequent to a failure by the Issuer to make a payment in respect of one or more Series of Covered Bonds, the Bond Trustee may, but is not obliged to, serve an Issuer Acceleration Notice on the Issuer and Notice to Pay on the Guarantor (which would constitute a Covered Bond Guarantee Activation Event) (see Condition 4 on page 125 of this Prospectus) unless and until service of such Issuer Acceleration Notice is requested or directed, as applicable, by the Holders of at least 25 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds then outstanding as if they were a single Series or an Extraordinary Resolution of all the Holders of the Covered Bonds in accordance with Condition 7.01. As a result, a certain percentage of Holders of the Covered Bonds may be able to direct such action without obtaining the consent of the other Holders of the Covered Bonds.

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

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

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

Security Agreement, and holders of the Covered Bonds will receive amounts from the Guarantor (if any) on an accelerated basis.

Excess Proceeds received by the Bond Trustee

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may receive Excess Proceeds. The Excess Proceeds will be paid by the Bond Trustee, as soon as practicable after receipt thereof by the Bond Trustee, on behalf of the Holders of the Covered Bonds of the relevant Series, to the Guarantor for the account of the Guarantor and will be held by the Guarantor in the Guarantor Accounts (as discussed further in Condition 7 on page 154 of this Prospectus). The Excess Proceeds will thereafter form part of the Security granted pursuant to the Security Agreement and will be used by the Guarantor in the same manner as all other moneys from time to time standing to the credit of the Guarantor Accounts. Any Excess Proceeds received by the Bond Trustee will discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (subject to restitution of the same if such Excess Proceeds will be required to be repaid by the Guarantor). However, the obligations of the Guarantor under the Covered Bond Guarantee are, following a Covered Bond Guarantee Activation Event, unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds shall not reduce or discharge any of such obligations.

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

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

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

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

- the Asset Coverage Test will be required to be met both before and after any further issue of Covered Bonds; and
- on or prior to the date of issue of any further Covered Bonds, the Issuer will be obliged to obtain Rating Agency Confirmation.

Based on the foregoing, the holders of a Series of Covered Bonds will not have full entitlement to amounts available from the Issuer for holders of Covered Bonds and will be limited to their

applicable entitlement on a shared priority basis and will, on a similar basis, be limited in their access to the security granted by the Guarantor under the Security Agreement.

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

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

If, in connection with the exercise of its powers, trusts, authorities or discretions, the Bond Trustee is of the opinion that the interests of the holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, the Bond Trustee will not exercise such power, trust, authority or discretion without the approval by Extraordinary Resolution of such holders of the relevant Series of Covered Bonds then outstanding or by a direction in writing of such holders of the Covered Bonds representing at least 25 per cent of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding. See Condition 21 "*Indemnification of Bond Trustee and Bond Trustee contracting with the Issuer and/or the Guarantor*" on page 176 of this Prospectus. As a result, the rights of an individual holder of Covered Bonds may be adversely affected by decisions made by the Bond Trustee, by an Extraordinary Resolution of the holders of the applicable Series of Covered Bonds or a direction in writing by holders of Covered Bonds representing the requisite percentage of Covered Bonds of the relevant Series.

Extendable obligations under the Covered Bond Guarantee

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

The Extended Due for Payment Date will fall up to one year after the Final Maturity Date (as specified in the applicable Final Terms) and the Guarantor will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and the Extended Due for Payment Date and any unpaid amounts in respect thereof shall be due and payable on the

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

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

The conditions of the Covered Bonds contain provisions for calling meetings of Holders of the Covered Bonds to consider matters affecting their interest generally. These provisions permit defined majorities to bind all Holders of the Covered Bonds including Holders of Covered Bonds who do not attend and vote at the relevant meeting and Holders of the Covered Bonds who voted in a manner contrary to the majority. Pursuant to the Trust Deed, in connection with any meeting of the holders of Covered Bonds of more than one Series, the Covered Bonds of any Series not denominated in CAD shall be converted into CAD at the applicable Covered Bond Swap Rate.

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

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

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

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

Covered Bondholders will be deemed to have consented to certain modifications to the Transaction Documents so long as at least 10 per cent of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds have not notified their objection to the Bond Trustee in writing

In addition to the right of the Bond Trustee to make certain modifications to the Transaction Documents without the consent of the holders of the Covered Bonds described under "*— Modifications and Waivers; The Bond Trustee may agree to modifications to the Transaction Documents without, respectively, the holders of the Covered Bonds' or Secured Creditors' prior*

consent", the Bond Trustee shall, without any consent or sanction of any of the holders of the Covered Bonds or any of the other Secured Creditors, concur with the Issuer in making any modification (other than a Series Reserved Matter) to the Trust Deed, the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security for the purpose of changing the Reference Rate to an Alternative Base Rate as further described in Condition 13.02(c) for the relevant Series of Covered Bonds (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change) to the extent there has been or there is reasonably expected to be a material disruption or cessation to EURIBOR or any other relevant benchmark, provided that such amendments will not constitute a Series Reserved Matter and, in each case subject to the satisfaction of certain requirements, including receipt by the Bond Trustee of a Base Rate Modification Certificate, certifying, among other things, that the modification is required for its stated purpose.

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

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

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

The Bank has a number of roles pursuant to the Programme including, but not limited to, the roles of Issuer, Seller, Servicer, Cash Manager, counterparty under the Swap Agreements and Limited Partner (as further described in "*Overview of the Principal Documents*" on pages 213 to 272 of this Prospectus). In respect of the Programme, the Bank will act in its own interest subject to compliance with the Transaction Documents. Such actions by the Bank may not be in the best

interests of and may adversely affect the holders of the Covered Bonds, including by negatively impacting the ability for the Issuer to pay to the holders of the Covered Bonds any principal and/or interest due on the Covered Bonds. Subject to compliance with the Transaction Documents, the Bank may act in its own interest without incurring any liability to the holders of any Series or Tranche of Covered Bonds.

Privacy Issues associated with the Covered Bond Programme

The Loans originated by the Seller or the relevant Originator have been originated at various times with the result that the underlying mortgage documentation may vary from Loan to Loan. See the section entitled "*Loan Origination and Lending Criteria*" on page 209 of this Prospectus for further details on the Loans. Earlier Loan documentation may not have the same level of acknowledgements and consents from borrowers regarding the disclosure of information, and, in certain circumstances may not provide for an express right to share client information. As a result, limited information may be available to parties other than the Bank and its related entities (which would include the Guarantor).

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

Any Extraordinary Resolution to direct the Bond Trustee to serve an Issuer Acceleration Notice following an Issuer Event of Default, to direct the Bond Trustee to serve a Guarantor Acceleration Notice following a Guarantor Event of Default and any direction to the Bond Trustee to take any enforcement action must be passed at a single meeting of the holders of all Covered Bonds of all Series then outstanding. See Condition 13.01 "*Meetings of Holders of the Covered Bonds*" for additional information.

Change of law

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

It should also be noted that the Covered Bonds and their holders may be affected by the covered bond legislative package of the EU that is applicable since 8 July 2022. This legislative package is composed of Directive 2019/2162 (the "**EU Covered Bond Directive**") and Regulation 2019/2160 amending Regulation (EU) No 575/2013 (Capital Requirements Regulation – the "**CRR**") as regards exposures in the form of covered bonds. This legislative package established a revised common base-line for issuance of covered bonds for EU regulatory purposes (subject to various options that Member States may choose to exercise when implementing the EU Covered Bond Directive into their national law and amended Article 129 CRR and related provisions regarding the criteria for covered bonds to benefit from a preferential capital treatment under the CRR regime. However, the preferential treatment under Art. 129 CRR currently cannot extend to covered bonds issued by Canadian issuers and the holders thereof. Any such extension is dependent on the introduction of an equivalence regime for third countries

in relation to covered bonds. Pursuant to Article 31 of the EU Covered Bond Directive, the EU Commission was to submit a report on whether and, if so, how an equivalence regime could be introduced for third-country credit institutions issuing covered bonds and for investors in those covered bonds by 8 July 2024. However, the EU Commission has not published such report as of the date of this Prospectus. How this might affect the marketability of the Covered Bonds and other covered bonds issued by Canadian issuers is ultimately unknown.

Further, covered bonds may be eligible to be used as liquid assets under the liquidity coverage ratio requirements provided for in the CRR, as supplemented by Commission Delegated Regulation (EU) 2015/61 (as amended, the "**LCR Delegated Regulation**"); provided that they are assigned a minimum credit assessment by an external credit assessment institution or have otherwise been assigned a 10% risk weight under Article 129 CRR and provided further that they also comply with the other requirements set out in the LCR Delegated Regulation, such as transparency requirements. There is no assurance that the Covered Bonds will be, at any time in the future, eligible for such purpose and prospective investors should therefore make themselves aware of all applicable regulatory requirements with respect of their investment in the Covered Bonds.

In the UK, the FCA indicated that it intended to implement the EU Covered Bonds Directive and Regulation 2019/2160; however, no consultation on the proposed amendments has yet been published and it is unclear whether the FCA or UK government may take any steps to implement the EU legislative package (with or without amendment). No assurances or predictions can be made as to the precise effects of any future update to the UK's covered bond regime on the Covered Bonds or CIBC as a foreign issuer.

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

Change of Tax Law

Statements in this Prospectus concerning the taxation of investors (see the section entitled "*Taxation*" on page 299 of this Prospectus) are of a general nature and are based upon current tax law and published practice (and, where indicated, proposed amendments or changes to such law or practice) in the jurisdictions stated. Such law and practice is, in principle, subject to change, possibly with retrospective or retroactive effect, and this could adversely affect holders of the Covered Bonds.

In addition, any change in the Issuer's tax status or in taxation legislation or practice in a relevant jurisdiction could adversely impact the market value of the Covered Bonds.

Ratings of the Covered Bonds might not reflect all risks

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

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

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

In general, European and UK regulated investors are restricted under the applicable CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU (in the case of European regulated investors) or (in the case of UK regulated investors) the UK and registered under the applicable CRA Regulation (and such registration has not been withdrawn or suspended) subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. See “Credit Rating Agencies” on page 12 of this Prospectus for additional information. Such general restriction will also apply in the case of credit ratings issued by non EU and non UK credit rating agencies, unless the relevant credit ratings are endorsed by a Registered CRA or the relevant non EU or non UK rating agency is certified in accordance with the applicable CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Each of the list of registered and certified credit rating agencies published by ESMA on its website in accordance with the EU CRA Regulation and the list of registered and certified credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation, is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. If the regulated status of a rating agency under the applicable, CRA Regulation changes, European and/or UK regulated investors may no longer be able to use the rating for regulatory purposes and the Covered Bonds may have a different regulatory treatment. This may result in European and/or UK regulated investors selling the Covered Bonds which may impact the value of the Covered Bonds on any secondary market. Certain information with respect to the credit rating agencies and ratings is disclosed in the “Credit Rating Agencies” section on page 12 of this Prospectus.

Rating Agency Confirmation in respect of Covered Bonds

The terms of certain of the Transaction Documents provide that, in certain circumstances, the Issuer and/or the Guarantor must, and the Bond Trustee may, obtain confirmation from each Rating Agency that any particular action proposed to be taken by the Issuer, the Guarantor, the Seller, the Servicer, the Cash Manager, the Bond Trustee or any other party to a Transaction Document will not result in a reduction or withdrawal of the rating of the Covered Bonds in effect immediately before the taking of such action. However, holders of the Covered Bonds should be aware that if a confirmation or some other response by a Rating Agency is a condition to any action or step or is otherwise required under any Transaction Document and a written request for Rating Agency Confirmation is delivered to that Rating Agency by any of the Issuer, the Guarantor and/or the Bond Trustee, as applicable, and either (i) the Rating Agency indicates in its sole discretion that it does not consider such confirmation or response necessary in the circumstances or (ii) within 10 Business Days of actual receipt of such request by the Rating Agency, such request elicits no confirmation or response and/or such request elicits no statement by the Rating

Agency that such confirmation or response could not be given, the Issuer, the Guarantor and/or the Bond Trustee, as applicable, will be entitled to disregard the requirement for 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. In such circumstances there can be no assurance that a Rating Agency would not downgrade or place on watch the then current rating of the Covered Bonds or cause such rating to be withdrawn or suspended.

The failure by a Rating Agency to respond to a written request for a confirmation or affirmation shall not be interpreted to mean that such Rating Agency has given any deemed Rating Agency Confirmation or affirmation of rating or other response in respect of such action or step. No Rating Agency is a party to any of the Transaction Documents and no Rating Agency will at any time be under an obligation to give a Rating Agency Confirmation.

As discussed further in Condition 20 on page 175 of this Prospectus, by subscribing for or purchasing Covered Bond(s), each holder of Covered Bonds shall be deemed to have acknowledged and agreed that a credit rating of a Series of Covered Bonds by the Rating Agencies is an assessment of credit risk and does not address other matters that may be of relevance to holders of Covered Bonds, including, without limitation, in the case of a Rating Agency Confirmation in respect of an action proposed to be taken, whether such action is either (i) permitted by the terms of the relevant Transaction Document or (ii) in the best interests of, or not prejudicial to, some or all of the holders of Covered Bonds.

Further, as discussed in Condition 20 on page 175 of this Prospectus, by subscribing for or purchasing Covered Bond(s), each holder of Covered Bonds shall be deemed to have acknowledged and agreed that: (a) a Rating Agency Confirmation 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 provide a Rating Agency Confirmation in the time available, or at all, and the Rating Agency shall not be responsible for the consequences thereof; (c) a Rating Agency Confirmation, 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 Rating Agency Confirmation 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.

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

A wide range of Covered Bonds may be issued under the Programme. A number of these Covered Bonds may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features.

Risks related to Floating Rate Covered Bonds

1) Methodologies for the calculation of SONIA as a reference rate for Floating Rate Covered Bonds may vary and evolve

Where the relevant Final Terms for a series of Covered Bonds identifies that the Rate of Interest for such Covered Bonds will be determined by reference to SONIA, the Rate of Interest will be determined on the basis of Compounded Daily SONIA (as defined in Condition 5.03). SONIA is a near “risk free” rate that has become more commonly used as a benchmark rate for bonds in

recent years. Investors should be aware that, as a backwards looking near "risk free" rate (as opposed to historic sterling LIBOR which was a forward-looking term rate that included a credit risk element based on inter-bank lending), SONIA behaves materially differently as an interest reference rate for Covered Bonds.

The methodologies to calculate Compounded Daily SONIA are, moreover, not always uniform and the application of different methodologies to calculate the rate may result in slightly different interest amounts being determined in respect of similar securities. In addition, market participants and relevant working groups are exploring alternative reference rates based on risk free rates, examples of which include term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). Accordingly, the Issuer may, in the future, issue Covered Bonds referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA-referenced Covered Bonds issued by it. The future adoption of SONIA methodologies for bonds might also see component inputs into swap rates or other composite rates transferring from sterling LIBOR or another reference rate to SONIA.

In addition, it may be difficult for the Guarantor to find any future required replacement Swap Provider to properly hedge its then interest rate exposure on such a Floating Rate Covered Bond should a Swap Provider need to be replaced and such Floating Rate Covered Bond at that time uses an application of SONIA that then differs from products then prepared to be hedged by such Swap Providers. Such variations could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Covered Bonds from time to time.

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

Furthermore, the Rate of Interest on Covered Bonds which reference Compounded Daily SONIA is only capable of being determined at the end of the relevant Interest Accrual Period or Observation Period (as applicable and as defined in the Conditions) and immediately or shortly prior to the relevant Interest Payment Date. It may be difficult for investors in Covered Bonds which reference Compounded Daily SONIA to reliably estimate the amount of interest which will be payable on such Covered Bonds, and some investors may be unable or unwilling to trade such Covered Bonds without changes to their information technology systems, both of which factors could adversely impact the liquidity of such Covered Bonds. Further, in contrast to Covered Bonds that historically referenced Sterling LIBOR, if Covered Bonds referencing Compounded Daily SONIA become due and payable under Condition 7, the Rate of Interest payable shall only be determined for the final Interest Period on the date the Covered Bonds became due and payable

(and shall not be reset thereafter), making it difficult for investors in such Covered Bonds to reliably estimate their final interest amount payable on their Covered Bonds.

In addition, investors should carefully consider how any mismatch between applicable conventions for the use of reference rates in the bonds, loans and derivatives market may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Covered Bonds referencing Compounded Daily SONIA.

Since SONIA is a relatively new market index, Covered Bonds linked to SONIA may have little or no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SONIA, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Covered Bonds may be lower than those of later-issued indexed debt securities as a result. Given the potential low liquidity and trading volumes as aforesaid, investors in such Covered Bonds may not be able to sell such Covered Bonds at all or may not be able to sell such Covered Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and may consequently suffer from increased pricing volatility and market risk.

There can also be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Covered Bonds referencing SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Covered Bonds and the trading prices of such Covered Bonds.

2) Methodologies for the calculation of SOFR as a reference rate for Covered Bonds may vary or evolve

SOFR is published by the New York Federal Reserve and is intended to be a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities. The New York Federal Reserve reports that SOFR includes all trades in the Broad General Collateral Rate and bilateral U.S. Treasury repurchase agreement (repo) transactions cleared through the delivery-versus-payment service offered by the Fixed Income Clearing Corporation (the "**FICC**"), a subsidiary of DTC, and SOFR is filtered by the New York Federal Reserve to remove some (but not all) of the foregoing transactions considered to be "specials." According to the New York Federal Reserve, "specials" are repos for specific-issue collateral, which take place at cash-lending rates below those for general collateral repos because cash providers are willing to accept a lesser return on their cash in order to obtain a particular security.

If data for a given market segment were unavailable for any day, then the most recently available data for that segment would be utilized, with the rates on each transaction from that day adjusted to account for any change in the level of market rates in that segment over the intervening period. SOFR would be calculated from this adjusted prior day's data for segments where current data were unavailable, and unadjusted data for any segments where data were available. To determine the change in the level of market rates over the intervening period for the missing market segment, the New York Federal Reserve would use information collected through a daily survey conducted by its Trading Desk of primary dealers' repo borrowing activity. Such daily survey would include information reported by select Dealers for the Programme.

The New York Federal Reserve reports that SOFR is calculated as a volume-weighted median of transaction-level tri-party repo data collected from The Bank of New York Mellon as well as

General Collateral Finance Repo transaction data and data on bilateral U.S. Treasury repo transactions cleared through the FICC's delivery-versus-payment service. The New York Federal Reserve also notes that it obtains information from DTCC Solutions LLC, an affiliate of DTC.

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

Each U.S. Government Securities Business Day, the New York Federal Reserve publishes SOFR on its website at approximately 8:00 a.m., New York City time. If errors are discovered in the transaction data provided by The Bank of New York Mellon or DTCC Solutions LLC, or in the calculation process, subsequent to the initial publication of SOFR but on that same day, SOFR and the accompanying summary statistics may be republished at approximately 2:30 p.m., New York City time. Additionally, if transaction data from The Bank of New York Mellon or DTCC Solutions LLC had previously not been available in time for publication, but became available later in the day, the affected rate or rates may be republished at around this time. Rate revisions will only be effected on the same day as initial publication and will only be republished if the change in the rate exceeds one basis point. Any time a rate is revised, a footnote to the New York Federal Reserve's publication would indicate the revision. This revision threshold will be reviewed periodically by the New York Federal Reserve and may be changed based on market conditions.

Because SOFR is published by the New York Federal Reserve based on data received from other sources, the Issuer has no control over its determination, calculation or publication.

Where the relevant Final Terms for a series of Covered Bonds identifies that the Rate of Interest for such Covered Bonds will be determined by reference to SOFR, the Rate of Interest will be determined on the basis of Compounded Daily SOFR (as defined in Condition 5.03).

The New York Federal Reserve began to publish SOFR in April 2018. Although the New York Federal Reserve has published historical indicative SOFR going back to 2014, indicative data inherently involves assumptions, estimates and approximations. Therefore, SOFR has limited performance history and no actual investment based on the performance of SOFR was possible before April 2018. The level of SOFR over the term of the Covered Bonds may bear little or no relation to the historical level of SOFR. The future performance of SOFR is impossible to predict based on either the limited actual or indicative historical performance of SOFR and therefore no future performance of SOFR or the Covered Bonds may be inferred from any of the hypothetical or actual historical performance data.

Since SOFR is a relatively new market index, Floating Rate Covered Bonds linked to SOFR will likely have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of Floating Rate Covered Bonds linked to SOFR may be lower than those of later-issued indexed debt securities as a result. Similarly, if SOFR does not prove to be widely used in securities like the Floating Rate Covered Bonds linked to SOFR, the trading price of such Covered Bonds may be lower than those of bonds liked to indices that are more widely used. Investors in Floating Rate Covered Bonds linked to SOFR may not be able to sell such Covered Bonds at all or may not be able to sell such Covered Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

The New York Federal Reserve (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Covered Bonds linked to SOFR. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on Floating Rate Covered Bonds linked to SOFR and the trading prices of such Covered Bonds. If the rate at which interest on Floating Rate Covered Bonds linked to SOFR accrues on any day declines to zero or becomes negative, no interest will be payable on such Covered Bonds in respect of that day.

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

For the final Interest Period, because the level of SOFR for any day from and including the Rate Cut-Off Date to but excluding the Final Maturity Date will be the level of SOFR in respect of such Rate Cut-Off Date, investors in Floating Rate Covered Bonds linked to SOFR will not receive the benefit of any increase in the level in respect of SOFR on any date following the Rate Cut-Off Date in connection with the determination of the interest payable with respect to such Interest Period, which could adversely impact the amount of interest payable with respect to that Interest Period.

3) Methodologies for calculation of €STR as a reference rate for Covered Bonds may vary and evolve

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

The Euro short term rate ("**€STR**") is published by the European Central Bank, as the administrator of €STR, and is intended to reflect the wholesale euro unsecured overnight borrowing costs of banks located in the euro area. The European Central Bank reports that the €STR is published on each T2 Business Day (as defined in the Conditions) based on transactions conducted and settled on the previous T2 Business Day (the reporting date "T") with a maturity date of T+1 which are deemed to have been executed at arm's length and thus reflect market rates in an unbiased way. €STR is a near "risk free" rate that has become more commonly used as benchmark rates for bonds in recent years. This rate is backwards looking, but the methodologies to calculate this risk-free rate are not uniform. Such different methodologies may result in slightly different interest amounts being determined in respect of similar securities.

Investors should be aware that the market continues to develop in relation to €STR as a reference rate in the capital markets and its adoption as an alternative to EURIBOR. Furthermore, the market or a significant part thereof may adopt an application of €STR that

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

The Rate of Interest for Covered Bonds with €STR as a reference rate is only capable of being determined at the end of the relevant Interest Accrual Period (as defined in the Conditions) and immediately prior to the relevant Interest Payment Date (as set out in the Conditions). It may be difficult for investors in Covered Bonds with €STR as a reference rate to estimate reliably the amount of interest which will be payable on the Covered Bonds, and some investors may be unable or unwilling to trade such Covered Bonds without changes to their IT systems, both of which factors could adversely affect the liquidity of such Covered Bonds. Further, if such Covered Bonds become due and payable prior to their stated maturity, the final Rate of Interest payable in respect of such Covered Bonds shall only be determined immediately prior to the date on which the Covered Bonds become due and payable.

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

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

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

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

i. IBOR Replacement

Reference rates such as EURIBOR, NIBOR and other types of rates or indices which are deemed to be "benchmarks" (each, a "**Benchmark**" and together the "**Benchmarks**") have been the subject of regulatory scrutiny and national and international regulatory reform and review aimed at supporting the transition to robust benchmarks. Most reforms have now reached their planned conclusion (including the cessation of LIBOR), and Benchmarks remain subject to ongoing monitoring, although different interest rate benchmarks are being reformed or discontinued at different speeds and in different ways.

International reform of Benchmarks includes the EU Benchmarks Regulation (as defined on the cover page of this Prospectus), which applies, subject to certain transitional provisions, to "contributors", "administrators" and "users" of in-scope "benchmarks" in the EEA. Among other things, it: (i) requires benchmark administrators to be authorised or registered (or, if located outside the EEA to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks; and (ii) prevents certain uses by EEA supervised entities of in-scope benchmarks of administrators that are not authorised/registered (or, if located outside the EEA, deemed equivalent or recognised or endorsed). Similarly the EU Benchmarks Regulation as it forms part of United Kingdom domestic law (the "**UK Benchmarks Regulation**") by virtue of the EUWA applies, subject to transitional provisions, to "contributors", "administrators" and "users" of "benchmarks" in the UK. Among other things, it: (i) requires benchmark administrators to be authorised or registered (or, if located outside the UK, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks; and (ii) prevents certain uses by UK supervised entities of benchmarks or administrators that are not authorised/registered (or, if located outside the UK, deemed equivalent or recognised or endorsed).

Under the UK Benchmarks Regulation, the transitional provisions for third country benchmark administrators continue until 31 December 2030. However, under the EU Benchmarks Regulation the transitional provisions for third country benchmark administrators expire on 31 December 2025. If ESMA has received an application for recognition or endorsement of a third country administrator by such date, the benchmark concerned can be used in existing and new financial instruments and financial contracts, unless and until the administrator's application is refused.

The EU Benchmarks Regulation and the UK Benchmarks Regulation also give regulators additional powers to intervene in relation to critical benchmarks (such as EURIBOR under the EU Benchmarks Regulation), including to support the orderly wind-down of a critical benchmark.

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

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

In addition, Regulation 2025/914, which amends the EU Benchmarks Regulation will apply from 1 January 2026. One of the key changes to the regime is that only Benchmarks perceived to have the greatest economic relevance for the EU market will be in mandatory scope of core provisions of the new regime. Such Benchmarks will be those defined as critical or significant (determined based on quantitative or qualitative criteria), EU Paris-aligned benchmarks, EU Climate Transition benchmarks, and certain commodity benchmarks which will remain in scope of the mandatory application of the core provisions of the EU Benchmarks Regulation. An exemption will apply for certain FX benchmarks.

Other Benchmarks will fall out of mandatory EU Benchmarks Regulation scope (other than certain limited provisions including in relation to statutory replacement of a Benchmark, connected with cessation and/or non-representativeness). For Benchmarks that are in scope of the revised regime, similar risks will apply to those which apply to benchmarks in scope of the current regime. Investors should note, however, that Benchmarks that fall out of scope of the revised regime (which have not been opted-in) will no longer be regulated in the same way from 1 January 2026. This means that previously mandatory requirements, for example, regulating governance, conflicts of interest, oversight functions, input data requirements, methodology and transparency of the methodology, requirements for contributors and in relation to input data, will fall away. Among other things, there is a risk that this could mean that the methodology of such Benchmarks may be less robust, resilient or transparent (potentially being capable of being materially amended without consultation). This may reduce or increase or affect the volatility of the level of such Benchmarks.

ii. Fallback arrangements under the Programme

The Conditions provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) is discontinued or otherwise becomes unavailable, including the possibility under Condition 13.02 that the rate of interest could be set by reference to an Alternative Base Rate and that such Alternative Base Rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. However, it may not be possible to determine or apply any such adjustment and even if an adjustment is applied, such adjustment may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment can be determined, an Alternative Base Rate may nonetheless be used to determine the rate of interest on the Covered Bonds. Further, if the Issuer determines the rate of interest itself, it will make such determinations and adjustments as it deems appropriate, in accordance

with the Conditions of the Covered Bonds. In making such determinations and adjustments, the Issuer may be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

Based on the foregoing, investors should be aware that:

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

b. if any relevant benchmark is discontinued or is otherwise unavailable, then, to the extent that an amendment as described in paragraph (c) below has not been made at the relevant time, the rate of interest on the Covered Bonds will, if applicable, be determined by the fall-back provisions provided for under Condition 5.03, although such provisions, being dependent in part upon the provision by reference banks of offered quotations to prime banks in the Euro-zone interbank market (in the case of EURIBOR), may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when such relevant benchmark was available;

c. while an amendment may be made (i) following the occurrence of an €STR Index Cessation Effective Date to change the base rate on the Floating Rate Covered Bonds from €STR or (ii) under Condition 13.02(c) to change the base rate on the Floating Rate Covered Bonds from a relevant benchmarks to an alternative base rate under certain circumstances broadly related to its discontinuation and subject to certain conditions being satisfied there can be no assurance that any such amendment will be made or, if made, that they (i) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Floating Rate Covered Bonds which could result in a material adverse effect on the value of and return on such Covered Bonds or (ii) will be made prior to any date on which any of the risks described in this risk factor may arise (see "*Covered Bondholders will be deemed to have consented to certain modifications to the Transaction Documents so long as at least 10 per cent of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds have not notified their objection to the Bond Trustee in writing*");

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

e. due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of the Issuer, the relevant fallback provisions may not operate as intended at the relevant time; and

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

iii. Additional risks related to benchmarks applicable to Covered Bonds

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

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

Moreover, any of the above matters (including an amendment to change the base rate as described in paragraph (c) above) or any other significant change to the setting or existence of any relevant benchmark rate could affect the ability of the Issuer or the Guarantor to meet its obligations under the Covered Bonds and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Covered Bonds. No assurance can be provided that relevant changes will not occur with respect to any relevant benchmark rate and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Covered Bonds.

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

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

Under the Programme, the Issuer may issue Exempt Covered Bonds and, in particular, covered bonds may be issued (i) in the form of German law governed Namensschuldverschreibungen ("**N Covered Bonds**"), represented by a certificate made out in the name of the relevant holder of the N Covered Bond with the terms and conditions attached (such terms and conditions as set out in the form attached to the Trust Deed and not in the form of the Terms and Conditions as set out in this Prospectus), and (ii) in other markets.

The N Covered Bonds do not constitute transferable securities within the meaning of Art. 2(a) of the Prospectus Regulation and will not be listed and/or admitted to trading on any stock exchange. Exempt Covered Bonds will rank *pari passu* with all other Covered Bonds and payments of principal and interest payable will be guaranteed by the Guarantor under and subject to the terms of the Covered Bond Guarantee. Accordingly, any potential investor in the Covered Bonds should

be aware that the Programme may include Exempt Covered Bonds, the holders of which will have equivalent rights as against the Issuer and the Guarantor as the holders of Covered Bonds issued pursuant to this Prospectus, which may dilute the ability of the Issuer or the Guarantor to make payments on the Covered Bonds or the Covered Bond Guarantee, as applicable. Such Exempt Covered Bonds do not form part of this Prospectus approved by the CSSF and the CSSF has neither reviewed nor approved any information contained in this Prospectus in connection with such Exempt Covered Bonds.

Covered Bonds where denominations involve integral multiples: definitive Covered Bonds

In relation to any issue of Covered Bonds which has denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that the Covered Bonds may be traded in the clearing systems in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Covered Bond in respect of such holding (should definitive Covered Bonds be provided) and would need to purchase or sell a principal amount of Covered Bonds such that its holding amounts to a Specified Denomination before definitive Covered Bonds are issued to such Holder. See "*Form of the Covered Bonds – Bearer Covered Bonds*" on page 109 of this Prospectus for additional information.

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

Covered Bonds subject to optional redemption by the Issuer

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

The Issuer may be expected to redeem Covered Bonds, if the Issuer has a right of redemption in respect of the relevant Series of Covered Bonds, when its cost of borrowing is lower than the interest rate on the Covered Bonds. See Condition 6.03 "*Call Option*" on page 150 of this Prospectus for additional information. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Risks related to Fixed Rate Covered Bonds

Fixed Rate Covered Bonds bear interest at a fixed rate. Investment in Fixed Rate Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Covered Bonds. Investors should note that (i) if market interest rates start to rise then the income to be paid on the Covered Bonds might become less attractive and the price the investors get if they sell such Covered Bonds could fall and (ii) inflation will reduce the real

value of the Covered Bonds over time which may affect what investors can buy with the investments in the future and which may make the fixed interest rate on the Covered Bonds less attractive in the future.

Covered Bonds issued at a substantial discount or premium

The issue price of Covered Bonds specified in the applicable Final Terms may be more than the market value of such Covered Bonds as of the issue date, and the price at which a Dealer or any other person willing to purchase the Covered Bonds in secondary market transactions may be lower than the issue price. In particular, the issue price may take into account amounts with respect to commissions relating to the hedging of the Issuer's obligations under such Covered Bonds, and secondary market prices are likely to exclude such amounts. In addition, pricing models of market participants may differ or produce a different result. See "*Market Discount*" and "*Acquisition Premium and Amortizable Bond Premium"* on page 309 of this Prospectus for additional information.

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

Canadian usury laws

Pursuant to Condition 5.05, a maximum interest rate may be specified in the Final Terms. The Criminal Code (Canada) prohibits the receipt of "interest" at a "criminal rate". As of January 1, 2025, the "criminal rate" of interest is an annual percentage rate of interest that exceeds 35 per cent, subject to certain exemptions with respect to loans for commercial or business purposes not made to a natural person (commercial loans), including as follows: (a) commercial loans over $500,000 are exempt from the criminal interest rate; and (b) commercial loans over $10,000 but equal to or less than $500,000 are subject to a criminal interest rate cap of an annual percentage rate of 48 per cent. Accordingly, the provisions for the payment of interest or a redemption amount in excess of the aggregate principal amount of the Covered Bonds may not be enforceable if the provision provides for the payment of "interest" in excess of the applicable criminal rate. If any Covered Bonds are found not to be enforceable in whole or in part as a result of such prohibition, holders of Covered Bonds may not be able to collect some or all of the amounts owing on such Covered Bonds. See Condition 5 "Interest" on page 125 of this Prospectus for additional information on how interest is calculated.

Registered Global Covered Bonds

The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. See "*Form of the Covered Bonds – Transfer of Interests*" on page 113 of this Prospectus for additional information. Similarly, because certain clearing systems can only act on behalf of direct participants in such clearing systems who in turn act on behalf of indirect participants, the ability of a person having an interest in Covered Bonds represented by a Registered Global Covered Bond accepted by such clearing systems to pledge such Covered Bonds to persons or entities that do not participate in such clearing systems or otherwise take action in respect of such Covered Bonds may depend in some jurisdictions upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form.

Risks related to Covered Bonds issued by the Issuer's London branch

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

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

Covered Bonds may be issued by the Issuer's London branch if the Branch of Account specified in the Final Terms is London. Where the Authorities choose to recognise a third country resolution action, in whole or in part, they must make a statutory instrument which may provide for the exercise of the stabilisation options in relation to the third country entity. This instrument may apply to: (i) assets of the third country entity or its group located in the UK or governed by UK law; and (ii) rights or liabilities of the third country entity that are booked by its London branch, governed by UK law, or where the claims in relation to such rights and liabilities are enforceable in the UK. Accordingly, exercise of these powers is possible where the relevant Authorities are acting to support or give full effect to a resolution carried out by the Canadian resolution authority. The Authorities' power to bail-in liabilities is not intended to apply to secured debt. Therefore, claims in relation to Covered Bonds should not be subject to the bail-in tool to the extent that they are secured. However, the Authorities' actions may include actions such as transferring assets located in the UK to a purchaser under the Canadian equivalent of a sale of business tool, or to a bridge bank in Canada.

In addition, under BRRD which has been implemented in the UK through the UK Banking Act, the UK has provided the Authorities with the necessary powers to resolve the London branch of a third country entity (such as the Issuer's London branch) that is not subject to third country resolution action (including resolution proceedings of the Canadian authorities), or where the Authorities have refused to recognise or enforce third country resolution action. The powers available to the Bank of England, when acting independently to resolve a London branch of a third country entity are: (i) powers to transfer some or all of the assets, rights and liabilities (the

"**business of the branch**") to a private sector purchaser, bridge bank or asset management vehicle; and (ii) the power to bail-in liabilities (which should not include the Covered Bonds to the extent they are secured) in connection with the transfer to the private-sector purchaser, bridge bank or asset management vehicle (the "**Independent Resolution of UK Branch Powers**" or "**IRUKBPs**"). The powers could affect the Covered Bonds, to the extent that they are considered to be within the "business of the branch". As outlined above, the bail-in tool is not intended to apply to secured debt such as the Covered Bonds. However, Covered Bondholders may be subject to the relevant powers listed in clause (i) above, which may result in such Covered Bondholders losing some or all of their investment.

6. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE RISKS RELATED TO THE ISSUER'S AND THE GUARANTOR'S LEGAL AND REGULATORY SITUATION

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

Bankruptcy or Insolvency Risk

The assignments of the Portfolio Assets from the Seller to the Guarantor pursuant to the terms of the Mortgage Sale Agreement are intended by the Seller and the Guarantor to be and have been documented as sales for legal purposes. For a description of the principal terms of the Mortgage Sale Agreement see pages 217-229 of this Prospectus. As the subject of a legal sale, the Portfolio Assets would not form part of the assets of the Issuer and would not be available to the creditors of the Issuer. However, if the Seller or the Guarantor were to become bankrupt or otherwise subject to insolvency, winding-up and/or restructuring proceedings, the Superintendent of Financial Institutions (the "**Superintendent**"), appointed pursuant to the *Office of the Superintendent of Financial Institutions Act* (Canada), any liquidator or other stakeholder of the Seller, could attempt to re-characterize the sale of the Portfolio Assets as a loan from the Guarantor to the Seller secured by the Portfolio Assets, to challenge the sale under the fraudulent transfer or similar provisions of the *Winding-up and Restructuring Act* ("**WURA**") or other applicable laws or to consolidate the assets of the Seller with the assets of the Guarantor. In this regard, the Transaction Documents contain restrictions on the Seller and the Guarantor intended to reduce the possibility that a Canadian court would order consolidation of the assets and liabilities of the Seller and the Guarantor given, among other things, current jurisprudence on the matter. Further, the Covered Bond Legislative Framework contains provisions that will limit the application of the laws of Canada and the provinces and territories relating to bankruptcy, insolvency and fraudulent conveyance to the assignments of the Portfolio Assets from the Seller to the Guarantor. Nonetheless, any attempt to challenge the transaction or to consolidate the assets of the Seller with the assets of the Guarantor, even if unsuccessful, could result in a delay or reduction of collections on the Portfolio Assets available to the Guarantor to meet its obligations

under the Covered Bond Guarantee, which could prevent timely or ultimate payment of amounts due to the Guarantor, and consequently, the holders of the Covered Bonds.

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

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

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

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

court appointment of a receiver of the Guarantor or a winding-up of the Guarantor, or might commence involuntary insolvency proceedings against the Guarantor under the BIA or the CCAA.

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

CMHC has the right under the Covered Bond Legislative Framework and the CMHC Guide to suspend a registered issuer from issuing further covered bonds under a registered program if the issuer has breached certain requirements of its registered program or the CMHC Guide. If a suspended issuer issues covered bonds during a period of suspension, such covered bonds will not have the benefit of the protective provisions of the Covered Bond Legislative Framework relating to bankruptcy and insolvency.

Remedial Powers of the Superintendent under the Bank Act

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

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

OSFI; and (iii) excesses (above the 4 per cent. limit) due to factors not under the control of the issuing institution, such as foreign exchange fluctuations, will not require the relevant deposit taking institution to take action to reduce the amount outstanding, however, for other excesses, the relevant deposit taking institution must provide a plan showing how it proposes to eliminate the excess quickly. As of the date of this Prospectus, the Issuer is in compliance with the OSFI covered bond limits.

As a result of the May 2019 letter, as of 1 August, 2019, OSFI required that the total assets pledged by the deposit-taking institution for covered bonds (calculated as the Canadian dollar equivalent of the deposit-taking institution's covered bonds outstanding multiplied by the level of overcollateralization, as calculated in accordance with the CMHC Guide and reported in the monthly investors' reports), must not, at any time, exceed 5.5 per cent. of the deposit-taking institution's on-balance sheet assets (as reported on the regulatory balance sheet return of the deposit-taking institution). As a result of the then prevailing exceptional circumstances, the March 2020 letter increased the 5.5 per cent. limit to 10 per cent. from and after 27 March 2020 to permit deposit taking institutions to temporarily exceed the 5.5 per cent. limit in order to allow deposit taking institutions to pledge covered bonds as collateral to the Bank of Canada. The maximum amount of pool assets relating to market instruments remains at 5.5 per cent., the limit set by the May 2019 letter. The March 2020 letter provided that the 10 per cent. limit was temporary and would be in place for at least one year, with the possibility for extension if needed. The April 2021 letter provided that the temporary increase to the covered bond limit pursuant to the March 2020 letter was no longer necessary and was being unwound, effective as of April 6, 2021, given the deposit taking institutions' liquidity and access to term funding had stabilized considerably since March 2020. The OSFI covered bond limit must be met on an ongoing basis and the following requirements must be satisfied: (i) if at any time after issuance the 5.5 per cent limit is exceeded, the relevant deposit taking institution must notify OSFI in a timely manner; and (ii) excesses (above the 5.5 per cent limit) due to factors not under the control of the issuing institution, such as foreign exchange fluctuations, will not require the relevant deposit taking institution to take action to reduce the amount outstanding, however, for other excesses, the relevant deposit taking institution must provide a plan showing how it proposes to eliminate the excess quickly.

Institutions which exceed the 5.5 per cent pool assets limit will be expected to return below this threshold as soon as market funding conditions permit, and provide a plan to OSFI outlining their proposed approach and timing to return below the required threshold.

The May 2019 letter also confirms that relevant deposit taking institutions will continue to be expected to amend the pledging policies they are required to maintain under the Bank Act or other applicable federal law to take into account the issuance of covered bonds consistent with the above limits. In respect of the limits in the 27 June 2007 and the December 2014 letter, the Bank received approval from the risk committee of its board of directors for, and implemented, amendments to its pledging policies which took into account the issuance of Covered Bonds under the Programme.

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

In response to the global financial crisis, the BCBS has been reviewing standards for capital and liquidity. The BCBS's aim is to improve the banking sector's ability to absorb shocks from financial and economic stress through more stringent capital requirements and new liquidity standards. Banks around the world, including the Issuer, are preparing to implement the new standards commonly referred to as Basel III in accordance with prescribed timelines. Based on the Issuer's

current understanding and assumptions, as at 30 April 2025, the Issuer's Common Equity Tier 1 ratio was 13.4% if the "all-in" methodology as set out in OSFI's proposed guidelines was applied. Under "all-in" methodology capital is defined to include all of the regulatory adjustments that are required while retaining the phase-out rules for non-qualifying capital instruments. Based on the Issuer's current understanding of OSFI's proposed guideline, it has met, as at 30 April 2025, all capital adequacy requirements.

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

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

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

Impact of Regulatory Guidelines on Residential Mortgage Underwriting Practices and Procedures

Guideline B-20, published by OSFI in June 2012 and as amended in November 2014, July 2017 and revised in October 2017 ("**Guideline B-20**"), sets out OSFI's expectations for prudent residential mortgage underwriting by federally-regulated financial institutions, which includes the Seller in respect of Loans originated by it. Guideline B-20 calls for the establishment of a Residential Mortgage Underwriting Policy by the Seller and sets out expectations with respect to borrower due diligence, collateral management and appraisal processes and credit and counterparty risk management practices and procedures by the Seller. OSFI indicates in Guideline B-20 that it expects federally-regulated financial institutions, such as the Issuer in its role as the Seller, to limit the non-amortizing home equity line of credit component of a residential mortgage to a maximum authorized loan-to-value ratio of less than or equal to 65 percent, and has further clarified by way of a 28 June 2022 advisory that on combined loan plans (being loans with multiple segments or components that are secured by the same mortgaged property and that have authorized borrowing limits that are dependent on the balances of other loans and are underwritten on a combined basis, as a single credit under one overall limit) any and all lending above the 65 percent loan-to-value limit should be both amortizing and non-re-advanceable.

Principal payments applied to the portion above 65 percent loan-to-value should be matched by a reduction in the overall authorized limit, until this overall combined loan plan limit reduces to the 65 percent the loan-to-value limit for all segments on a combined basis. The implementation of the 28 June 2022 advisory for federally-regulated lenders became effective after the fiscal year end in 2023 of the relevant lender, such as the Seller. See the section entitled "*Loan Origination and Lending Criteria*" on page 209 of this Prospectus for further details regarding the loan-to-value ratio requirements as related to the Covered Bond Portfolio. The Issuer is compliant with Guideline B-20 as it relates to the Covered Bond Programme.

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

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

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

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

With effect from 1 June 2021, OSFI increased the minimum qualifying rate for uninsured mortgages to the greater of the mortgage contractual rate plus 2 per cent. or 5.25 per cent. (from 4.79 per cent in May 2021).

Also, pursuant to a consultation process launched in January 2023, OSFI noted that mortgage lending risks, particularly related to debt serviceability, have increased considerably since the onset of the pandemic, and stated that, in addition to the Minimum Qualifying Rate (MQR), or "stress test", OSFI is exploring complementary measures to better mitigate risks to federally regulated financial institutions, such as the Issuer, arising from high consumer indebtedness. Further to the consultation process, OSFI introduced a Loan-to-Income ("LTI") limit on newly originated uninsured mortgage loans in the portfolios of federally regulated financial institutions. The new framework assesses the portion of new loans exceeding a 4.5x loan-to-income ratio on a quarterly basis, with limits customized to each institution's business model. The LTI limit will apply to first and second mortgages, home equity lines of credit, and other borrowings, but

exclude insured loans and renewals. Implementation for the LTI Limit for financial institutions, such as the Seller, has been in effect since the applicable start of the financial institutions fiscal Q1 2025, with institutions required to report compliance quarterly. While both the LTI limit and MQR are intended to reduce mortgage lending risks, the LTI limits are expected to contain overall residential mortgage credit risk to institutions. OSFI stated it will consider the efficacy of, and continued need for, the MQR for uninsured mortgages following implementation of the new LTI limit framework.

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

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Dodd-Frank Act**"), significantly impacts the financial services industry. This legislation, among other things: (a) requires U.S. federal regulators to adopt significant regulations regarding clearing, margin posting and reporting for derivatives transactions, (b) requires U.S. federal regulators to adopt regulations requiring securitizers or originators to retain at least 5% of the credit risk of securitized exposures unless the underlying exposures meet certain underwriting standards to be determined by regulations, (c) increases oversight of credit rating agencies, and (d) requires the SEC to promulgate rules generally prohibiting firms from underwriting or sponsoring a securitization that would result in a material conflict of interest with respect to investors in that securitization.

In the U.S., since the passage of the Dodd-Frank Act, the Department of the Treasury, the SEC, the Financial Stability Oversight Council, the Commodity Futures Trading Commission (the "**CFTC**"), the Federal Reserve Board, the Office of the Comptroller of the Currency, the Consumer Financial Protection Bureau and the FDIC have been engaged in extensive rule-making mandated by the Dodd-Frank Act. While many of the regulations required under the Dodd-Frank Act have been adopted, certain of these regulations are not yet effective and certain other significant rule-making is being phased in over time. As a result, the complete scope of the Dodd-Frank Act remains uncertain. The change in administration add to the uncertainty about the complete scope of that Act. While these rules are generally not directly applicable to the Issuer, they have or may have indirect implications on the Issuer's business and operations. In particular, in addition to the regulations referred to above affecting the financial services industry generally, Title VII of the Dodd-Frank Act ("**Title VII**") imposes a new regulatory framework on swap transactions, including interest rate and currency swaps of the type entered into by the Guarantor in connection with the issuance of the Covered Bonds. As such, the Guarantor may face certain regulatory requirements under the Dodd-Frank Act, subject to any applicable exemptions or relief. The CFTC has primary regulatory jurisdiction over such swap transactions, although some regulations have been jointly issued with the SEC and other regulations relating to swaps may be issued by other U.S. regulatory agencies. Many of the regulations implementing Title VII have become effective; however, the interpretation and potential impact of these regulations is not yet entirely clear, and certain other key regulations are still being phased in. Once fully implemented, these new regulations could adversely affect the value, availability and performance of certain derivatives instruments and may result in additional costs and restrictions with respect to the use of those instruments.

Such requirements may disrupt the Guarantor's ability to hedge its exposure to various transactions (see "*Overview of the Principal Documents – Interest Rate Swap Agreement*" and "*- Covered Bond Swap Agreement*" on pages 257 to 265 of this Prospectus), including any obligations it may owe to investors under the Covered Bonds, and may materially and adversely impact a transaction's value or the value of the Covered Bonds. The Guarantor cannot be certain as to how these regulatory developments will impact the treatment of the Covered Bonds.

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

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

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

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

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

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

Risks related to the secondary market

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

The Covered Bonds have not been, and will not be, registered under the Securities Act or any other applicable securities laws and are subject to certain restrictions on the resale and other transfer thereof as set forth under the section entitled "*Subscription and Sale*" on pages 320 to 334 of this Prospectus. If a secondary market does develop, it may not continue for the life of the Covered Bonds or it may not provide holders of the Covered Bonds with liquidity of investment with the result that a holder of the Covered Bonds may not be able to find a buyer to buy its Covered Bonds readily or at prices that will enable the holder of the Covered Bonds to realize a desired yield. There can be no expectation or assurance that the Issuer or any of its affiliates will create or maintain a market in the Covered Bonds.

Exchange rate risks and exchange controls

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

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

The return on an investment in Covered Bonds will be affected by charges incurred by investors

An investor's total return on an investment in Covered Bonds will be affected by the level of fees charged to the investor, including fees charged to the investor as a result of the Covered Bonds being held in a clearing system. Such fees may include charges for opening accounts, transfers of securities, custody services and fees for payment of principal, interest or other sums due under the terms of the Covered Bonds. Investors should carefully investigate these fees before making their investment decision.

Investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities

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

Additional issuances of Covered Bonds may affect the market value of the Covered Bonds

The Issuer may issue additional Covered Bonds with terms identical to those of a series of outstanding notes. These additional Covered Bonds, even if they are treated for non-tax purposes as part of the same series as the original Covered Bonds, may be treated as a separate series for Canadian income tax purposes and, in some cases may be treated as a separate series for U.S. federal income tax purposes. If the additional Covered Bonds are issued with original issue discount for U.S. federal income tax purposes where the original Covered Bonds had no original issue discount for U.S. federal income tax purposes, or the additional Covered Bonds have a greater amount of original issue discount for U.S. federal income tax purposes than the original Covered Bonds, these differences may affect the market value of the original Covered Bonds if the additional Covered Bonds are not otherwise distinguishable from the original Covered Bonds.

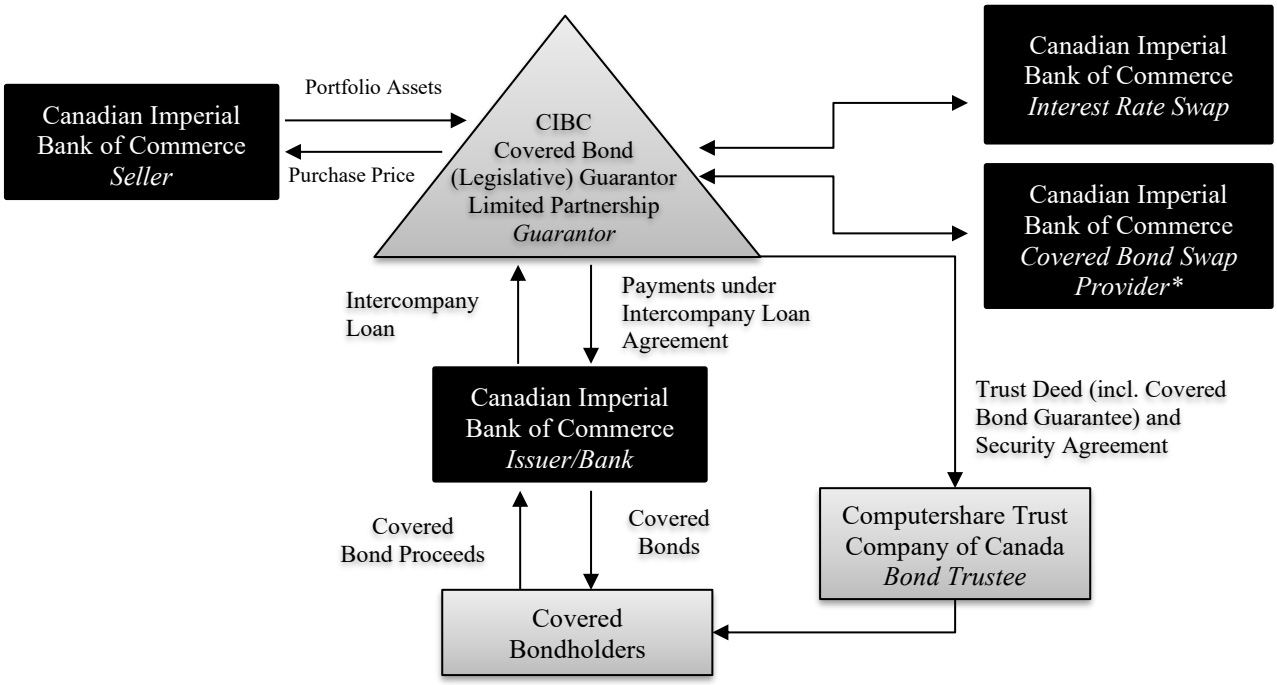
No obligation to maintain listing

The Issuer is not under any obligation to Holders of the Covered Bonds to maintain any listing of Covered Bonds and may, in good faith, determine that it is impractical or unduly burdensome to maintain such listing and seek to terminate the listing of such Covered Bonds provided it uses all reasonable efforts to seek an alternative admission to listing, trading and/or quotation of such Covered Bonds by another listing authority, securities exchange and/or quotation system (including a market which is not a regulated market for the purposes of MiFID II or a market outside the UK or the EEA) that it may consider appropriate (see "*General Description of the Programme*" on page 17 of this Prospectus for further details regarding listing). Although there is no assurance as to the liquidity of any Covered Bonds as a result of the admission to trading on a regulated market for the purposes of the MiFID II or any other market, delisting of such Covered Bonds may have a material effect on the ability of investors to (i) continue to hold such Covered Bonds, (ii) resell the Covered Bonds in the secondary market, or (iii) use the Covered Bonds as eligible collateral.

STRUCTURE OVERVIEW

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

Structure Diagram



* Cashflows under the Covered Bond Swap Agreement will be exchanged only after the Covered Bond Swap Effective Date

Structure Overview

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

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

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

- *Security*: The Guarantor's obligations under the Covered Bond Guarantee and the Transaction Documents to which it is a party are secured by a first ranking security interest over the present and future acquired assets of the Guarantor (which consist principally of the Guarantor's interest in the Covered Bond Portfolio, the Substitute Assets, the Transaction Documents to which it is a party, funds being held for the account of the Guarantor by its service providers and funds in the Guarantor Accounts) in favour of the Bond Trustee (for itself and on behalf of the Secured Creditors) pursuant to the Security Agreement.

- *Covered Bond Portfolio*: The Covered Bond Portfolio consists solely of Loans originated by the Seller and subsidiaries of the Seller (each such subsidiary, an "**Originator**") that are secured by Canadian first lien residential mortgages. The Covered Bond Portfolio from time to time will consist of Loans and, subject to obtaining Rating Agency Confirmation, New Loan Types, in each case, in compliance with the CMHC Guide and the Covered Bond Legislative Framework. The Loans and their Related Security will be serviced by the Bank pursuant to the terms of the Servicing Agreement (see "*Overview of the Principal Documents—Servicing Agreement*"). The Bank has agreed to exercise reasonable care and prudence in the making of the Loans, in the administration of the Loans, in the collection of the repayment of the Loans and in the protection of the security for each Loan.

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

At any time prior to a Demand Loan Repayment Event, the Guarantor may borrow any undrawn committed amount or re-borrow any amount repaid by the Guarantor under the Intercompany Loan for a permitted purpose provided, among other things: (i) such drawing does not result in

the Intercompany Loan exceeding the Total Credit Commitment; and (ii) no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing. Unless otherwise agreed by the Bank and subject to Rating Agency Confirmation, no further advances will be made to the Guarantor under the Intercompany Loan following the occurrence of a Demand Loan Repayment Event.

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

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

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

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

The Demand Loan shall not have a positive balance at any time following the occurrence of a Demand Loan Repayment Event and the repayment in full of the then outstanding Demand Loan by the Guarantor in accordance with the terms of the Intercompany Loan Agreement.

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

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

- *Proceeds of the Intercompany Loan*: The Guarantor has used advances from the Intercompany Loan to pay a portion of the purchase price for the Loans and their Related Security in the Covered Bond Portfolio purchased from the Seller in accordance with the terms of the Mortgage Sale Agreement and may use additional advances (i) to purchase New Loans and their Related Security for the Covered Bond Portfolio pursuant to the terms of the Mortgage Sale Agreement; and/or (ii) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (iii) subject to complying with the Asset Coverage Test, to make Capital Distributions to the Limited Partner; and/or (iv) to

make deposits of the proceeds in the Guarantor Accounts (including, without limitation, to fund the Reserve Fund and the Pre-Maturity Liquidity Ledger (in each case, to an amount not exceeding the prescribed limit)).

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

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

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

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

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

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

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

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

Following service of a Notice to Pay on the Guarantor (but prior to service of a Guarantor Acceleration Notice on the Guarantor) the Guarantor will use all moneys to pay Guaranteed Amounts in respect of the Covered Bonds when the same become Due for Payment subject to paying higher ranking obligations of the Guarantor (including the obligations of the Guarantor to

make repayment on the Demand Loan, as described above) in accordance with the Priorities of Payments.

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

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

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

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

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

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

  If an Asset Coverage Test Breach Notice has been served and is not revoked on or before the Guarantor Payment Date following the next Calculation Date after service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default will have occurred

and the Bond Trustee will be entitled (and, in certain circumstances, may be required) to serve an Issuer Acceleration Notice on the Issuer, following which the Bond Trustee must forthwith serve a Notice to Pay on the Guarantor (which shall constitute a Covered Bond Guarantee Activation Event).

- *Amortization Test*: Following the occurrence and during the continuance of an Issuer Event of Default (but prior to service of a Guarantor Acceleration Notice) and, for so long as Covered Bonds remain outstanding, the Guarantor must ensure that, as at each Calculation Date following the occurrence and during the continuance of an Issuer Event of Default, the Guarantor is in compliance with the Amortization Test. The Amortization Test will be tested by the Cash Manager and will be verified by the Asset Monitor as at each Calculation Date. Such testing will be completed within the time period specified in the Cash Management Agreement. A breach of the Amortization Test will constitute a Guarantor Event of Default, which will entitle the Bond Trustee to serve a Guarantor Acceleration Notice declaring the Covered Bonds immediately due and repayable and entitle the Bond Trustee to exercise the remedies available to it under the Security Agreement, including to enforce on the Security granted under the Security Agreement. See "*Overview of the Principal Documents—Guarantor Agreement—Amortization Test*".

- *Extendable obligations under the Covered Bond Guarantee*: An Extended Due for Payment Date may be specified as applying in relation to a Series of Covered Bonds in the applicable Final Terms. This means that, if the Issuer fails to pay the Final Redemption Amount of the relevant Series of Covered Bonds on the Final Maturity Date (subject to applicable grace periods) and if the Guaranteed Amounts equal to the Final Redemption Amount of the relevant Series of Covered Bonds are not paid in full by the Extension Determination Date (for example because, following the service of a Notice to Pay on the Guarantor, the Guarantor has insufficient moneys available in accordance with the Priorities of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds after payment of higher ranking amounts and taking into account amounts ranking *pari passu* in the Priorities of Payments), then payment of the unpaid amount pursuant to the Covered Bond Guarantee will be automatically deferred (without a Guarantor Event of Default occurring as a result of such non-payment) and will be due and payable 12 months later on the Extended Due for Payment Date (subject to any applicable grace period) and interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 5, at the applicable Rate of Interest, including, if applicable, as may be determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds). To the extent that a Notice to Pay has been served on the Guarantor and the Guarantor has sufficient time and sufficient moneys to pay in part the Guaranteed Amounts corresponding to the relevant Final Redemption Amount in respect of the relevant Series of Covered Bonds, the Guarantor will make such partial payment on any Interest Payment Date up to and including the relevant Extended Due for Payment Date, in accordance with the Priorities of Payments and as described in Condition 6.01 and will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and the Extended Due for Payment Date with any unpaid portion thereof (if any) becoming due and payable on the Extended Due for Payment Date. Any amount that remains unpaid on any such Interest Payment Date will be automatically deferred for payment until the applicable Extended Due for Payment Date (where the relevant Series of Covered Bonds are subject to an Extended Due for Payment Date).

- *Servicing*: The Bank, as Servicer, has agreed to provide administrative services to the Guarantor in respect of the Covered Bond Portfolio. In certain circumstances, the Bank may

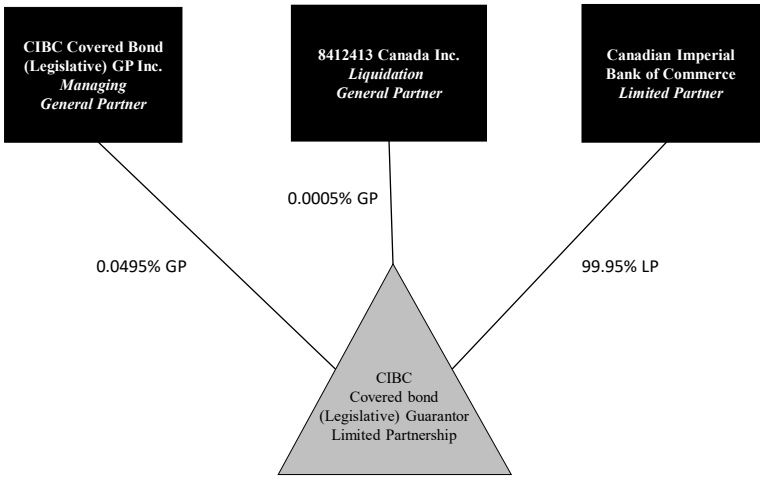
be required to assign the role of Servicer to a third party acceptable to the Bond Trustee and qualified to service the Covered Bond Portfolio (see "*Overview of the Principal Documents—Servicing Agreement*").

- *Covered Bond Legislative Framework*: The Issuer and the Programme were registered in the Registry in accordance with the Covered Bond Legislative Framework and the CMHC Guide on 3 July 2013.

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

Ownership Structure of the Guarantor

- As at the date of this Prospectus, the Partners of the Guarantor are the Limited Partner, which holds 99.95 per cent of the interest in the Guarantor, the Managing GP and the Liquidation GP, each of which own 99 per cent and 1 per cent, respectively, of the remaining 0.05 per cent general partner interest in the Guarantor.



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

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

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

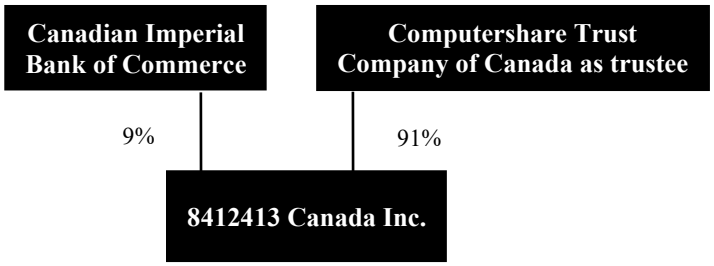
Ownership Structure of the Managing GP

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

Ownership Structure of the Liquidation GP

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

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



SUPPLEMENT TO THIS PROSPECTUS

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

In the event of any significant new factor arising or any material mistake or material inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Covered Bonds or any change in the condition of the Issuer which is material in the context of the Programme or the issue of any Covered Bonds, the Issuer will prepare and publish a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Covered Bonds.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, each of which has been previously published or is simultaneously published and filed with the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") and the Luxembourg Stock Exchange, shall be incorporated in, and form part of, this Prospectus and the Base Prospectus:

(a) CIBC's Annual Information Form dated 4 December 2024 (the "**2024 Annual Information Form**") including the information identified in the following cross-reference list:

Information	*Page numbers refer to the 2024 Annual Information Form*
Description of the business	3-4
Capital Structure	6-8
Directors and Officers	10-11
Transfer Agent and Registrar	11
Audit Committee	12
Fees for services provided by shareholders' auditor	13

(b) the sections of CIBC's Annual Report for the year ended 31 October 2024 (the "**2024 Annual Report**") identified in the following cross-reference list, which includes among other things CIBC's comparative audited consolidated balance sheets as at 31 October 2024 and 2023 and the consolidated statement of income, comprehensive income, changes in equity and cash flows for each of the years in the two-year period ended 31 October 2024, prepared in accordance with IFRS, together with the notes thereto and the independent auditor's report thereon:

Information	*Page numbers refer to the 2024 Annual Report*
Message from the Chair of the Board	xi
Management's Discussion and Analysis	1-103
Strategic business units overview	21-33
Management of risk	45-84
Fees paid to shareholders' auditor	96
Consolidated Financial Statements	104-108 and 112-192
Audit committee	105
Independent auditor's report to the shareholders and directors of CIBC	106-108
Consolidated balance sheet	112
Consolidated statement of income	113
Consolidated statement of comprehensive income	114
Consolidated statement of changes in equity	115
Consolidated statement of cash flows	116
Notes to the consolidated financial statements, including:	117-187
Capital Structure	Note 15, pages 160-164
Legal Proceedings	Note 21, pages 176-178
Significant Subsidiaries	Note 25, page 182

(c) the sections of the CIBC Second Quarter 2025 Report to Shareholders identified in the following cross-reference list, which includes, among other things, the comparative unaudited interim consolidated financial statements for the three and six month period ended 30 April 2025 (the "**2025 Second Quarter Report**") with comparative unaudited interim consolidated financial statements for the three and six month period ended 30 April 2024 prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting":

Information	*Page numbers refer to the 2025 Second Quarter Report*
Management's discussion and analysis	1 – 51
Comparative unaudited interim consolidated financial statements	52 – 76

Consolidated balance sheet	53
Consolidated statement of income	54
Consolidated statement of comprehensive income	55
Consolidated statement of changes in equity	56
Consolidated statement of cash flows	57
Notes to the interim consolidated financial statements	58 – 76

(d) the sections of CIBC's Report to Shareholders for the quarter ended 30 April 2024 (the "**2024 Second Quarter Report**") identified in the following cross-reference list, which includes, among other things, the comparative unaudited interim consolidated financial statements for the three and six month period ended 30 April 2024 with comparative unaudited interim consolidated financial statements for the three and six month period ended 30 April 2023 prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting":

Information	*Page numbers refer to the 2024 Second Quarter Report*
Management's discussion and analysis	1 – 53
Comparative unaudited interim consolidated financial statements	54 – 78
Consolidated balance sheet	55
Consolidated statement of income	56
Consolidated statement of comprehensive income	57
Consolidated statement of changes in equity	58
Consolidated statement of cash flows	59
Notes to the interim consolidated financial statements	60-78

(e) The entire CIBC monthly (unaudited) Investor Report dated 15 May 2025 (the "April 2025 Investor Report") containing information on the Covered Bond Portfolio as at the Calculation Date falling on 30 April 2025 including the information in the following cross-reference list:

Information	Page numbers refer to the April 2025 Investor Report
Cover pool summary statistics	3

Information	Page numbers refer to the April 2025 Investor Report
Asset coverage test	3
Valuation calculation	3
Pre-Maturity test	3 – 4
Reserve fund	4
Amortisation test	4
Cover pool – Loans	4 – 5
Cover pool – Substitute Assets	5

(f) The entire CIBC monthly (unaudited) Investor Report dated 13 June 2025 (the "May 2025 Investor Report") containing information on the Covered Bond Portfolio as at the Calculation Date falling on 31 May 2025 including the information in the following cross-reference list:

Information	Page numbers refer to the May 2025 Investor Report
Cover pool summary statistics	3
Asset coverage test	3
Valuation calculation	3
Pre-Maturity test	3 – 4
Reserve fund	4
Amortisation test	4
Cover pool – Loans	4 – 5
Cover pool – Substitute Assets	5

(g) The entire CIBC monthly (unaudited) Investor Report dated 15 July 2025 (the "June 2025 Investor Report", and together with the April 2024 Investor Report and May 2024 Investor Report, the "**Investor Reports**") containing information on the Covered Bond Portfolio as at the Calculation Date falling on 30 June 2025 including the information in the following cross-reference list:

Information	Page numbers refer to the June 2025 Investor Report
Cover pool summary statistics	3
Asset coverage test	3
Valuation calculation	3

Information	Page numbers refer to the June 2025 Investor Report
Pre-Maturity test	3 – 4
Reserve fund	4
Amortisation test	4
Cover pool – Loans	4 – 5
Cover pool – Substitute Assets	5

(h) the section entitled "*Terms and Conditions of the Covered Bonds*" set out on pages 77 through 121 of CIBC's prospectus in connection with the Programme dated 18 June 2019, comprising the terms and conditions applicable to Covered Bonds issued pursuant to such prospectus; the remainder of such prospectus is not relevant for prospective investors or is covered elsewhere in this document and is not incorporated by reference;

(i) the sections of the 1st Prospectus Supplement dated 23 August 2019 to the base prospectus dated 18 June 2019 identified in the following cross-reference list; the remainder of such prospectus is not relevant for prospective investors or is covered elsewhere in this document and is not incorporated by reference:

Information	*Page numbers refer to the 1st Prospectus Supplement*
Interest on Floating Rate Covered Bonds	5-7
Definition of Interest Period	7

(j) the section entitled "*Terms and Conditions of the Covered Bonds*" set out on pages 86 through 130 of CIBC's prospectus in connection with the Programme dated 13 July 2020, comprising the terms and conditions applicable to Covered Bonds issued pursuant to such prospectus; the remainder of such prospectus is not relevant for prospective investors or is covered elsewhere in this document and is not incorporated by reference;

(k) the section entitled "*Terms and Conditions of the Covered Bonds*" set out on pages 86 through 130 of CIBC's prospectus in connection with the Programme dated 22 July 2021, comprising the terms and conditions applicable to Covered Bonds issued pursuant to such prospectus; the remainder of such prospectus is not relevant for prospective investors or is covered elsewhere in this document and is not incorporated by reference;

(l) the section entitled "*Terms and Conditions of the Covered Bonds*" set out on pages 116 through 176 of CIBC's prospectus in connection with the Programme dated 22 July 2022, comprising the terms and conditions applicable to Covered Bonds issued pursuant to such prospectus; the remainder of such prospectus is not relevant for prospective investors or is covered elsewhere in this document and is not incorporated by reference;

(m) the section entitled "*Terms and Conditions of the Covered Bonds*" set out on pages 115 through 177 of CIBC's prospectus in connection with the Programme dated 28 July 2023, comprising the terms and conditions applicable to Covered Bonds issued pursuant to such prospectus; the remainder of such prospectus is not relevant for prospective investors or is covered elsewhere in this document and is not incorporated by reference; and

(n) the section entitled "*Terms and Conditions of the Covered Bonds*" set out on pages 113 through 175 of CIBC's prospectus in connection with the Programme dated 31 July 2024, comprising the terms and conditions applicable to Covered Bonds issued pursuant to such prospectus; the remainder of such prospectus is not relevant for prospective investors or is covered elsewhere in this document and is not incorporated by reference.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus will not form part of this Prospectus. Any non-incorporated parts of a document incorporated by reference are either not relevant for the investors or are covered elsewhere in this Prospectus. The information not listed in the cross reference list is not incorporated by reference.

Copies of this Prospectus and the documents incorporated by reference in this Prospectus and any supplement hereto approved by the CSSF can be (i) viewed on the website of the Luxembourg Stock Exchange at https://www.luxse.com under the name of the Issuer and the headline "Documents"; (ii) obtained on written request and without charge from the specified offices of the Issuer and each Paying Agent, as set out at the end of this Prospectus; and (iii) on the Issuer's website maintained in respect of the Programme at https://www.cibc.com/en/about-cibc/investor-relations/debt-information/legislative-covered-bond.html. The Issuer's disclosure documents may also be accessed through the Internet (A) on the Canadian System for Electronic Document Analysis and Retrieval + at http://www.sedarplus.ca (an internet-based securities regulatory filing system), and (B) at the SEC's web site at http://www.sec.gov. Any websites included in the Base Prospectus other than in respect of the information incorporated by reference are for information purposes only and do not form part of the Base Prospectus and the CSSF has neither scrutinized or approved the information contained therein.

FORM OF THE COVERED BONDS

The Covered Bonds of each Series will be in either bearer form, with or without receipts, interest coupons and/or talons attached, or registered form, without receipts, interest coupons and/or talons attached. Bearer Covered Bonds will be offered and sold only outside the United States to persons that are not U.S. Persons and in reliance on Regulation S and Registered Covered Bonds may be offered and sold both outside the United States to persons that are not U.S. Persons in reliance on the exemption from registration provided by Regulation S and within the United States or to, or for the benefit of U.S. persons who are QIBs, in reliance on Rule 144A, or to Institutional Accredited Investors, in reliance on Section 4(a)(2) of, or another exemption from registration under, the Securities Act.

Bearer Covered Bonds

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

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

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

Clearing Systems will be notified whether or not any NGCB issuance is intended to be held in a manner which would allow Eurosystem eligibility, notwithstanding that recognition as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem will depend upon satisfaction of the Eurosystem eligibility criteria. However, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria of the European Central Bank at the relevant time. Investors should make their own assessment as to whether the Covered Bonds meet such Eurosystem eligibility criteria.

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

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

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

The applicable Final Terms will specify that a Permanent Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Bearer Definitive Covered Bonds with, where applicable, receipts, interest coupons and talons attached upon either: (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) to the Issuing and Paying Agent as described therein; or (ii) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (a) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of at least 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or (b) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bearer Covered Bonds represented by the Permanent Global Covered Bond in definitive form. The Issuer will promptly give notice to holders of the Covered Bonds of each Series of Bearer Global Covered Bonds in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event as described in (a) above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) or the Bond Trustee may give notice to the Issuing and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (b) above, the Issuer may give notice to the Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent.

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

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

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

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER U.S. FEDERAL TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED".

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Covered Bonds, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Bearer Covered Bonds, receipts or interest coupons.

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

Registered Covered Bonds

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

The Registered Covered Bonds of each Tranche may only be offered and sold in the United States or to U.S. persons in transactions exempt from registration under the Securities Act: (i) to "QIBs; or (ii) Institutional Accredited Investors. See "*Subscription and Sale*" on page 320 of this Prospectus.

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

Registered Global Covered Bonds will either: (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC or CDS for the accounts of its participants or Euroclear and Clearstream, Luxembourg; (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg; or (iii) if held under the NSS, be registered in the name of a nominee of, and delivered to, a common safekeeper for Euroclear and/or Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Covered Bonds will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Covered Bonds in fully registered form.

Clearing Systems will be notified whether or not any NSS issuance is intended to be held in a manner which would allow Eurosystem eligibility, notwithstanding that recognition as eligible

collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem will depend upon satisfaction of the Eurosystem eligibility criteria. However, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria of the European Central Bank at the relevant time. Investors should make their own assessment as to whether the Covered Bonds meet such Eurosystem eligibility criteria.

The Registered Covered Bonds of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof ("**Definitive IAI Registered Covered Bonds**"). Definitive IAI Registered Covered Bonds will be issued in the denominations specified in the applicable Final Terms in U.S. dollars (or the approximate equivalents in the applicable Specified Currency). The Rule 144A Global Covered Bonds and the Definitive IAI Registered Covered Bonds will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions described under "*Subscription and Sale*".

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

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

Interests in a Registered Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Registered Definitive Covered Bonds without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) in the case of Covered Bonds registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Covered Bonds and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act; (ii) in the case of Covered Bonds registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of at least 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; (iii) in the case of Covered Bonds registered in the name of CDS or its nominee, CDS has notified the Issuer that it is unwilling or unable to continue to act as a depositary for the Covered Bonds and a successor depository is not appointed by the Issuer within 90 days after receiving such notice, or it has ceased to be a recognised clearing agency under the *Securities Act* (Ontario) or a self-regulatory organisation under the *Securities Act* (Québec) or other applicable Canadian securities legislation and a successor is not appointed by the Issuer within 90 days after the Issuer becoming aware that CDS is no longer so authorised; or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Covered Bonds represented by the Registered Global Covered Bond in definitive form. The Issuer will promptly give notice to holders of the Covered Bonds of each Series of Registered Global Covered Bonds in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event as described in (i) to (iii) above, DTC, CDS, Euroclear and/or Clearstream, Luxembourg

(acting on the instructions of any registered holder of an interest in such Registered Global Covered Bond) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Rule 144A Global Covered Bonds and Definitive IAI Registered Covered Bonds will be issued in the minimum denominations specified in the applicable Final Terms in U.S. dollars (or the approximate equivalents in the applicable Specified Currency).

Transfer of Interests

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

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Covered Bonds*"), the Issuing and Paying Agent (or any additional agent appointed pursuant to the Agency Agreement) shall arrange that, where a further Tranche of Covered Bonds is issued which is intended to form a single Series with an existing Tranche of Covered Bonds, the Covered Bonds of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Covered Bonds of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to the Covered Bonds of such Tranche.

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

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

The Issuer will notify Euroclear, Clearstream, Luxembourg and the Issuing and Paying Agent upon issue whether the Covered Bonds are intended, or are not intended, to be held in a manner which would allow Eurosystem eligibility and deposited with one of Euroclear and Clearstream, Luxembourg as common safekeeper (and in the case of registered Covered Bonds, registered in the name of a nominee of one of Euroclear and Clearstream, Luxembourg acting as common safekeeper). Where the Covered Bonds are not intended to be deposited with one of Euroclear and Clearstream, Luxembourg as common safekeeper upon issuance, then, should the

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

TERMS AND CONDITIONS OF THE COVERED BONDS

*The following are the terms and conditions of the Covered Bonds (the "**Terms and Conditions**") which will, as completed by the applicable Final Terms in relation to a Tranche of 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 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 Canadian Imperial Bank of Commerce (the "**Issuer**" or the "**Bank**" or "**CIBC**") as part of the Issuer's CAD 60 billion global Covered Bond programme (the "**Programme**") and constituted by a third amended and restated trust deed dated 22 July 2021, as amended on 22 July 2022, 28 July 2023, 31 July 2024 and on 5 August 2025 (as may be amended, supplemented or replaced, the "**Trust Deed**") made between the Issuer, CIBC 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 on 24 June 2015 and on 21 June 2016 (and as may be further amended, supplemented or replaced, the "**Agency Agreement**") and made between the Issuer, the Guarantor, the Bond Trustee, HSBC Bank USA, National Association in its capacities as U.S. registrar (the "**U.S. Registrar**", which expression shall include any successor in this capacity), transfer agent and exchange agent (the "**U.S. Exchange Agent**", which expression shall include any successor in this capacity) and HSBC Bank plc, in its capacity as issuing and principal paying agent (the "**Issuing and Paying Agent**", and which expression shall include any successor in such capacity), and as European registrar (the "**European Registrar**", which expression shall include any successor in such capacity, and the "**Registrar**" or "**Registrars**" for a Tranche (as defined below) shall be as specified in the applicable Final Terms (as defined below)), and as exchange agent (the "**European Exchange Agent**", and collectively with the U.S. Exchange Agent, the "**Exchange Agent**", which expression shall include any successor in such capacity) and as calculation agent (the "**Calculation Agent**", which expression shall include any successor in such capacity and any substitute calculation agent appointed in accordance with the Agency Agreement either with respect to the Programme or with respect to a particular Series) and as transfer agents 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 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.

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

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

The Covered Bonds are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Covered Bonds. Each Tranche will be the subject of Final Terms (each, "**Final Terms**"), a copy of which will be available free of charge during normal business hours at the specified office of the Issuing and Paying Agent and/or, as the case may be, the applicable Registrar and each other Paying Agent. In the case of a Tranche of Exempt Covered Bonds that is not admitted to trading on a regulated market in the European Economic Area (the "**EEA**") in circumstances requiring publication of a prospectus in accordance with Regulation 2019/1129 (as amended), copies of the Final Terms will only be available for inspection by a Holder of or, as the case may be, a Relevant Account Holder (each as defined herein) in respect of, such Covered Bonds.

The Bond Trustee acts for the benefit of the holders for the time being of the Covered Bonds (the "holders of the Covered Bonds", which expression shall, in relation to any Covered Bonds represented by a 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 320 Bay Street, 14th Floor, Toronto, Ontario, Canada M5H 4A6 and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms of all Covered Bonds of each Series are obtainable during normal business hours of the specified office of each of the Paying Agents, and 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 third amended and restated Master Definitions and Construction Agreement made between the parties to the Transaction Documents dated 22 July 2021, as amended on 28 July 2023, on 31 July 2024 and on 5 August 2025 (as may be amended, supplemented or replaced, the "**Master Definitions and Construction Agreement**"), a copy of each of which may be obtained as described above.

1. Form and Denomination

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

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

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), be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms as may otherwise be approved by the Issuer, the Issuing and Paying Agent and the Bond Trustee.

Bearer Covered Bonds

1.03 The Final Terms 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 U.S. 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 U.S. 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 specify otherwise, in particular, when the TEFRA C Rules apply.

Where the Final Terms 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) 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, 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) and (unless the Final Terms 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.

1.05 Unless the Final Terms specify that the TEFRA C Rules are applicable to the Covered Bonds and subject to Condition 1.04 above, if any date on which a payment of interest is due on the Covered Bonds of a Tranche occurs while any of the Covered Bonds of that Tranche are represented by a Temporary Global Covered Bond, the related interest payment will be made on the Temporary Global Covered Bond only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Covered Bond or in such other form as is customarily issued in such circumstances by the relevant clearing system), has been received by Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking, S.A. ("**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, 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 (each an "**Instalment Amount**"), have endorsed thereon a grid for recording the repayment of Instalment Amounts or, if so specified in the Final Terms, 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. 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.

Currency of Covered Bonds

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

2. Title and Transfer

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

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

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

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

2.08 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) "**Institutional Accredited Investor**" means an institutional "**accredited investor**" (as defined in Rule 501 (a)(1), (2), (3) or (7) under the Securities Act);

(c) "**Legended Covered Bonds**" means Registered Definitive Covered Bonds that are issued to Institutional Accredited Investors and 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;

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

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

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

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

(h) "**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;

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

(j) "**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;

(k) "**Securities Act**" means the U.S. Securities Act of 1933, as amended;

(l) 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; and

(m) "**U.S. person**" has the meaning given in Regulation S.

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:

(i) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(ii) to a person who is an Institutional Accredited Investor, together with, in the case of this paragraph (ii), a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an "**IAI Investment Letter**"); 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)(i) above, such transferee may take delivery through a Legended Covered Bond in global or definitive form and, in the case of (a)(ii) above, such transferee may take delivery only through a Legended Covered Bond in definitive form. Prior to the end of the applicable Distribution Compliance Period, beneficial interests in Covered Bonds which are offered or sold outside the United States in reliance on Regulation S and which are 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:

(i) 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

(ii) where the transferee is an Institutional Accredited Investor, subject, in the case of this paragraph (ii), to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; 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.

Covered Bonds transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear or Clearstream, Luxembourg, as appropriate, and the Registrar will arrange for any Covered Bonds which are the subject of such a transfer to be represented by the appropriate Registered Global Covered Bonds, where applicable. 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, the deposits to be evidenced by the Covered Bonds will be taken by the head office of the Issuer in Toronto, but without prejudice to the provisions of Condition 9.

4. Guarantee

Payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment has been unconditionally and irrevocably guaranteed by the Guarantor (the "**Covered Bond Guarantee**") in favour of the Bond Trustee (for and on behalf of the Covered Bondholders) following a Covered Bond Guarantee Activation Event pursuant to the terms of the Trust Deed. The Guarantor shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until a Covered Bond Guarantee Activation Event (as defined below) has occurred. The obligations of the Guarantor under the Covered Bond Guarantee are direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and, except as provided in the Guarantee 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. Words and expressions appearing in this Condition 5 and not otherwise defined herein shall have the meanings given to them in Condition 5.09.

Interest on Fixed Rate Covered Bonds

5.02 Each Fixed Rate Covered Bond bears interest on its Outstanding Principal Amount from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of

Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year up to and including the Final Maturity Date if that does not fall on an Interest Payment Date.

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

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

Interest will be calculated on the Calculation Amount of the Fixed Rate Covered Bonds and will be paid to the Holders of the Covered Bonds (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, such interest shall be calculated in accordance with Condition 5.08.

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

Interest on Floating Rate Covered Bonds

5.03 Interest Payment Dates

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

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

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

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

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms as being a rate other than SONIA, SOFR or €STR, the Rate of Interest for each Interest Period will, subject to the provisions of Condition 13.02, be determined by the Calculation Agent on the following basis:

(a) the Calculation Agent will determine the Reference Rate (if there is only one quotation for the Reference Rate on the Relevant Screen Page) or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the quotations for the Reference Rate in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

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

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

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

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

Rate of Interest – SONIA

Compounded Daily Rate

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

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

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

where:

"**d**" is the number of calendar days in:

(a) where Lag is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or

(b) where Shift is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

"**d_o**" is the number of London Banking Days in:

(a) where Lag is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or

(b) where Shift is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

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

(a) where Lag is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or

(b) where Shift is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

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

"$\mathbf{n_i}$", for any London Banking Day "i", means the number of calendar days from and including such London Banking Day "i" to, but excluding, the following London Banking Day;

"**Observation Look-Back Period**" is as specified in the applicable Final Terms;

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

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

"**Relevant SONIA$_i$"** means, in respect of any London Banking Day "i":

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, $SONIA_{i\text{-}pLBD}$; or

(b) where "Shift" is specified as the Observation Method in the applicable Final Terms, $SONIA_{iLBD}$;

"**$SONIA_{iLBD}$**" means, in respect of any London Banking Day "i" falling in the relevant Observation Period, the SONIA reference rate for such London Banking Day "i";

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

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

If, in respect of any London Banking Day in the relevant Observation Period, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then, subject to Condition 13.02 the SONIA reference rate in respect of such London Banking Day shall be: (a)(i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5:00 pm (or if earlier, close of business) on such

London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or (b) if the Bank Rate is not available in the relevant London Banking Day, the most recent SONIA reference rate in respect of a London Banking Day.

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

Compounded Index Rate

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms as being SONIA and the Calculation Method is specified in the applicable Final Terms as being "**Compounded Index Rate**", then the Rate of Interest for each Interest Accrual Period will, subject as provided below and subject to the provisions of Condition 13.02 to be Compounded Daily SONIA for the Interest Accrual Period determined by reference to the screen rate or index for Compounded Daily SONIA administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the relevant determination dates specified below, as further specified in the applicable Final Terms (the "**SONIA Compounded Index**") and in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 per cent. being rounded upwards, plus or minus the Margin (as indicated in the applicable Final Terms) as determined by the Calculation Agent.

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

where:

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

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

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

"**Relevant Number**" is as specified in the applicable Final Terms (or, if no such number is so specified, five London Banking Days).

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

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

Rate of Interest – SOFR

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms as being SOFR, then the Rate of Interest for each Interest Period will, subject as provided below and subject to the provisions of Condition 13.02, be Compounded Daily SOFR plus or minus the Margin (as indicated in the applicable Final Terms) as determined by the Calculation Agent. Compounded Daily SOFR will be determined in accordance with either the observation shift method (an "**Observation Shift Convention**") or the index method (a "**SOFR Index Convention**", each a "**Compounded SOFR Convention**"), in accordance with the terms and provisions applicable to either such convention as set forth below. The applicable Final Terms will specify the applicable Compounded SOFR Convention.

Observation Shift Convention

Where the Compounded SOFR Convention is specified in the applicable Final Terms as Observation Shift Convention, "**Compounded Daily SOFR**" means, in relation to any Interest Period, the rate of return of a daily compound interest investment (with SOFR as the reference rate for the calculation of interest) as calculated by the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards), calculated as follows, provided that, for purposes of calculating Compounded Daily SOFR with respect to the final Interest Period, the daily SOFR for each calendar day in the period from and including the Rate Cut-Off Date to but excluding the Maturity Date (or the Extended Due for Payment Date, if applicable) will be the daily SOFR in

respect of such Rate Cut-Off Date:

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

where:

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

"**d_o**" for any Observation Period, is the number of U.S. Government Securities Business Days in the relevant Observation Period;

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

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

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

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

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

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

For purposes of determining Compounded Daily SOFR, "**Secured Overnight Financing Rate**" or "**SOFR**" means, with respect to any U.S. Government Securities Business Day:

(1) the Secured Overnight Financing Rate as published by the New York Federal Reserve, as the administrator of such rate (or a successor administrator), on the New York Federal Reserve's Website on or about 5:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day; or

(2) if the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day does not appear as specified in clause (1), the Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; and

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

SOFR Index Convention

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

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

where:

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

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

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

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

(a) the SOFR Index value as published by by the New York Federal Reserve, as the administrator of such rate (or a successor administrator), on the New York Federal Reserve's Website on or about 5:00 p.m. (New York City time) on such U.S. Government Securities Business Day; provided that:

(b) if a SOFR Index value does not so appear as specified in (1) above at the specified time, then, subject to the provisions of Condition 13.02(c), Compounded Daily SOFR shall be the rate determined pursuant to the "SOFR Index Unavailable" provisions (defined below);

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

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

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

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

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

In respect of each Compounded SOFR Convention:

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

Rate of Interest – €STR

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

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

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

where:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Observation Look-Back Period**" is as specified in the applicable Final Terms;

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

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

both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate for each T2 Business Day in the relevant Interest Accrual Period occurring on or after that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to "€STR" were references to the EDFR on such T2 Business Day plus the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR over an observation period of 30 T2 Business Days starting 30 T2 Business Days prior to the day on which the ECB Recommended Rate Index Cessation Event occurs and ending on the T2 Business Day immediately preceding the day on which the ECB Recommended Rate Index Cessation Event occurs.

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

If a €STR Index Cessation Event occurs, the Issuer will promptly notify the Calculation Agent of such occurrence.

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

ISDA Rate Covered Bonds

5.04 Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin, if any, provided that in any circumstances under the ISDA definitions where the Calculation Agent would be required to exercise any discretion, including the selection of any Reference Banks and seeking quotations from Reference Banks, when calculating the relevant ISDA Rate, the relevant determinations(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee, acting, in each case, reasonably and in good faith. 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 Tranche or Series of Covered Bonds, as applicable, with the Holder of such Covered Bond under the terms of an agreement to which the ISDA Definitions applied and under which:

- the Fixed Rate Payer, Fixed Amount Payer, Floating Rate Payer or, as the case may be, Floating Amount Payer is the Issuer (as specified in the Final Terms);

- the Effective Date is the Interest Commencement Date;

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

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

Maximum or Minimum Interest Rate

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

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 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 Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Covered Bonds in accordance with Condition 14 that the Issuing and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Amount(s), Calculation Agent and Reference Banks

5.07 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 (in the case of Registered Covered Bonds), the Issuer, the Holders in accordance with Condition 14 and, if the Covered Bonds are listed on a stock exchange or admitted to listing by any other authority and the rules of such exchange or other relevant authority so require, such exchange or listing authority as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter, in the case of Covered Bonds where the applicable Final Terms specify the Reference Rate as being SONIA, no later than the second London Banking Day thereafter, or, if earlier in the case of notification to the stock exchange or other relevant authority, the time required by the relevant stock exchange or listing authority. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Covered Bonds become due and payable under Condition 7, the Rate of Interest and the accrued interest payable in respect of the Covered Bonds shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

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

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts or any other requirements, the Bond Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having regard as it shall think fit to the foregoing provision of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all circumstances or,

as the case may be, the Bond Trustee shall calculate (or appoint an agent to calculate) the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent. The Calculation Agent may not resign its duties without a successor having been appointed as described above.

Calculations and Adjustments

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

For the purposes of any calculations referred to in these Terms and Conditions, (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 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 "**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 any currency 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, (ii) if T2 is specified in the Final Terms, a T2 Business Day or (iii) in relation to Covered Bonds payable in euro, a day (other than a Saturday or Sunday) which is a T2 Business Day (as defined below) and on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the 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 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**" is so specified, means the actual number of days in the Accrual Period divided by 365 or, in the case where the last day of the Accrual Period falls in a leap year, 366;

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

(A) in the case of Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Relevant Accrual Period**") is equal to or shorter than the Determination Period during which the Relevant Accrual Period ends, it means the number of days in such Relevant Accrual Period divided by the product of: (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

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

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

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

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

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

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

"**Euro-zone**" means the region comprised of those member states of the EU 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 Covered Bonds denominated in euro, such financial centre or centres as the Calculation Agent may select.

"**Interest Accrual Period**" means (a) any given Interest Period or (b) in the event the Covered Bonds become due and payable on a date other than an Interest Payment Date, the period beginning on and including the last Interest Payment Date and ending on but excluding the date on which the interest and principal on the Covered Bonds are due to be paid;

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

"**Interest Determination Date**" means, in respect of any Interest Period or, as the case may be, Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified:

(a) in the case of Covered Bonds denominated in Pounds Sterling (and the Reference Rate is other than SONIA) or in another currency if so specified in the applicable Final Terms, the first day of such Interest Period;

(b) in the case of Covered Bonds denominated in Pounds Sterling where the Reference Rate is SONIA, the fifth London Banking Day prior to the end of each Interest Accrual Period;

(c) in the case of Covered Bonds denominated in U.S. Dollars where the Reference Rate is SOFR, one U.S. Government Securities Business Day after the Interest Period End Date;

(d) in the case of Covered Bonds denominated in Norwegian Kroner where the Reference Rate is NIBOR, the second Oslo Business Day prior to the start of each Interest Accrual Period; or

(e) in any other case, the date falling two London Banking Days (or, in the case of EURIBOR, two T2 Business Days) prior to the first day of such Interest Period.

"**Interest Payment Date**" means the date or dates specified as such in the Final Terms and, as the same may be adjusted in accordance with the Business Day Convention, if any, specified in the Final Terms or if the Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as being the 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 (i) where the Reference Rate is SOFR, the period from, and including, each Interest Period End Date to, but excluding, the next Interest Period End Date and (ii) in every other case, each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date, provided, in each case, that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the Final Maturity Date (or the Extended Due for Payment Date, if applicable).

"**Interest Period End Date**" means the dates specified in the applicable Final Terms; provided that if any scheduled Interest Period End Date other than the Final Maturity Date (or the Extended Due for Payment Date, if applicable) would fall on a day that is not a Business Day, the Interest Period End Date will be postponed to the next succeeding Business Day, except that if the Business Day falls in the next succeeding month, the Interest Period End Date will be the immediately preceding Business Day.

"**ISDA Definitions**" means, in relation to any Series of the Covered Bonds:

(a) unless "2021 ISDA Definitions" are specified as being applicable in the relevant Final Terms, the 2006 ISDA Definitions (as amended and supplemented as at the date of issue of the first Tranche of the Covered Bonds of such Series (as specified in the relevant Final Terms)) as published by ISDA (or any successor thereto); or

(b) if "2021 ISDA Definitions" are specified as being applicable in the relevant Final Terms, the latest version of the ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), each as published by ISDA (or any successor thereto) at the date of issue of the first Tranche of the Covered Bonds of such Series.

"**Oslo 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 Oslo.

"**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.

"**Rate Cut-Off Date**" means the date specified in the applicable Final Terms.

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

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

"**Reference Rate**" means the relevant EURIBOR, SONIA, SOFR, €STR, NIBOR or such other benchmark rate specified in the applicable Final Terms.

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

"**Relevant Time**" means the time as of which any rate is to be determined as specified in the Final Terms (which (i) in the case of SONIA means London time, (ii) in the case of EURIBOR means Central European Time, (iii) in the case of SOFR, New York City time) or (iv) in the case of NIBOR, means Oslo Time) or, if none is specified, at which it is customary to determine such rate.

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

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

"**T2 Business Day**" or "**TBD**" means a day on which the T2 is open;

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

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor

thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Linear Interpolation

5.10 Where "**Linear Interpolation**" is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Issuing and Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuing and Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as 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 at such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Covered Bond (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Covered Bond is not required as a precondition of payment), the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Covered Bonds in accordance with Condition 14 that the Issuing and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 5.08 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 Covered Bond is stated in the Final Terms as having no fixed maturity date, a Covered Bond shall be redeemed at its Final Redemption Amount (which shall be at least equal to the stated nominal amount of the Covered Bond) specified in the applicable Final Terms in the Specified Currency on the Final Maturity Date.

Without prejudice to Condition 7, if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms (or after expiry of the grace period set out in Condition 7.01(a)) and, following service of a Notice to Pay on the Guarantor by no later than the date falling one Business Day prior to the Extension Determination Date, the Guarantor has insufficient moneys available in accordance with the Guarantee Priority

of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds on the date falling on the earlier of (a) the date which falls two 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 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 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 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 Covered Bonds (in accordance with Condition 14), the Rating Agencies, the Bond Trustee, the Issuing and Paying Agent and the Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) of the second paragraph of this Condition 6.01 of any inability of the Guarantor 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 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; and

"**Rating Agency**" means any one of Moody's Investors Service, Inc. and Fitch Ratings, Inc., to the extent that at the relevant time they provide ratings in respect of the then outstanding Covered Bonds, or their successors and "**Rating Agencies**" means more than one Rating Agency.

Early Redemption for Taxation Reasons

6.02 If, in relation to any Series of Covered Bonds (i) as a result of any amendment to, clarification of, or change including any announced proposed change in the laws or regulations, or the application or interpretation thereof of Canada or any political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the 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, (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 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 Covered Bonds in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Covered Bonds at their Outstanding Principal Amount or, in the case of Zero Coupon Covered Bonds, their Amortized Face Amount (as defined in Condition 6.10) or such Early Redemption

Amount as may be specified in, or determined in accordance with the provisions of, the Final Terms, together with accrued interest (if any) thereon.

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

Call Option

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

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

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

- the Series of Covered Bonds subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Global Covered Bond) the serial numbers of the Covered Bonds of the relevant Series which are to be redeemed;
- the due date for such redemption, which shall be not less than 30 days nor more than 60 days after the date on which such notice is given and which shall be such date or the next of such dates ("**Call Option Date(s)**") or a day falling within such period ("**Call Option Period**"), as may be specified in the Final Terms and which is, in the case of Covered Bonds which bear interest at a floating rate, a date upon which interest is payable; and
- the Optional Redemption Amount at which such Covered Bonds are to be redeemed.

Partial Redemption

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

- such redemption must be for an amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms;
- in the case of a 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 as being applicable, upon the Holder of any Covered Bond of this Series giving the required notice to the Issuer specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon expiry of such notice, redeem such Covered Bond subject to and in accordance with the terms specified in the applicable Final Terms in whole (but not in part only) on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than 45 days before the Optional Redemption Date where the Covered Bond is a Covered Bond in definitive form held outside Euroclear, 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). Notwithstanding the foregoing, Covered Bonds represented by a Permanent Global Covered Bond or Registered Global Covered Bond shall be deemed to be deposited with the Paying Agent or the Registrar, as the case may be, for purposes of this Condition 6.06 at the time a Put Notice has been received by the Paying Agent or Registrar, as the case may be, in respect of such Covered Bonds. No Covered Bond so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement).

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

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

Purchase of Covered Bonds

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

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

6.11 If any Redemption Amount (other than the Final Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortized Face

Amount shall be calculated as provided in Condition 6.10 but as if references in subparagraph (b) to the date fixed for redemption or the date upon which such Zero Coupon Covered Bond becomes due and repayable were replaced by references to the earlier of:

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

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

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 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 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 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 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 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 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 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 (e) 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 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 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.

8. Taxation

8.01 All payments (whether in respect of principal, interest or otherwise) 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 ("**Taxes**") imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax 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 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 in respect of such Covered Bond, Receipt or Coupon by reason of his having some connection with Canada or the country in which the Issuer's branch is located (for these purposes "connection" includes but is not limited to any present or former connection between such Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over such Holder if such Holder is an estate, trust, partnership, limited liability company or corporation) and such jurisdiction) otherwise than the mere holding of (but not the enforcement of) such Covered Bond, Receipt or Coupon; or

(b) to, or to a third party on behalf of, a Holder in respect of whom such Taxes are required to be withheld or deducted (i) by reason of the Holder or any other person entitled to payments under the Covered Bonds, Receipts or Coupons being a person with whom the Issuer is not dealing at arm's length (within the meaning of the ITA), or (ii) by reason of (A) the Holder being a person who is, or does not deal at arm's length with any person who is, a "specified shareholder" (as defined in subsection 18(5) of the ITA) of the Issuer or (B) the Issuer being a "specified entity" (as defined in subsection 18.4(1) of the ITA) in respect of the Holder; or

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

(d) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such additional amounts on presenting the same for payment on the thirtieth such day; or

(e) to, or to a third party on behalf of, a Holder who is liable for such Taxes by reason of such Holder's failure to comply with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with Canada or the country in which the Issuer's 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 Taxes and (ii) the Issuer has given Holders at least 30 days' notice that Holders will be required to

comply with such certification, identification, documentation or other reporting requirement; or

(f) in respect of any estate, inheritance, gift, sales, goods and services, harmonized sales, transfer, personal property or any similar Taxes; or

(g) where such withholding or deduction is imposed under Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereunder or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any applicable intergovernmental agreement entered into in connection with the implementation of the foregoing and any fiscal or regulatory legislation, rules or official practices adopted pursuant to any such intergovernmental agreement (collectively, "**FATCA**"); or

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

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

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

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

8.03 If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant branch of the Issuer is located, references in Condition 6.02, Condition 8.01 or Condition 8.05 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 FATCA.

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 or duties of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or by any authority or agency therein or thereof having power to tax, 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 Business Day (in relation to Global Covered Bonds), where "**Business Day**" means, for these purposes, (x) any day falling on a 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) a "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.

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 euro, an account to which euro may be credited or transferred) specified by the payee. In the case of Bearer Covered Bonds, if payments are made by transfer, such payments will only be made by transfer to an account maintained by the payee outside of the United States. In no event will payment of amounts due in respect of Bearer Covered Bonds be made by a cheque mailed to an address in the United States. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to (i) any applicable fiscal or other laws and regulations 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, (b) if T2 is specified in the Final Terms, a T2 Business Day or (c) in the case of payment in euro, a day which is a T2 Business Day and on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Financial Centre(s) specified in the Final Terms.

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

11.02 The Agents 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 relating to such Covered Bonds shall include the relevant details regarding the applicable Paying Agent.

12. Replacement of Covered Bonds

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

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

13.01 *Meetings of Holders of the Covered Bonds*

The Trust Deed contains provisions for convening meetings of the holders of the Covered Bonds at a physical location or by means of an electronic platform such as video conference or conference call or a combination of such methods 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 Canadian dollars shall be converted into Canadian dollars at the applicable Covered Bond Swap Rate.

13.02 *Modification and Waiver*

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

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

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

(c) any modification (other than in respect of a Series Reserved Matter, provided that a Base Rate Modification (as defined below) will not constitute a Series Reserved Matter) to the Conditions and/or any Transaction Document (including, for the avoidance of doubt but without limitation, the Covered Bond Swap Agreement in relation to the relevant Series of Covered Bonds and subject to the consent only of the Secured Creditors (i) party to the relevant Transaction Document being amended or (ii) whose ranking in any Priorities of Payments is affected) that the Issuer considers necessary (i) if, following the occurrence of an €STR Index Cessation Effective Date, the fallback provisions in Condition 5.03 do not enable the rate of interest to be determined based on an alternative rate outlined in such provisions or (ii) otherwise for the purpose of changing the base rate in respect of the Covered Bonds from a Reference Rate to an alternative base rate (any such rate, an "**Alternative Base Rate**") and making such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Base Rate Modification**"), provided that:

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

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

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

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

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

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

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

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

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

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

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

(iii) the consent of each Secured Creditor (x) which is party to the relevant Transaction Document being amended, or (y) whose ranking in any Priorities of Payments is affected has been obtained (evidence of which shall be provided by the Issuer to the Bond Trustee with the Base Rate Modification Certificate) and, subject to Condition 13.02(c)(G), no other consents are required to be obtained in relation to the Base Rate Modification; and

(B) such Alternative Base Rate is:

(1) a base rate published, endorsed, approved or recognised by the Bank of England, the Federal Reserve, the Federal Reserve Bank of New York, or the European Central Bank, any regulator in the United States, the UK or the EU or any stock exchange on which the Covered Bonds are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing; or

(2) a base rate utilised in a material number of publicly-listed new issues of floating rate covered bonds or floating rate senior unsecured notes prior to the effective date of such Base Rate Modification (for these purposes, 5 such issues shall be considered material); or

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

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

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

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

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

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

If Covered Bondholders representing at least 10 per cent of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds then outstanding have notified the Issuer or the Issuing and Paying Agent in accordance with the then current practice of any applicable Clearing System through which the Covered Bonds may be held or in the manner specified in the next following paragraph of this Condition 13.02 where there is no applicable Clearing System by the time specified in such notice that such Covered Bondholders do not consent to the Base Rate Modification, then the Base Rate Modification will not be made unless an Extraordinary Resolution of the Covered Bondholders of the relevant Series then outstanding is passed in favour of the Base Rate Modification in accordance with this Condition 13.

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

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

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

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

(B) the Bond Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Bond Trustee, would have the effect of (i) exposing the Bond Trustee to any liability against which it has not been

indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights, powers, authorisations, discretions, indemnification or protections, of the Bond Trustee in the Transaction Documents and/or these Conditions.

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

Any such modification, waiver, authorization or determination shall be binding on all holders of the Covered Bonds of all Series of Covered Bonds for the time being outstanding, the related Receiptholders and the Couponholders and the other Secured Creditors, and unless the Bond Trustee otherwise agrees, any such modification shall be notified by the Issuer to the holders of the Covered Bonds of all Series of Covered Bonds for the time being outstanding and the other Secured Creditors in accordance with the relevant terms and conditions as soon as practicable thereafter.

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 13, the sanctioning of any such scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds in consideration of, shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations and/or securities as described above and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the holders of the Covered Bonds to execute an instrument of transfer of the Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively; and (vi) alteration of specific sections of the Trust Deed relating to the quorum and procedure required for meetings of holders of Covered Bonds, provided that a Base Rate Modification shall not, for the purposes of these Terms and Conditions and the Trust Deed, constitute a Series Reserved Matter.

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 (i) in a leading daily newspaper having general circulation in London and (ii) if and for so long as the Covered Bonds are listed on the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and on the website of the Luxembourg Stock Exchange at https://www.luxse.com. It is expected that such publication will be made in the Financial Times in London and the Luxemburger Wort in Luxembourg. 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 Issuing and Paying Agent or the Registrar, as the case may be. While any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any accountholder to the Issuing and Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as 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 (as applicable) for communication by them to the holders of the Covered Bonds and, in addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to listing by any other relevant authority and the rules of the stock exchange, or as the case may be, other relevant authority so require, such notice will be published in a manner which complies with the rules and regulations of that stock exchange, 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 (as applicable).

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 issue date thereof and the amount and date of 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 (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 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 Confirmation

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 Confirmation**"), 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 a Rating Agency Confirmation 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 Rating Agency Confirmation 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 provide a Rating Agency Confirmation in the time available, or at all, and the Rating Agency shall not be responsible for the consequences thereof;

(c) a Rating Agency Confirmation, 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 Rating Agency Confirmation 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 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 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.

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

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

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

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

The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any 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.

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.

USE OF PROCEEDS

Except as otherwise set out in the applicable Final Terms, the net proceeds of the issue of each Tranche of Covered Bonds will be added to the general funds of the Issuer.

EXPENSES

Except as otherwise set out in the applicable Final Terms, expenses related to the issue and distribution of each Tranche of Covered Bonds will be paid as agreed in the Dealership Agreement.

FORM OF THE FINAL TERMS

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

[Notice Regarding Offers in the EEA and the UK

The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Covered Bonds in any Member State of the European Economic Area or in the United Kingdom will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation") or the Prospectus Regulation as it forms part of United Kingdom domestic law (the "UK Prospectus Regulation") by virtue of the European Union (Withdrawal) Act 2018, as amended (the "EUWA"), as applicable, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly, any person making or intending to make an offer in any Member State of the European Economic Area or in the United Kingdom of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or section 85 of the Financial Services and Markets Act 2000 (as amended) (the "FSMA"), as applicable, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or the UK Prospectus Regulation, as applicable, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Covered Bonds in any other circumstances.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS.

The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in [the Prospectus Regulation/Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation")]. Consequently no key information document required by Regulation (EU) No 1286/2014 as amended (the "PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS.

The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018 (as amended, the "EUWA")][EUWA]; (ii) a customer within the meaning of the provisions of the [Financial Services and Markets Act 2000 (as amended) (the "FSMA")][FSMA] and any rules or regulations made under the FSMA to implement

Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of [Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA][the "UK Prospectus Regulation"]. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in [MiFID II] [Directive 2014/65/EU (as amended, "MiFID II")]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018, as amended][the EUWA] ("UK MiFIR"); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "UK distributor") should take into consideration the manufacturer's target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the "SFA") – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined the classification of the Covered Bonds as "capital market products other than prescribed capital market products" (as defined in the CMP Regulations 2018) and [Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale

of Investment Products and MAS Notice FAA-n16: Notice on Recommendations on Investment Products).][1]

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THESE FINAL TERMS. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

THE COVERED BONDS DESCRIBED IN THESE FINAL TERMS HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, THE COVERED BONDS MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS [EXCEPT THAT THE COVERED BONDS MAY BE OFFERED, SOLD OR DELIVERED TO [QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE UPON RULE 144A UNDER THE SECURITIES ACT] [AND] [INSTITUTIONAL ACCREDITED INVESTORS WITHIN THE MEANING OF RULE 501 (a)(1), (2), (3) or (7) UNDER THE SECURITIES ACT]].

The Guarantor is not now, and immediately after giving effect to any offer and sale of the Covered Bonds and application of proceeds thereof, will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule." In reaching this conclusion, although other statutory or regulatory exemptions or exclusions may be available, the Guarantor has relied on the exemption from registration set forth in Section 3(c)(5)(C) of the U.S. Investment Company Act of 1940, as amended. See "*Certain Volcker Rule Considerations*" in the Prospectus dated 5 August 2025.

Final Terms dated [ ]

CANADIAN IMPERIAL BANK OF COMMERCE

(a Canadian chartered bank)

through its [Head office of the Bank in Toronto] [London branch] [Hong Kong branch] [Singapore branch] [Sydney branch]

Legal Entity Identifier (LEI): 2IGI19DL77OX0HC3ZE78

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

CAD 60,000,000,000

[1] Legend to be included only in an offering of Covered Bonds in Singapore other than to institutional investors and accredited investors only.

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

PART A-CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated 5 August 2025 [and the Prospectus supplement[s] dated [ ]] which [together] constitute[s] [a base prospectus (the "**Prospectus**") for the purposes of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**")]. This document constitutes the Final Terms of the Covered Bonds described herein [for the purposes of Article 8 of the Prospectus Regulation] and must be read in conjunction with such Prospectus [as so supplemented] in order to obtain all relevant information. [The Prospectus [and the Prospectus supplement[s]]], together with these Final Terms and all documents incorporated by reference therein, [is] [are] available for viewing on the website of the Luxembourg Stock Exchange at https://www.luxse.com under the name Canadian Imperial Bank of Commerce and the headline "Documents" and copies may be obtained from the specified offices of the Issuer and the Issuing and Paying Agent, as set out at the end of this Prospectus.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated [18 June 2019, as supplemented by the 1st prospectus supplement dated 23 August 2019]/[13 July 2020]/[22 July 2021]/[22 July 2022]/[28 July 2023]/[31 July 2024] [each of] which is incorporated by reference in the Prospectus dated 5 August 2025. These Final Terms contain the final terms of the Covered Bonds described herein and must be read in conjunction with the Prospectus dated 5 August 2025 [and the Prospectus supplement[s] dated [ ]] in order to obtain all relevant information, save in respect of the Conditions which are set forth in the prospectus dated [18 June 2019, as supplemented by the 1st prospectus supplement dated 23 August 2019]/[13 July 2020]/[22 July 2021]/[22 July 2022]/[28 July 2023]/[31 July 2024] [each of] which is incorporated by reference in the Prospectus. This document constitutes the Final Terms relating to the issue of Covered Bonds described herein for the purposes of Article 8 of the Prospectus Regulation.]

1.	(i)	[Series Number:]	[ ]
	(ii)	[Tranche Number:]	[ ]
	(iii)	Date on which the Covered Bonds become fungible:	[Not Applicable]/[The Covered Bonds shall be consolidated, form a single series and be interchangeable for trading purposes with [ ] on [[ ]/[the Issue Date]/[exchange of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bonds, as referred to in paragraph [ ] below], which is expected to occur on or about [ ]]].
2.		Specified Currency or Currencies: (Condition 1.10)	[ ]

3.	Aggregate Principal Amount:	[ ]
	(i) [Series:]	[ ]
	(ii) [Tranche:]	[ ]
4.	Issue Price:	[ ]% of the Aggregate Principal Amount [plus accrued interest from [insert date] (if applicable)]
5.	(i) Specified Denominations:	[ ]
	(Condition 1.08 or 1.09)	
	(ii) Calculation Amount:	[ ]
6.	(i) Trade Date:	[ ]
	(ii) Issue Date:	[ ]
	(iii) Interest Commencement Date:	[ ]/[Issue Date]/[Not Applicable]
7.	(i) Final Maturity Date:	[ ]/[Interest Payment Date falling in or nearest to [ ]]
	(ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	[ ]/[Interest Payment Date falling in or nearest to [ ]]
8.	Interest Basis:	[[ ] per cent. Fixed Rate] [[ ] +/- [ ] per cent. Floating Rate] (further particulars specified in item 14 below) [Zero Coupon]
9.	Redemption/Payment Basis:	[Redemption at par] [Hard Bullet Covered Bond] [Instalment]
10.	Change of Interest Basis:	[If item 7(ii) applicable, Applicable – see item 8 above]/[Not Applicable]
11.	Put/Call Options:	[Investor Put] [Issuer Call] [Not Applicable] [(further particulars specified in items 16 and 17 below)]
12.	Date of [Board] approval for issuance of Covered Bonds obtained:	[[ ] [and [ ], respectively]]/[Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Covered Bond Provisions:	[Applicable/Not Applicable]

(Condition 5.02)

(i) Rate[(s)] of Interest:	[ ] per cent per annum [payable [annually/semi-annually/quarterly/monthly/[ ]]] in arrears on each Interest Payment Date [commencing [ ]]
(ii) Interest Payment Date(s):	[ ] in each year [adjusted 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) Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/ Modified Business Day Convention/ Preceding Business Day Convention/ FRN Convention/ Eurodollar Convention]/[Not Applicable]
(iv) Fixed Coupon Amount[(s)]:	[ ] per Calculation Amount/[Not Applicable]
(v) Broken Amount(s)	[ ] per Calculation Amount, payable on the Interest Payment Date falling [on/or] [ ]/[Not Applicable]
(vi) Day Count Fraction:	[Actual/Actual *or* Actual/Actual (ISDA) Actual/365 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)]
(vii) Determination Dates:	[[ ] in each year]/[Not Applicable]
14. Floating Rate Covered Bond Provisions:	[Applicable/Not Applicable]

(Condition 5.03)

(i) Interest Period(s):	[[ ] [subject to adjustment in accordance with the Business Day Convention specified in (iii) below] [not subject to any adjustment as the Business Day Convention specified in (iii) below is specified to be Not Applicable]]/[Not Applicable] [The period from, and including, each Interest Period End Date (or the Interest Commencement Date in the case of the initial Interest Period) to, but excluding, the next succeeding Interest Period End Date (or the [Final Maturity Date][Extended Due for Payment Date] in the case of the final Interest Period)]

(ii) Interest Period End Date:	[[ ] in each year [adjusted in accordance with the Business Day Convention/not adjusted]/[Each Interest Payment Date]
(iii) Rate Cut-Off Date:	[The second U.S. Government Securities Business Day prior to the Final Maturity Date] [and/or] [the Extended Due for Payment Date]
(iv) Specified Interest Payment Dates:	[[ ] [subject to adjustment in accordance with the Business Day Convention specified in (iii) below] [not subject to any adjustment as the Business Day Convention specified in (iii) below is specified to be Not Applicable] [the second Business Day following each Interest Period End Date] [(provided however that after the Extension Determination Date, the Specified Interest Payment Date shall be monthly)]]/[Not Applicable]
(v) Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/ Modified Business Day Convention/ Preceding Business Day Convention/ FRN Convention/ Eurodollar Convention]/[Not Applicable]
(vi) Financial Centre(s):	[ ]
(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent):	[ ]
(ix) Screen Rate Determination:	
– Reference Rate:	[EURIBOR/SONIA/SOFR/€STR/NIBOR]
– Compounded Daily SOFR Convention:	[Observation Shift Convention][SOFR Index Convention][Not Applicable]
– Calculation Method:	[Compounded Daily Rate / Compounded Index Rate]/[Not Applicable]
– Observation Method:	[Lag]/[Shift]/[Not Applicable][2]
– Observation Look-back Period:	[[ ] [London Banking Day(s)[3]]/[T2 Business Days]] / [Not Applicable]
– Observation Period Shift:	[[Two] U.S. Government Securities Business Days]

[2] The Observation Method shall be "Not Applicable" if Compounded Index Rate is specified.

[3] The number of London Banking Days shall not be specified as less than five London Banking Days without the prior agreement of the Calculation Agent

– SOFR Index Observation Period Shift:	[[ ]U.S. Government Securities Business Days]/[Not Applicable]
– Relevant Number:	[ ]/[Not Applicable]
– Interest Determination Date(s):	[[ ] London Banking Day(s) prior to the start of each Interest Period] [first day/first London Banking Day of each Interest Period][the second day on which the T2 System is open prior to the start of each Interest Period] [[ ] days prior to start of each Interest Period] [[ ] London Banking Day(s) prior to the end of each Interest Period] [[one] U.S. Government Securities Business Days after the end of each Interest Period] [[one] U.S. Government Securities Business Day prior to each Interest Period End Date] [the second Oslo Business Day prior to the start of each Interest Period]
– Relevant Screen Page:	[ ]
– Relevant Time:	[ ][5:00pm for SOFR]
– Reference Banks:	[ ]/[Not Applicable]
– 2021 ISDA Definitions:	[Not Applicable] [Applicable]
– Financial Centre(s):	[ ]/[Euro-zone]/[Not Applicable]
(x) ISDA Determination:	Issuer is [Fixed Rate/Fixed Amount/Floating Rate/Floating Amount] Payer
– Floating Rate Option:	[ ]
– Designated Maturity:	[ ]
– Reset Date:	[ ]
– 2021 ISDA Definitions:	[Not Applicable][Applicable]
– Applicable Benchmark:	[ ][Not Applicable]
– Fixing Date:	[ ][Not Applicable]
– Fixing Time:	[ ][Not Applicable]
– Any other terms relating to the 2021 ISDA Definitions:	[ ][Not Applicable]
(xi) Margin(s):	[+/-][ ] per cent per annum
(xii) Linear Interpolation (Condition 5.10)	[Not Applicable]/[Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(xiii) Minimum Interest Rate: (Condition 5.05)	[ ] per cent per annum/[Not Applicable]

(xiv) Maximum Interest Rate: (Condition 5.05) — [ ] per cent per annum/[Not Applicable] [60.00% effective annual rate or, from and after 1 January 2025, an annual percentage rate of 35%, or any other rate as may be prescribed from time to time pursuant to applicable Canadian federal usury laws]

(xv) Day Count Fraction: — [Actual/Actual *or* Actual/Actual (ISDA)
Actual/365
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)]

15. Zero Coupon Covered Bond Provisions: (Condition 5.11) — [Applicable/Not Applicable]

(i) Amortization Yield: — [ ] per cent per annum

(ii) Reference Price: — [ ]

PROVISIONS RELATING TO REDEMPTION

16. Call Option (Condition 6.03) — [Applicable/Not Applicable]

(i) Optional Redemption Date(s): — [ ]

(ii) Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s): — [ ] per Calculation Amount

(iii) Redeemable in part: — [Applicable/Not Applicable]

If redeemable in part:

(a) Minimum Redemption Amount: — [ ] per Calculation Amount/[Not Applicable]

(b) Maximum Redemption Amount: — [ ] per Calculation Amount/[Not Applicable]

(iv) Notice Period — [ ]

17. Put Option (Condition 6.06) — [Applicable/Not Applicable]

(i) Optional Redemption Date(s): — [ ]

	(ii) Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
	(iii) Notice period	[ ]
18.	Final Redemption Amount of each Covered Bond	[ ] per Calculation Amount
19.	Early Redemption Amount:	
	Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default and/or the method of calculating the same: (Conditions 6.02, 6.13 or 7)	[ ] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

20.	Form of the Covered Bonds:	[Bearer Covered Bonds] [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds only after an Exchange Event] [Temporary Global Covered Bond exchangeable for Bearer Definitive Covered Bonds [and/or Registered Definitive Covered Bonds] on [ ] days' notice] [Permanent Global Covered Bond exchangeable for Bearer Definitive Covered Bonds only after an Exchange Event] [Registered Covered Bonds:]

		[Regulation S Global Covered Bond (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/CDS/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg] and exchangeable on [ ] days' notice/at any time/only after an Exchange Event/Rule 144A Global Covered Bond (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/CDS/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)] and exchangeable on [ ] days' notice/at any time/only after an Exchange Event /Definitive IAI Registered Covered Bonds (specify nominal amounts).]
21.	New Global Covered Bond:	[Yes] [No]
22.	Financial Centre(s) or other special provisions relating to payment dates:	[ ]/[Not Applicable]
23.	Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): (Condition 1.06)	[Yes, as the Covered Bonds have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
24.	Details relating to Instalment Covered Bonds: amount of each instalment, date on which each payment is to be made: (Condition 6.12)	(i) Instalment Amount(s): [Not Applicable]/[ ] (ii) Instalment Date(s): [Not Applicable] /[ ]

THIRD PARTY INFORMATION

[ ] has been extracted from [ ]. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading./[Not Applicable.]

Signed on behalf of the Issuer:

By: _____
Duly authorized

By: _____
Duly authorized

Signed on behalf of the Managing GP for and on behalf of the Guarantor:

By: _____
Duly authorized

By: _____
Duly authorized

PART B-OTHER INFORMATION

1 **LISTING**

(i) Listing/Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to the Official List of the [Luxembourg Stock Exchange/Financial Conduct Authority] and to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to the Official List of the Luxembourg Stock Exchange and to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from [ ].]]
(ii) Estimate of total expenses related to admission to trading:	[ ]

2 **RATINGS**

The Covered Bonds to be issued are expected to be rated:

Ratings: [Moody's: Aaa]

[Fitch: AAA]

[*Brief explanation of the meaning of the ratings if this has been published previously by the rating provider*]

3 **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]]**

[Save as discussed in ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.] [The [Managers/Dealers] and their affiliates have engaged, and may in future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer [and the Guarantor] and [its/their] affiliates.]/[Not Applicable]

4 **[FIXED RATE COVERED BONDS ONLY – YIELD]**

Indication of yield based on the Issue Price:	[ ] in respect of the period from (and including) the Issue Date to (but excluding) the Final Maturity Date

5 **DISTRIBUTION**

(i) U.S. Selling Restrictions:	[Regulation S compliance Category 2;] [TEFRA C rules apply] [TEFRA D rules apply] [TEFRA rules not applicable] [Rule 144A eligible/sales to Institutional Accredited Investors under the Securities Act permitted]
(ii) Additional Selling Restrictions:	[Not Applicable]/[The Covered Bonds may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada]/[Covered Bonds may only be offered, sold or distributed by the Managers on such basis and in such provinces of Canada as, in each case, are agreed with the Issuer and in compliance with any applicable securities laws of Canada or any province, to the extent applicable]

(iii)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
(iv)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]
(v)	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable] [Not Applicable]

6 **OPERATIONAL INFORMATION**

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	CFI:	[[ ][4][5] [Not Applicable]]
(iv)	FISN:	[[ ][6][7] [Not Applicable]]
(v)	[insert here any other relevant codes (such as CUSIP and CINS codes)]	[ ]
(vi)	Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A., DTC, or CDS their addresses and the relevant identification number(s):	[Not Applicable]/[ ]
(vii)	Delivery:	Delivery [against/free of] payment
(viii)	Name(s) and address(es) of additional or substitute Paying Agent(s) or Transfer Agent(s):	[ ]

[4] As updated, as set out on the website of the Association of National Numbering Agencies (ANNA).

[5] If the CFI is not required, requested or available, it should be specified to be "Not Applicable".

[6] As updated, as set out on the website of the Association of National Numbering Agencies (ANNA).

[7] If the FISN is not required, requested or available, it should be specified to be "Not Applicable".

(ix) Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for Registered Covered Bonds] and does not necessarily mean that the Covered Bonds will be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)][include this text for Registered Covered Bonds]. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

7 **PROCEEDS**

(i) Use of net proceeds: [As specified in the Prospectus/[]]

(ii) Estimated net proceeds: [ ]

8 **UNITED STATES TAX CONSIDERATIONS**

[Not applicable]/[*For Covered Bonds issued in compliance with Rule 144A:*][For U.S. federal income tax purposes, the Issuer intends to treat the Covered Bonds as [original issue discount Covered Bonds/fixed-rate debt/fixed-rate debt issued with original issue discount/contingent payment debt instruments, [for which purpose, the comparable yield relating to the Covered Bonds will be [□] per cent compounded [semi-annually/quarterly/monthly], and that the projected payment schedule with respect to a Covered Bond consists of the following payments: [□]/for which purpose, the comparable yield and the projected payment schedule are available by contacting [□] at [□]]/variable rate debt instruments/variable rate debt instruments issued with original issue discount/foreign currency Covered Bonds/foreign currency Covered Bonds issued with original issue discount/foreign currency contingent payment debt instruments, [for which purpose, the comparable yield relating to the Covered Bonds will be [□] per cent compounded [semi-annually/quarterly/monthly], and that the projected payment schedule with respect to a Covered Bond consists of the following payments: [□]/for which purpose, the comparable yield and the projected payment schedule are available by contacting [□] at [□]]/short-term Covered Bonds.]]

[*For a Qualified Reopening of Covered Bonds issued in compliance with Rule 144A:*][Qualified Reopening. The issuance of the Covered Bonds should be treated as a "qualified reopening"

of the Covered Bonds issued on [□] within the meaning of the U.S.Treasury regulations governing original issue discount on debt instruments (the "**OID Regulations**"). Therefore, for purposes of the OID Regulations, the Covered Bonds issued in this offering should be treated as having the same issue date and the same issue price as the Covered Bonds issued on [□] and should [not] be considered to have been issued with original issue discount for U.S. federal income tax purposes.]

CANADIAN IMPERIAL BANK OF COMMERCE

The information appearing below is supplemented by the more detailed information contained in the documents incorporated by reference. See Paragraphs (a) - (g) of the section entitled "Documents Incorporated by Reference".

Introduction

CIBC is a diversified financial institution governed by the Bank Act. CIBC was formed through the amalgamation of The Canadian Bank of Commerce and Imperial Bank of Canada in 1961. The Canadian Bank of Commerce was originally incorporated as Bank of Canada by special act of the legislature of the Province of Canada in 1858. Subsequently, the name was changed to The Canadian Bank of Commerce and it opened for business under that name in 1867. Imperial Bank of Canada was incorporated in 1875 by special act of the Parliament of Canada and commenced operations in that year. The address of the registered and head office of the Bank is CIBC Square, 81 Bay Street, Toronto, Ontario, Canada M5J 0E7 and the telephone number is 1-416-980-3096. CIBC's London branch is located at 150 Cheapside, London EC2V 6ET, CIBC's Hong Kong branch is located at Suite 3602, 36/F Cheung Kong Centre, 2 Queen's Road Central, Hong Kong, CIBC's Singapore branch is located at One Raffles Place Office Tower 2, #12-61, Singapore, and CIBC's Sydney branch is located at Level 45, Gateway Building, 1 Macquarie Place, Sydney, New South Wales, 2000. As extracted from its latest audited consolidated financial statements, as at 31 October 2024 CIBC had total assets of C$1,042 billion, total deposits of C$765 billion, common shareholders' equity of C$54 billion and a market capitalization of C$82.1 billion. These financial statements were prepared in accordance with IFRS.

Business

CIBC is a leading Canadian-based global financial institution. As set out in the Bank Act, its corporate purpose is to act as a financial institution throughout Canada and can carry on business, conduct its affairs and exercise its powers in any jurisdiction outside Canada to the extent and in the manner that the laws of that jurisdiction permit. Through its four strategic business units – Canadian Personal and Small Business Banking, Canadian Commercial Banking and Wealth Management, U.S. Commercial Banking and Wealth Management, and Capital Markets and Direct Financial Services – CIBC provides a full range of financial products and services to 11 million individual, small business, commercial, corporate, public sector and institutional clients in Canada, the U.S. and around the world.

Subsidiaries

A list of CIBC's significant subsidiaries is provided on page 182 of the 2024 Annual Report, which is incorporated herein by reference.

Board of Directors

The names of the Directors of CIBC (together with details of their principal outside activities), as at the date of this Prospectus, are set out below. The business address of each of the Directors is CIBC Square, 81 Bay Street, Toronto, Ontario, Canada M5J 0E7.

Name, Responsibility and Location	Principal Outside Activities
Katharine B. Stevenson Toronto, Ontario, Canada	Corporate Director
Ammar Aljoundi Toronto, Ontario, Canada	President and Chief Executive Officer, Agnico Eagle Mines Limited
Nanci E. Caldwell Woodside, California, U.S.A.	Corporate Director
Michelle L. Collins Chicago, Illinois, U.S.A.	President, Cambium LLC
Victor G. Dodig Toronto, Ontario, Canada	President and Chief Executive Officer, CIBC
Kevin J. Kelly Toronto, Ontario, Canada	Corporate Director
Christine E. Larsen Montclair, New Jersey, U.S.A.	Corporate Director
Mary Lou Maher Toronto, Ontario, Canada	Corporate Director
William F. Morneau Toronto, Ontario, Canada	Corporate Director
Mark W. Podlasly Vancouver, British Columbia, Canada	Chief Sustainability Officer, First Nations Major Project Coalition
François L. Poirier Calgary, Alberta, Canada	President and Chief Executive Officer, TC Energy Corporation
Martine Turcotte Verdun, Québec, Canada	Corporate Director

Barry L. Zubrow West Palm Beach, Florida, U.S.A.	Chief Executive Officer, ITB LLC

As at the date of this Prospectus, there are no potential conflicts of interest between the duties owed to CIBC by the persons listed above and their private interests and other duties. If a Director were to have a material interest in a matter being considered by the Board or any of its Committees, such Director would not participate in any discussions relating to, or any vote on, such matter.

Trend Information

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on CIBC's prospects for its current financial year.

Capital Structure

A description of the capital structure of CIBC can be found in the 2024 Annual Report under the headings "*Note 15 – Common and preferred shares and other equity instruments*" and "*Note 16 – Capital Trust securities*" on pages 160 through 164.

Major Shareholders

To the extent known to CIBC, CIBC is not directly or indirectly owned or controlled by any person. The Bank Act prohibits any person from having a "significant interest" in any class of shares of CIBC, that is, from beneficially owning more than 10 per cent of the outstanding shares of the class either directly or through controlled entities, without the approval of the Minister of Finance of Canada. A person may, with the approval of the Minister of Finance, beneficially own up to 20 per cent of a class of voting share and up to 30 per cent of a class of non-voting share of CIBC, subject to a "fit and proper" test based on the character and integrity of the applicant. In addition, the holder of such a significant interest could not have "control in fact" of CIBC.

There are no measures in place to ensure that control of CIBC is not abused as CIBC has no major shareholders.

Material Contracts

Neither CIBC nor the Guarantor has entered into any contracts outside the ordinary course of CIBC's business which could materially affect CIBC's obligations in respect of any Covered Bonds to be issued by CIBC pursuant to this Prospectus other than, with respect to any Covered Bonds, the contracts described in "*Subscription and Sale*" and in "*Terms and Conditions of the Covered Bonds*" and "*Overview of the Principal Documents*".

Independent Auditor

Ernst & Young LLP ("**EY**"), Chartered Professional Accountants, Licensed Public Accountants, Ernst & Young Tower, 100 Adelaide Street West, Toronto, Ontario M5H 0B3, Canada issued a report dated 4 December 2024 to the shareholders and directors of the Issuer on the consolidated balance sheets as at 31 October 2024 and 2023 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the two-year period ended 31 October 2024 and notes to the consolidated financial statements, including a summary of significant accounting policies.

EY is registered as a participating audit firm with the Canadian Public Accountability Board and is registered with the Public Company Accounting Oversight Board (U.S.). EY is independent of the Issuer within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

Ratings

As of the date of this Prospectus, each of Moody's, Standard & Poor's Ratings Services, Fitch and DBRS has provided ratings for CIBC as follows:

	MOODY'S	**STANDARD & POOR'S RATING SERVICES**	**FITCH**	**DBRS**
DEPOSIT OR COUNTERPARTY[1]	Aa2	A+	AA	AA
LEGACY SENIOR DEBT[2]	Aa2	A+	AA	AA
SENIOR DEBT[3]	A2	A-	AA-	AA (low)
SHORT TERM DEBT	P-1	A-1	F1+	R-1 (high)

[1.] DBRS LT Issuer Rating; Moody's LT Deposit and Counterparty Risk Assessment Rating; S&P's Issuer Credit Rating; Fitch Long-Term Deposit Rating.
[2.] Includes (a) Senior debt issued prior to 23 September, 2018; and (b) Senior debt issued on or after 23 September, 2018 which is excluded from the bank recapitalization "bail-in" regime.
[3.] Subject to conversion under the bank recapitalization "bail-in" regime.

Credit ratings may be adjusted over time and so there is no assurance that these credit ratings will be effective after the date of this Prospectus. A credit rating is not a recommendation to buy, sell or hold any debt or derivative securities of the Issuer.

The information relating to credit ratings below has been extracted from the websites of Moody's, Standard & Poor's Ratings Services, Fitch and DBRS, as applicable, and the Issuer takes no responsibility for such information. The Issuer confirms that such information has been accurately reproduced and that, so far as the Issuer is aware, and is able to ascertain from information published by Moody's, Standard & Poor's Ratings Services, Fitch and DBRS, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Moody's in its December 20, 2022 publication defines its ratings as follows:

> Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.[**]
>
> Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
>
> Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.

Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess speculative characteristics.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking.

P-1: Issuers (or supporting institutions) rated Prime-1 reflect a superior ability to repay short-term obligations. Canadian issuers rated P-1 or P-2 have their short-term ratings enhanced by the senior-most long-term rating of the issuer, its guarantor or support-provider.

Standard & Poor's Ratings Services in its November 10, 2021 publication defines its ratings as follows:

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

A short-term obligation rated 'A-1' is rated in the highest category by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments on these obligations is extremely strong.

Fitch in its March 21, 2022 publication defines its ratings as follows:

AAA: Highest Credit Quality. AAA' ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.**

AA: Very High Credit Quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A: High Credit Quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

Within rating categories, Fitch may use modifiers. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

F1: Highest Short-Term Credit Quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

DBRS in its May 15, 2023 publication “Long-Term Obligations Rating Scale” defines its ratings as follows:

AA Superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.

A Good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. May be vulnerable to future events, but qualifying negative factors are considered manageable.

All rating categories from AA to CCC also contain subcategories (high) and (low). The absence of either a (high) or (low) designation indicates that the rating is in the middle of the category.

DBRS in its April 1, 2021 publication “Commercial Paper and Short-Term Debt Rating Scale” defines its ratings as follows:

R-1 (high) Highest credit quality. The capacity for the payment of short-term financial obligations as they fall due is exceptionally high. Unlikely to be adversely affected by future events.

** Covered Bonds are expected on issue to be assigned a rating of “Aaa” by Moody’s and “AAA” by Fitch, unless otherwise specified in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning agency and each rating should be evaluated independently of any other. Investors are cautioned to evaluate each rating independently of any other rating.

As of the date of this Prospectus, each of Standard & Poor’s Ratings Services, Moody’s, Fitch and DBRS, is established outside of the EU or the UK but its respective Registered CRA affiliate: (i) is established in the EU or UK; (ii) is registered under the applicable CRA Regulation; and (iii) is permitted to endorse the credit ratings of Standard & Poor’s Ratings Services, Moody’s, Fitch or DBRS, as applicable used in specified third countries, including the United States and Canada, for use in the EU or the UK, as applicable, by relevant market participants. See also “Credit Rating Agencies” on page 12.

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

(a) the 2024 Annual Information Form (page 8);

(b) the 2024 Annual Report (pages 44, 67, 79); and

(c) the 2025 Second Quarter Report (page 41).

A security rating is not a recommendation to buy, sell or hold securities. It may be subject to revision or withdrawal at any time by the assigning rating organisation. Each rating should be evaluated independently of any other rating.

PRESENTATION OF FINANCIAL RESULTS

The information in the tables appearing under "Financial Overview" below was prepared in accordance with IFRS.

FINANCIAL OVERVIEW

The information in the tables below at 31 October 2024 and 2023 has been extracted from the audited consolidated financial statements of the Bank for the years ended 31 October 2024 and 2023 contained in the Bank's 2024 Annual Report, which statements are incorporated by reference in this Prospectus together with the accompanying notes and the report of the independent auditor as it relates to their opinion on the consolidated financial statements as further described on page 106 of the 2024 Annual Report.

An audit comprises audit tests and procedures deemed necessary for the purpose of expressing an opinion on financial statements taken as a whole. An audit opinion has not been expressed on individual balances of accounts or summaries of selected transactions in the table below.

The information in the table below as at and for the six months ended 30 April 2025 and 2024 has been extracted from the unaudited interim consolidated financial statements of the Bank for the six months ended 30 April 2025 and 2024 contained in the Bank's 2025 Second Quarter Report or the Bank's 2024 Second Quarter Report, as applicable, which statements are incorporated by reference in this Prospectus. All figures as at and for the six months ended 30 April 2025 and 2024 are unaudited.

Condensed Consolidated Balance Sheet[1]

	As at 30 April 2025	As at 30 April 2024	As at 31 October 2024	As at 31 October 2023[2]
	(in millions of Canadian dollars, except per share amounts)			
Loans and acceptances, net of allowance	571,639	543,897	558,292	540,153
Total assets	1,090,143	1,001,758	1,041,985	975,690
Deposits	784,627	731,952	764,857	723,376
Other liabilities	74,709	73,268	70,864	78,803
Subordinated indebtedness	8,774	7,795	7,465	6,483
Non-controlling interests	280	247	272	232
Total Equity	61,946	55,656	59,007	53,163

Condensed Consolidated Statement of Income[1]

	Six months ended 30 April 2025	Six months ended 30 April 2024	Year ended 31 October 2024	Year ended 31 October 2023[2]
	(in millions of Canadian dollars, except per share amounts)			
Net interest income	7,589	6,530	13,695	12,825
Non-interest income	6,714	5,855	11,911	10,507
Total revenue	14,303	12,385	25,606	23,332
Provision for credit losses	1,178	1,099	2,001	2,010
Non-interest expenses	7,697	6,966	14,439	14,349
Non-controlling interests	17	22	39	38
Net income	4,178	3,477	7,154	5,039
Earnings per Share				
—basic	4.25	3.56	7.29	5.17
—diluted	4.23	3.55	7.28	5.17
Dividends per common share	1.94	1.80	3.60	3.44

(1) Annual consolidated financial statements for the year ended 31 October 2024, and information for the comparative period in 2024, have been prepared in accordance with IFRS. Consolidated financial statements for the six month periods ended 30 April 2025, and information for the comparative period in 2024, are prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

(2) Certain comparative amounts have been restated to reflect the adoption of IFRS 17 “Insurance Contracts” (IFRS 17) in the first quarter of 2024. See Note 1 to the consolidated financial statements in the 2024 Annual Report for additional details.

CIBC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP

General

CIBC Covered Bond (Legislative) Guarantor Limited Partnership (the "**Guarantor**") is a limited partnership formed on 10 April 2013 and existing under the *Limited Partnerships Act* (Ontario). The principal place of business of the Guarantor is CIBC Square, 81 Bay Street, Toronto, Ontario, Canada M5J 0E7 and the telephone contact number is +1 (416) 980-3096. The Guarantor is governed by the Guarantor Agreement (see "*Overview of the Principal Documents – Guarantor Agreement*").

Description of Limited Partnership

Pursuant to the terms of the *Limited Partnerships Act* (Ontario), a limited partner in a limited partnership is liable for the liabilities, debts and obligations of the partnership, but only to the extent of the amount contributed by it or agreed to be contributed by it to the partnership, unless, in addition to exercising rights and powers as a limited partner, the limited partner takes part in the control of the business of the partnership. Subject to applicable law, limited partners will otherwise have no liability in respect of the liabilities, debts and obligations of the partnership. Each general partner will have unlimited liability for an obligation of the partnership unless the holder of such obligation agrees otherwise.

Business of the Guarantor

The Guarantor is a special purpose vehicle whose only business is to provide services to the Bank in respect of the Programme by (a) entering into the Intercompany Loan Agreement and accepting Capital Contributions from its partners; (b) using the proceeds from the Intercompany Loan and Capital Contributions (i) to purchase the Covered Bond Portfolio consisting of Loans and their Related Security from the Seller in accordance with the terms of the Mortgage Sale Agreement and New Loans and their Related Security pursuant to the terms of the Mortgage Sale Agreement; and/or (ii) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (iii) subject to complying with the Asset Coverage Test (as described below) to make Capital Distributions to the Limited Partner; and/or (iv) to make deposits of the proceeds in the Guarantor Accounts (including, without limitation, to fund the Reserve Fund and the Pre-Maturity Liquidity Ledger (in each case to an amount not exceeding the prescribed limit)); (c) arranging for the servicing of the Loans and their Related Security by the Servicer; (d) entering into the Trust Deed, giving the Covered Bond Guarantee and entering into the Security Agreement; (e) entering into the Transaction Documents to which it is a party; and (f) performing its obligations thereunder and in respect thereof and doing all things incidental or ancillary thereto.

The Guarantor has not, since its formation, engaged in, and will not, while there are Covered Bonds outstanding, engage in any material activities other than activities relating to the business of the Guarantor described above and/or incidental or ancillary thereto. The Guarantor and its general partners are not required by applicable Canadian law (including the *Limited Partnerships Act* (Ontario)) to publish any financial statements.

The Guarantor has no employees.

Financial Disclosure and Alternative Performance Measures (APMs)

In accordance with the laws of the Province of Ontario and the federal laws of Canada, as a limited partnership, the Guarantor is not required to produce financial statements (audited or unaudited). Instead, (unaudited) Investor Reports are prepared by the Cash Manager on a pro forma basis under Section 9.4(a) of the Cash Management Agreement and provide (as at the relevant Calculation Date) information and data in relation to the Covered Bond Portfolio, including the calculation of the Asset Coverage Test, the Valuation Calculation, the OC Valuation, the Intercompany Loan balance and statistical information about the Loans in the Portfolio.

The audited historical financial statements of the Guarantor required under item 11.1 of Annex 7 and item 3 of Annex 21 as it relates to item 11.1 in Annex 7, each of the Commission Delegated Regulation (EU) No 2019/980, have been omitted from the Prospectus on the basis that, in the opinion of the Issuer, they are of minor importance to investors in the Covered Bonds for the reasons set out below. Pursuant to the National Housing Act (Canada), CMHC was given the authority to establish the conditions for registered issuers and registered programs under the Covered Bond Legislative Framework, which are set out in the Canadian Registered Covered Bond Programs Guide (the "**Legislative Requirements**"). The Legislative Requirements do not require financial statements of the Guarantor (only of the Issuer), but instead require specific disclosure in the monthly Investor Reports of the Guarantor. The Guarantor is a special purpose entity and its business activities are solely in respect of providing the Covered Bond Guarantee. The only concern an investor has in relation to the Guarantor's financial position is its ability to make payments under the Covered Bond Guarantee. In order to assess that ability, an investor must carry out a review of the strength of the assets which collateralise the Covered Bond Guarantee. Such information is not available in financial statements. The ability to make an informed assessment of the strength of the mortgage pool which collateralizes the Covered Bond Guarantee (and therefore the Guarantor's ability to make payments thereunder, being the relevant assessment of the Guarantor's financial position) is only achievable through a review of the information in the monthly Investor Reports. Pursuant to the Investor Reports, the investors in the Covered Bonds receive the most relevant and up to date information relating to the ability of the Guarantor to provide the Covered Bond Guarantee and the Covered Bond Portfolio supporting the Covered Bond Guarantee, which information includes key financial tests and disclosure in relation to the assets of the Guarantor (such as the Asset Coverage Test, the Valuation Calculation and the Pre-Maturity Test), together with references to the status of and relevant period for the financial information forming the basis of such figures, all as determined and disclosed in the monthly Investor Reports. For these reasons, the Investor Reports are of significant importance to investors and the same have been and will continue to be incorporated by reference in this Prospectus.

The Investor Reports are, when necessary in accordance with the prospectus rules made under the Prospectus Regulation, incorporated by reference into the Prospectus. For the purposes of the European Securities and Markets Authority guidelines on APMs of 5 October 2015 (ESMA Guidelines), such Investor Reports constitute APMs.

The Investor Reports incorporated herein by reference are not derived from the Guarantor's financial statements, since the Guarantor is not required to produce financial statements. Therefore, it is impracticable to provide comparative figures or to have such Investor Reports reconciled to financial statements of the Guarantor. From 1 July 2014, the indexation methodology used for the purposes of preparing Investor Reports (in order to determine indexed valuations for Properties relating to the Loans in the Portfolio) meets the requirements provided for in the CMHC Guide (in this regard, please also refer to the "**Risk Factors**" section of this

Prospectus and the Appendix "**Indexation Methodology**" set out at the end of each Investor Report that is incorporated by reference herein). The Investor Reports and the information included in the Investor Reports are required to be produced to meet the requirements in the CMHC Guide and, as such, the information in the Investor Reports is exempt from the requirements of the ESMA Guidelines. Please see "*General Description of the Programme - Covered Bond Portfolio" and "Documents Incorporated by Reference*" herein for more information.

Partners of the Guarantor

As of the date of this Prospectus, the partners (the "**Partners**") of the Guarantor are:

- CIBC Covered Bond (Legislative) GP Inc., as the managing general partner (the "**Managing GP**"), a wholly owned subsidiary corporation of the Bank incorporated on 22 January 2013 under the laws of Canada as a special purpose entity to be the managing general partner of the Guarantor, with its registered office at CIBC Square, 81 Bay Street, Toronto, Ontario, Canada M5J 0E7;

- 8412413 Canada Inc., as the liquidation general partner (the "**Liquidation GP**"), a corporation incorporated on 22 January 2013 under the laws of Canada as a special purpose entity to be the liquidation general partner of the Guarantor, with its registered office at 320 Bay Street, 14th Floor, Toronto, Ontario, Canada M5H 4A6; and

- The Bank, as the sole limited partner.

The Capital Contribution Balance of each of the Partners will be recorded in the Capital Account Ledger. As of the date of this Prospectus, the Bank holds substantially all of the capital in the Guarantor with the Managing GP and the Liquidation GP each holding a nominal interest in the Guarantor.

Each of the Partners has covenanted in the Guarantor Agreement that, except as provided in the Transaction Documents, it will not sell, transfer, convey, create or permit to arise any security interest on, declare a trust over, create any beneficial interest in or otherwise dispose of its interest in the Guarantor without the prior written consent of the Guarantor and, while there are Covered Bonds outstanding, the Bond Trustee.

Directors of the Partners of the Guarantor

The following table sets out the directors of the Managing GP and the Liquidation GP (and their respective business addresses and occupations). For the directors of the Bank see "*Canadian Imperial Bank of Commerce – Directors*", above.

Directors of the Managing GP

Name	Business Address	Business Occupation
Wojtek Niebrzydowski	Brookfield Place 161 Bay Street, 11th Floor Toronto, Ontario Canada M5J 2S8	Vice President, Treasury Canadian Imperial Bank of Commerce

Andrew Stuart	Brookfield Place 161 Bay Street, 11th Floor Toronto, Ontario Canada M5J 2S8	Senior Vice President, Treasury Canadian Imperial Bank of Commerce
Dave Yoon	Brookfield Place 161 Bay Street, 11th Floor Toronto, Ontario Canada M5J 2S8	Vice President, Treasury Canadian Imperial Bank of Commerce

Each of the directors of the Managing GP is an officer and/or employee of the Bank.

Directors of the Liquidation GP

Name	**Business Address**	**Business Occupation**
Toni De Luca.....	1500 Robert Bourassa Blvd. 7th Floor Montreal, Quebec Canada H3A 3S8	Senior Vice President, Corporate Trust Services Computershare Trust Company of Canada
Charles Eric Gauthier	320 Bay Street 14th Floor Toronto, Ontario Canada M5H 4A6	General Manager, Corporate Trust Computershare Trust Company of Canada

Each of the directors of the Liquidation GP is independent of the Bank.

Governance of the Guarantor

Pursuant to the terms of the Guarantor Agreement, the Managing GP will manage the business and affairs of the Guarantor, act on behalf of the Guarantor, make decisions regarding the business of the Guarantor and have the authority to bind the Guarantor in respect of any such decision. The Managing GP will be required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Guarantor, and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. The authority and power vested in the Managing GP to manage the business and affairs of the Guarantor includes all authority necessary or incidental to carry out the objects, purposes and business of the Guarantor, including the ability to engage agents to assist the Managing GP to carry out its management obligations and administrative functions in respect of the Guarantor and its business.

Except in certain limited circumstances (described below under “Withdrawal or Removal of the General Partners”), the Liquidation GP will not generally take part in managing the affairs and business of the Guarantor. However, the Liquidation GP’s consent will be required for a voluntary wind up or dissolution of the Guarantor.

Each of the Partners has agreed that it will not, for so long as there are Covered Bonds outstanding, terminate or purport to terminate the Guarantor or institute any winding-up,

administration, insolvency or other similar proceedings against the Guarantor. Furthermore, the Partners have agreed, among other things, except as specifically otherwise provided in the Transaction Documents, not to demand or receive payment of any amounts payable by the Guarantor (or the Cash Manager on its behalf) or the Bond Trustee unless all amounts then due and payable by the Guarantor to all other creditors ranking higher in the relevant Priorities of Payments have been paid in full.

Potential Conflict of Interest

All of the directors of the Managing GP are officers or employees of the Issuer. As at the date of this Prospectus, there are no potential conflicts of interest between the duties owed to the Guarantor by any of the directors of the Managing GP or by any of the directors of the Liquidation GP and their private interests and other duties.

Reimbursement of General Partners

The Guarantor will be obliged to reimburse the Managing GP and Liquidation GP for all out-of-pocket costs and expenses incurred on behalf of the Guarantor by the Managing GP or Liquidation GP in the performance of their duties under the Guarantor Agreement.

Liability of the Limited Partners of the Guarantor

The Guarantor is required to operate in a manner so as to ensure, to the greatest extent possible, the limited liability of the limited partner(s). Limited partner(s) may lose their limited liability in certain circumstances. If limited liability is lost by reason of the negligence of the Managing GP or Liquidation GP, as the case may be, in performing its duties and obligations under the Guarantor Agreement, in each case, as determined by a court of competent jurisdiction in a final non-appealable decision, the Managing GP or the Liquidation GP, as applicable, shall indemnify the limited partner(s) against all claims arising from assertions that their respective liabilities are not limited as intended by the Guarantor Agreement. However, since the Managing GP and the Liquidation GP have no significant assets or financial resources, any indemnity from them may have nominal value.

Withdrawal or Removal of the General Partners

The Managing GP or Liquidation GP may resign as managing general partner or liquidation general partner, as the case may be, on not less than 180 days' prior written notice to the Partners and the Bond Trustee, provided that neither the Managing GP nor Liquidation GP will resign if the effect would be to dissolve the Guarantor. In the event that the Liquidation GP resigns as liquidation general partner, the Managing GP shall use its best commercially reasonable efforts to, without delay, find a replacement liquidation general partner acceptable to the limited partner(s) of the Guarantor and the Bond Trustee, to accept the role of liquidation general partner formerly held by the Liquidation GP and acquire a general partner interest in the Guarantor.

In the event the Managing GP resigns, an Issuer Event of Default occurs, or a winding-up or insolvency of the Managing GP occurs, the Managing GP shall forthwith, or in the case of resignation at the expiry of the notice period described above, cease to be the managing general partner of the Guarantor and the Liquidation GP shall assume the role and responsibilities (but not the interest in the Guarantor) of the Managing GP and continue the business of the Guarantor as Managing GP.

If at any time the Liquidation GP becomes the Managing GP pursuant to the foregoing, it may appoint a replacement Managing GP acceptable to the limited partner(s) of the Guarantor and the Bond Trustee to act as Managing GP and acquire a general partner interest in the Guarantor. Following the appointment of the replacement Managing GP pursuant to the foregoing, the replacement Managing GP shall have the powers, duties and responsibilities of the Managing GP of the Guarantor and the Liquidation GP shall resume its role, as it was, prior to assuming the role and responsibility of the Managing GP.

LOAN ORIGINATION AND LENDING CRITERIA

The description of the Bank's Lending Criteria and procedures herein is as of the date of this prospectus. There is no requirement for the Bank to maintain the Lending Criteria or procedures described below and the Bank reserves the right to change its Lending Criteria and procedures at any time (See "*Risk Factors – Factors which are material for purposes of assessing the risks related to the Covered Bond Portfolio – Risks resulting from changes to the Lending Criteria which may result in increased Borrower defaults*").

The Bank's residential mortgages are originated by employees of the Bank. Many of the Bank's mortgage clients have multiple products and services with the Bank.

The Bank Act requires that residential mortgage loans that have a loan to value ("**LTV**") ratio greater than 80 per cent at origination be insured against default by a Canadian licensed mortgage insurer, such as CMHC. In addition, from time to time, the Bank may, subject to certain limitations, obtain insurance against default from a Canadian mortgage insurer on a portfolio of mortgage loans where the portfolio includes mortgage loans with a LTV of 80 per cent or less. Mortgage loans with a LTV ratio that exceeds 80 per cent or that are otherwise insured by a Prohibited Insurer are prohibited by the Covered Bond Legislative Framework from forming part of the Covered Bond Portfolio. No insured mortgage loans form part of the Covered Bond Portfolio.

Mortgage Origination and Renewal

Residential real estate secured lending is completed through four channels for origination and renewal of residential mortgages: Branch Network, e-Mortgage Channels (internet banking and telephone call centres), CIBC Mortgage Advisors and Simplii (CIBC's indirect channel).

The Branch Network, Simplii and e-Mortgages Channels are staffed by dedicated Bank employees residing in either a branch or call centre that act in the capacity of customer service representatives. Through their interaction (both reactive and proactive) with existing or prospective Bank customers, these employees can initiate mortgage loan applications.

CIBC Mortgage Advisors are Bank employees in non-broker roles selling CIBC-brand mortgages. The CIBC Mortgage Advisors sales force is focused on external business development.

Valuations, Appraisals and Credit Strategy

The Bank Act requires residential mortgage loans that have a LTV greater than 80 per cent at origination to be default insured by a mortgage insurer. For insured mortgages, the Bank applies the maximum LTV ratio as follows:

- 1 to 2 unit properties: 95 per cent LTV for the first $500,000 and 90 per cent LTV for the remaining balance; and

- 3 to 4 unit properties: maximum of 90 per cent LTV.

In addition, the Bank ensures that all insured deals have a maximum property cap of $1 million along with a gross debt service of 39 per cent and total debt service of 44 per cent.

Prior to April 2007, the threshold for requiring default insurance was 75 per cent. Since that time the threshold of 80 per cent is reflected in the Bank's current mortgage portfolio. The LTV is calculated based on the outstanding amount of all loans registered/secured under the same loan agreement and the lesser of the most recent property valuation or purchase price. The CMHC Guide requires that the value of all Properties securing the Loans in the Covered Bond Portfolio be adjusted at least quarterly to account for subsequent price adjustments using such indexation methodology that meets the requirements provided for in the CMHC Guide.

For all residential mortgage loans that have a LTV ratio of 80 per cent or less, the Bank's Residential Real Estate Appraisal Guidelines for Retail Lending requires one of the following methods as an acceptable property valuation type:

- risk assessment models – third-party computer generated risk assessments which are used to assess whether the valuation meets the Bank's predetermined risk parameters. Such risk assessment models provide the issuer with property valuation indemnity insurance and valuations are typically based on land title/sales histories, and municipally-assessed value information;

- desktop appraisals – a Bank-approved appraiser's opinion of the property based on market information of the property;

- drive-by appraisals – a Bank-approved appraiser's opinion of the property based on market information and an exterior inspection of the property; or

- full appraisal – a Bank-approved appraiser's opinion of the property based on market information and an interior and exterior inspection of the property. As a temporary measure to address limitations in completing full appraisals due to COVID-19, a modified full appraisal was introduced. This valuation has become an accepted industry practice. It allows for interior inspections to be completed through pictures and/or videos provided by the occupant.

Residential mortgage loans originated by the Bank that have a LTV ratio of 80 per cent or less may also be subjected to a low ratio assessment in conjunction with property valuation indemnity insurance – in conjunction with the third-party risk assessment model, property valuation indemnity insurance is a guarantee offered by an independent third party that guarantees the property value at time of origination.

Credit Scores

The Bank's underwriting policies and procedures require each prospective borrower to submit a mortgage loan application that discloses the applicant's credit history, assets, liabilities, income and employment history, and includes consent to the Bank obtaining a credit report in respect of such applicant. Credit reports are obtained by the Bank from either Equifax Information Services LLC or TransUnion LLC, which are nationally recognized credit reporting bureaus, as a means of assessing the creditworthiness of the borrowers. Each of these credit reports contains a standardized credit score (each a "**Bureau Score**" and commonly referred to as a FICO score or a CreditVision score) that is designed to assess a borrower's credit history at a single point in time, using data currently on file for the borrower at the particular credit reporting bureau. Bureau Scores range from approximately 300 to approximately 900, with higher scores indicating an individual with a more favourable credit history (i.e. statistically expected to be less likely to default) compared to an individual with a lower score. Information used to create a Bureau Score

may include, among other things, the borrower's payment history, delinquencies on accounts, levels of outstanding indebtedness, length of credit history, types of credit and bankruptcy experience. A Bureau Score, however, only assesses a borrower's past credit history and provides an indicator of the relative degree of potential risk that a borrower represents to a lender on a specified date. In addition, Bureau Scores were developed to indicate levels of default probability over a two-year period and were not developed specifically for use with mortgage loans, but for consumer loans in general. Accordingly, Bureau Scores are not necessarily accurate indicators of levels of default probability over the entire terms of the mortgage loans (which extend beyond a two year period to three or five years). Furthermore, Bureau Scores do not take into account the differences between mortgage loans and consumer loans, including the particular LTV ratios of the mortgage loans, the quality or value of the real estate collateral, or the borrower's debt to income ratio. There can be no assurance that a borrower's Bureau Score will be an accurate predictor of the likelihood of such borrower's mortgage loan being repaid, or that a borrower's Bureau Score has or will remain unchanged after origination.

Based on the data provided in the prospective borrower's application and certain verifications, if required, the Bank determines whether in its view, the applicant's monthly income will be sufficient to enable such applicant to meet the obligations under the proposed mortgage loan and to pay the other expenses relating to the mortgaged property, including taxes, insurance costs and other obligations.

Credit Adjudication and the Risk Management Group

Within the Bank, Retail CIBC brand credit applications are processed through an Automated Decision System ("**ADS**"), to provide a consistent and repeatable credit risk assessment for each application. Based on the input data, the ADS is used to auto-approve or auto-conditionally approve relatively straightforward, lower risk credit applications and to auto-decline applications which do not meet the Bank's risk tolerance parameters. All other applications are referred to an adjudicator for manual underwriting.

For applications that do not meet the minimum acceptable requirements for the Bank's risk profile, the adjudicator can approve applications under specific conditions as outlined in their Delegated Lending Authority ("**DLA**"). In determining the level of risk, the adjudicator must take into account:

- the borrower's willingness and ability to repay the loan specifically, their credit score, credit history, income history, assets and liabilities;
- the borrower's commitment to the property (down payment);
- the value of the property as documented in the appraisal or alternate property valuation method; and
- the housing and economic conditions in the property's market.

For manual underwriting, it is the adjudicator's responsibility to evaluate the combination of risk factors to determine the overall loan risk. The adjudicator is expected to use prudent judgment to assess whether the loan request as a whole presents an acceptable risk to the Bank considering the unique situation for each request.

The adjudicator is also expected to review the information entered into the application system to ensure complete integrity of the data used in their manual credit decision. As necessary, a

follow-up with the originator should be done to obtain full and accurate information as required. Rationale for granting the loan must be fully documented via loan notes, including risk mitigating factors and level of due diligence performed.

A DLA is used to control the maximum aggregate lending limit (based not only on the customer's total indebtedness to the Bank, but with variation as to type of indebtedness) an adjudicator has and to frame the boundaries for manual credit decisions based on specific loan parameters and escalating complexity.

System operator profiles control the maximum lending limit for each adjudicator to ensure they cannot exceed their lending limit for a specific credit application.

The adjudicator must follow their DLA to approve any credit request. Detailed requirements for due diligence specific to the type of request and/or program are outlined in the Retail Lending Adjudication Manual (RLAM). The adjudicator must clearly document their rationale in the loan notes for any decisions made within their DLA. Exceptions to DLA are not permitted and as appropriate, the credit request is to be referred to the next level with the authority to make a decision.

Credit Effectiveness Review, Audit Process, Quality Control Process

The Bank has both pre and post funding controls to ensure internal compliance to standards and guidelines. Prior to funding, a series of quality checks are performed throughout the process to ensure all loans are compliant to applicable mortgage credit policies and program guidelines.

Post funded loan reviews are conducted internally by an independent centralized team within Risk Management to perform credit reviews for the Bank's mortgage portfolio. This review includes a random sample of mortgage applications conducted on a quarterly basis to ensure mortgage applications are adjudicated utilizing the correct risk profile and in compliance with the applicable mortgage credit policies and program guidelines.

Guideline B-20 requires federally-regulated financial institutions ("**FRFIs**") to set out in their Residential Mortgages Underwriting Policy ("**RMUP**") limits on any exceptions to underwriting guidelines. CIBC's RMUP includes the identification, escalation and approval process for exceptions to residential mortgage underwriting guidelines, as well as reporting requirements on exceptions. On an annual basis the SVP, Risk Analytics and Credit Decisioning makes a declaration to Chief Risk Officer (CRO) confirming residential mortgage underwriting and acquisition practices, including associated risk management practices and procedures, materially meet the standards outlined in Guideline B-20.

OVERVIEW OF THE PRINCIPAL DOCUMENTS

Trust Deed

The Trust Deed is the principal agreement governing the Covered Bonds. The Trust Deed contains provisions relating to, among other things:

- the constitution of the Covered Bonds and the terms and conditions of the Covered Bonds (as more fully set out under "*Terms and Conditions of the Covered Bonds*" above);
- the covenants of the Issuer and the Guarantor;
- the terms of the Covered Bond Guarantee (as described below);
- the enforcement procedures relating to the Covered Bonds and the Covered Bond Guarantee; and
- the appointment, powers and responsibilities of the Bond Trustee and the circumstances in which the Bond Trustee may resign, retire or be removed (as described below).

Covered Bond Guarantee

Under the terms of the Covered Bond Guarantee (contained in the Trust Deed) the Guarantor has agreed to, following the occurrence of a Covered Bond Guarantee Activation Event, unconditionally and irrevocably pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of the holders of the Covered Bonds), an amount equal to that portion of the Guaranteed Amounts which shall become Due for Payment but would otherwise be unpaid, as of any Original Due for Payment Date, or, if applicable, Extended Due for Payment Date, by the Issuer. Under the Covered Bond Guarantee, the Guaranteed Amounts will become due and payable on any date on which a Guarantor Acceleration Notice is served.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee will serve a Notice to Pay on the Guarantor. Payment by the Guarantor of the Guaranteed Amounts pursuant to the Covered Bond Guarantee will be made on the later of: (i) the day which is two Toronto Business Days after service of a Notice to Pay on the Guarantor; or (ii) the day on which the Guaranteed Amounts are otherwise Due for Payment.

All payments of Guaranteed Amounts by or on behalf of the Guarantor will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature, imposed or levied by or on behalf of Canada or any province or territory or any political subdivision 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 in each case any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Guarantor will not pay any additional amounts to the Bond Trustee or any holder of Covered Bonds, Receipts and/or Coupons in respect of the amount of such withholding or deduction.

Under the terms of the Covered Bond Guarantee, the Guarantor agrees that its obligations under the Covered Bond Guarantee will be as guarantor and will be absolute and unconditional, irrespective of, and unaffected by, any invalidity, irregularity or unenforceability of, or defect in,

any provisions of the Trust Deed or the Covered Bonds or Receipts or Coupons or the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee or any of the holders of the Covered Bonds, Receiptholders or Couponholders in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer or any action to enforce the same or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor.

As consideration for providing the Covered Bond Guarantee, the Guarantor will be entitled to receive guarantee fees from the Issuer in accordance with the terms of the Covered Bond Guarantee. Any failure on the part of the Issuer to pay all or any part of the guarantee fees will not affect the obligations of the Guarantor under the Covered Bond Guarantee.

Subject to the grace period specified in Condition 7.02(a) of the Conditions, failure by the Guarantor to pay the Guaranteed Amounts when Due for Payment will result in a Guarantor Event of Default.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may receive Excess Proceeds. The Trust Deed provides that all Excess Proceeds received by the Bond Trustee, will, as soon as practicable after receipt thereof by the Bond Trustee, be paid on behalf of the Holders of the Covered Bonds of the relevant Series to the Guarantor (or the Cash Manager on its behalf) for the account of the Guarantor. Such Excess Proceeds will be held in the Guarantor Accounts and will thereafter form part of the Security granted pursuant to the Security Agreement and be used by the Guarantor (or the Cash Manager on its behalf) in the same manner as all other moneys from time to time held by the Cash Manager and/or standing to the credit of the Guarantor in the Guarantor Accounts. Any Excess Proceeds received by the Bond Trustee will discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (subject to restitution of the same if such Excess Proceeds will be required to be repaid by the Guarantor). However, the obligations of the Guarantor under the Covered Bond Guarantee, are, 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 Bond(s), each holder of the Covered Bonds will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Guarantor in the manner as described above.

Retirement, Removal and Replacement of the Bond Trustee

The Bond Trustee may retire at any time on giving not less than three months' prior written notice to the Issuer, the Guarantor and the Rating Agencies. The Bond Trustee may be removed (i) by the Covered Bondholders in accordance with the terms of an Extraordinary Resolution, or (ii) by the Guarantor in the event that there is a breach by the Bond Trustee of certain representations and warranties or a failure by the Bond Trustee to perform certain covenants made by it under the Trust Deed. No retirement or removal of the Bond Trustee shall be effective until a replacement bond trustee that meets the requirements provided for in the Trust Deed and in the CMHC Guide has been appointed. In the event that a replacement bond trustee has not been appointed within 60 days of notice of retirement from the Bond Trustee or the Extraordinary Resolution of the Covered Bondholders, as applicable, the Bond Trustee shall be entitled to appoint a replacement bond trustee that meets the requirements provided for in the Trust Deed and in the CMHC Guide, which appointment must be approved by an Extraordinary Resolution of the Covered Bondholders prior to taking effect.

Intercompany Loan Agreement

The Intercompany Loan Agreement between the Bank and the Guarantor entered into on the Programme Date as amended and/or restated and/or supplemented from time to time, is the governing agreement with respect to the Intercompany Loan.

Under the Intercompany Loan Agreement, the Guarantor represents and warrants to the Issuer that it is, and covenants that it will at all times remain, a person that is not a non-resident of Canada for purposes of the ITA.

Under the terms of the Intercompany Loan Agreement, the Bank makes available to the Guarantor an interest-bearing intercompany loan (the "**Intercompany Loan**"), comprised of a guarantee loan (the "**Guarantee Loan**") and a revolving demand loan (the "**Demand Loan**"), subject to increases and decreases as described below. The initial advance on the loan was an amount sufficient to acquire the Initial Covered Bond Portfolio. The Intercompany Loan is denominated in Canadian dollars. The interest rate on the Intercompany Loan is a Canadian dollar floating rate determined by the Bank from time to time, subject to a maximum of the floating rate under the Interest Rate Swap Agreement less the sum of a minimum spread and an amount for certain expenses of the Guarantor.

The Guarantee Loan is in an amount equal to the balance of outstanding Covered Bonds at any relevant time plus that portion of the Covered Bond Portfolio required to collateralize the Covered Bonds to ensure that the Asset Coverage Test is met (see "*Overview of the Principal Documents—Guarantor Agreement—Asset Coverage Test*"). The Demand Loan is a revolving credit facility, the outstanding balance of which will be equal to the difference between the balance of the Intercompany Loan and the balance of the Guarantee Loan at any relevant time. The balance of the Guarantee Loan and Demand Loan will fluctuate with the issuances and redemptions of Covered Bonds and the requirements of the Asset Coverage Test. Upon the occurrence of (x) a Contingent Collateral Trigger Event, (y) an event of default (other than an insolvency event of default) or an additional termination event in respect of which the relevant Swap Provider is the defaulting party or the affected party, as applicable, or (z) a Downgrade Trigger Event, in each case, in respect of the Interest Rate Swap Agreement or the Covered Bond Swap Agreement, the relevant Swap Provider, in its capacity as (and provided it is) the lender under the Intercompany Loan Agreement, may deliver a Contingent Collateral Notice to the Guarantor under which it elects to decrease the amount of the Demand Loan with a corresponding increase in the amount of the Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount(s).

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

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

The Demand Loan or any portion thereof will be repayable no later than the first Toronto Business Day following 60 days after a demand therefor is served on the Guarantor, subject to a Demand Loan Repayment Event having occurred (see below in respect of the repayment of the Demand Loan in such circumstance) and the Asset Coverage Test being met on the date of repayment after giving effect to such repayment. At any time the Guarantor makes a repayment on the Demand Loan, in whole or in part, the Cash Manager will calculate the Asset Coverage Test, as of the date of repayment, to confirm the then outstanding balance on the Demand Loan and that the Asset Coverage Test will be met on the date of repayment after giving effect to such repayment.

The Demand Loan shall not have a positive balance at any time following the occurrence of a Demand Loan Repayment Event and the repayment in full of the then outstanding Demand Loan by the Guarantor in accordance with the terms of the Intercompany Loan Agreement.

If (i) the Bank is required to assign the Interest Rate Swap Agreement to a third party (due to a failure by the Issuer to meet the ratings levels specified in the Interest Rate Swap Agreement or otherwise); (ii) a Notice to Pay has been served on the Guarantor; (iii) the Intercompany Loan Agreement is terminated or the revolving commitment thereunder is not renewed; or (iv) to the extent Fitch is a Rating Agency, if the Issuer is assigned (x) a short-term issuer default rating by Fitch of less than F2, or (y) a long-term issuer default rating by Fitch of less than BBB+ (each of (i), (ii), (iii) and (iv) above, a "**Demand Loan Repayment Event**"), the Guarantor will be required to repay any amount of the Demand Loan that exceeds the Demand Loan Contingent Amount on the first Guarantor Payment Date following 60 days after the occurrence of such Demand Loan Repayment Event. Following such Demand Loan Repayment Event, the Guarantor will be required to repay the full amount of the then outstanding Demand Loan on the date on which the Asset Percentage is calculated (whether or not such calculation is a scheduled calculation or a calculation made at the request of the Bank); provided that the Asset Coverage Test will be met on the date of repayment after giving effect to such repayment. For greater certainty, following an Issuer Event of Default, the Asset Coverage Test will be conducted and the Asset Percentage calculated, solely for the purpose of determining the amount of the Demand Loan repayable on the relevant repayment date and that the Asset Coverage Test will be met after giving effect to any such repayment. In calculating the Asset Coverage Test following an Issuer Event of Default, the amount of any Excess Proceeds received by the Guarantor from the Bond Trustee will be deducted from the Adjusted Aggregate Asset Amount. For the purposes of the foregoing, the "**Demand Loan Contingent Amount**" will be equal to the lesser of:

(a) the aggregate amount of the Intercompany Loan then outstanding, minus the aggregate amount of the Guarantee Loan then outstanding (as determined by an Asset Coverage Test run on the relevant repayment date); and

(b) 1 per cent of the amount of the Guarantee Loan then outstanding (as determined by an Asset Coverage Test calculated on the relevant repayment date),

provided, for greater certainty, that in calculating the amount of the Guarantee Loan and the Demand Loan for purposes of determining the Demand Loan Contingent Amount, no credit shall be given to the Guarantor in the Asset Coverage Test for any Excess Proceeds received by the Guarantor from the Bond Trustee.

The Guarantor may repay the principal on the Demand Loan in accordance with the Priorities of Payments and the terms of the Intercompany Loan Agreement, (a) using (i) funds being held for the account of the Guarantor by its service providers and/or funds in the Guarantor Accounts

(other than any amount in the Pre-Maturity Liquidity Ledger); and/or, (ii) proceeds from the sale of Substitute Assets; and/or (iii) proceeds from the sale, pursuant to the Guarantor Agreement, of Portfolio Assets to the Seller or to another person subject to a right of pre-emption on the part of the Seller; and/or (b) by selling, transferring and assigning to the Seller all of the Guarantor's right, title and interest in and to Portfolio Assets (a "**Payment in Kind**"). The Guarantor is restricted from paying the Demand Loan in the manner described in clause (a)(iii) if the proceeds of such sale are less than the True Balance of the Portfolio Assets sold. Upon a Payment in Kind, the outstanding amount of the Demand Loan will be reduced by (x) in the case of Portfolio Assets that are not Non-Performing Loans prior to a Covered Bond Guarantee Activation Event and in the case of Portfolio Assets that are Non-Performing Loans at all times, the fair market value of such Portfolio Assets sold to the Seller, and (y) in the case of Portfolio Assets that are not Non-Performing Loans on or after a Covered Bond Guarantee Activation Event, the True Balance of such Portfolio Assets sold to the Seller. See "*Cashflows*".

The Guarantor will be entitled to set off amounts paid by the Guarantor under the Covered Bond Guarantee first against any amounts (other than interest and principal) owing by the Guarantor to the Bank in respect of the Intercompany Loan Agreement, then against interest due under the Intercompany Loan and then against the outstanding principal balance owing on the Intercompany Loan.

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

Mortgage Sale Agreement

The Seller

Loans and their Related Security were sold by the Seller to the Guarantor on a fully serviced basis prior to the issuance of the first Series of Covered Bonds, and from time to time thereafter, New Loans and their Related Security may be sold by the Seller to the Guarantor on a fully-serviced basis pursuant to the terms of the Mortgage Sale Agreement entered into on the Programme Date by and among the Seller, the Guarantor and the Bond Trustee and such terms will apply, with necessary modification to a Capital Contribution in Kind by the Seller in its capacity as Limited Partner.

Sale by the Seller of Portfolio Assets

The Covered Bond Portfolio consists and will consist of Loans and their Related Security sold for cash by the Seller to the Guarantor and New Loans and their Related Security sold for cash or contributed by way of Capital Contributions in Kind from time to time. The Covered Bond Portfolio may, at any time, include Loans originated by Originators on behalf of the Seller, which are subsidiaries of the Seller. With respect to Loans originated by Originators on behalf of the Seller, prior to the sale of such Loans by the Seller to the Guarantor, the Seller will beneficially own such Loans and the applicable Originator will hold registered title to the related Mortgages and any

applicable Related Security on behalf of the Seller. Following such sale, the Originators will hold registered title to such Mortgages and any applicable Related Security on behalf of the Guarantor.

The Guarantor may from time to time acquire Loans and their Related Security from the Seller as described below:

(a) *first*, the Guarantor will use the proceeds of a drawing under the Intercompany Loan (which may be applied in whole or in part by the Guarantor) and/or Available Principal Receipts to acquire Loans and their Related Security from the Seller. As consideration for the sale of the Loans and their Related Security to the Guarantor, the Seller will receive a cash payment or deemed cash payment equal to the fair market value of those Loans sold by it as at the relevant Transfer Date; and

(b) *second*, the Guarantor may receive Capital Contributions in Kind in accordance with the Guarantor Agreement. As consideration for the sale by way of Capital Contributions of the Loans and their Related Security to the Guarantor, the Seller will receive an additional interest in the capital of the Guarantor equal to the fair market value of those Loans sold by it as at the relevant Transfer Date minus any cash consideration received by the Seller described in paragraph (a) above.

If Loans and their Related Security are sold by or on behalf of the Guarantor as described below or upon a breach of the Pre-Maturity Test under "*Guarantor Agreement—Sale of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor*", the obligations of the Seller insofar as they relate to such Loans and their Related Security will cease to apply.

The Seller will also be required to repurchase Portfolio Assets sold to the Guarantor in the circumstances described below under "*Repurchase of Portfolio Assets—Representations and Warranties*".

Portfolio Assets

The Covered Bond Portfolio as of the date of this Prospectus consists solely of Loans originated by the Seller and subsidiaries of the Seller (each such subsidiary, an "Originator") that are secured by Canadian first lien residential mortgages ("Mortgages"). The Loans originated by the Originators have been originated on behalf of the Seller and the applicable Originator holds registered title to the related Mortgages and any applicable Related Security on behalf of the Seller. Covered Bond Portfolio static data and statistics relating to the Loans comprising the Covered Bond Portfolio from time to time will be disclosed in the Investor Reports.

Eligibility Criteria

The sale of Portfolio Assets to the Guarantor will be subject to various conditions (the "**Eligibility Criteria**"), (which are all subject to amendment and replacement from time to time provided Rating Agency Confirmation is received) being satisfied on the relevant Transfer Date, including:

(a) no Issuer Event of Default or Guarantor Event of Default under the Transaction Documents shall have occurred which is continuing as at the relevant Transfer Date;

(b) the Guarantor, acting on the advice of the Cash Manager, is not aware, and could not reasonably be expected to be aware, that the purchase of the Portfolio Assets, would adversely affect the then current ratings of the Covered Bonds by the Rating Agencies;

(c) no Loan has the benefit of, or is secured by a Mortgage that also secures one or more other loans that has the benefit of, insurance from any Prohibited Insurer;

(d) no Loan has a Current Balance of more than C$3,000,000 as at the relevant Cut-off Date;

(e) no Loan relates to a Property which is not a residential Property;

(f) no Loan proposed to be sold constitutes a New Loan Type in respect of which Rating Agency Confirmation has not been received by the Bond Trustee and/or any other condition has not been satisfied as required in order for the Seller's interest in such Loans to be sold to the Guarantor in accordance with the terms of the Mortgage Sale Agreement;

(g) each Loan is payable in Canada only and is denominated in Canadian dollars;

(h) the first payment due in respect of each Loan has been paid by the relevant Borrower;

(i) the Loan was originated or otherwise complies with the Seller's or the applicable Originator's underwriting policy as in effect or otherwise applicable at the time the Loan was originated;

(j) no payment of principal or interest under any Loan is in arrears;

(k) the Related Security constitutes a valid and enforceable first charge or mortgage in favour of the mortgagee against the related mortgaged property, subject only to customary permitted security interests;

(l) as at the Transfer Date, the Guarantor will acquire the Loan and Related Security from the Seller free and clear of any security interests, subject only to (i) customary permitted security interests, and (ii) security interests that are reflected in the Security Sharing Agreement and the subject of a release in favour of the Guarantor, substantially in the form attached to the Security Sharing Agreement;

(m) as at the Transfer Date, the Loan is not subject to any dispute, set-off, counterclaim or defence;

(n) neither the Mortgage Conditions for the Loan nor the provisions of any other documentation applicable to the Loan and enforceable by the Borrower expressly afford the Borrower a right of set-off;

(o) to the extent the Loan is extended, advanced or renewed on or after 1 July 2014, the Mortgage Conditions for the Loan or the provisions of any other documentation applicable to the Loan and enforceable against the Borrower contain an express waiver of set-off rights on the part of the Borrower; and

(p) the Loan satisfies the eligibility criteria as may be prescribed by the CMHC Guide from time to time.

In addition to the satisfaction of the Eligibility Criteria, on the relevant Transfer Date, the Loan Representations and Warranties (described below in "*Loan Representations and Warranties*") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Guarantor.

If the Seller accepts an application from or makes an offer (which is accepted) to a Borrower for a Product Switch or Additional Loan Advance, then if the Eligibility Criteria referred to in paragraphs (d), (e) and (f) above relating to the Loan subject to that Product Switch or Additional Loan Advance are not satisfied on the next following Calculation Date, the Guarantor will be entitled to rectify such breach of the Eligibility Criteria by requiring the Seller to repurchase such Loan.

Notice to Borrower of the sale, assignment and transfer of the Loans and their Related Security and registration of transfer of title to the Mortgages

Loans sold, transferred and assigned by the Seller to the Guarantor pursuant to the terms of the Mortgage Sale Agreement will have legal title to the related Mortgages remain registered in the name of the Seller or the applicable Originator and notice of the sale, transfer and assignment will not be given to the Borrowers or, in respect of the Related Security, any relevant guarantor of any Borrower. Such notice and, where appropriate, the registration or recording in the appropriate land registry or land titles offices of the transfer by the Seller or the relevant Originator to the Guarantor of legal title to the Mortgages will be deferred and will only take place in the circumstances described below.

The Seller (directly or through the applicable Originator) will agree to (a) hold registered title to the related Loans and their Related Security as agent, bare nominee and bailee for the Guarantor (or its Managing GP) (and, in the case of any Home Power Plan Mortgage Loan, for the related Multiproduct Purchaser having an interest therein as described below under "*Multiproduct Accounts*") and (b) deliver such agreements and take all actions with respect to the Loans and Related Security as the Guarantor (or its Managing GP) may direct in accordance with the Mortgage Sale Agreement (or an applicable nominee agreement).

Subject to the following paragraph, notice of the sale, assignment and transfer of the Loans and their Related Security and a direction to make all future repayments of the Loans to the Standby Account Bank for the account of the Guarantor will be sent by the Seller or the applicable Originator, or, as necessary, by the Guarantor (or the Servicer on behalf of the Guarantor) on behalf of the Seller or the applicable Originator (under applicable powers of attorney granted to the Guarantor) and where required, registration of the transfer of legal title to the Mortgages (including, for Home Power Plan Mortgage Loans in Québec, to record an assignment of the related Mortgage to the extent of the Guarantor's interest therein) will be made in the appropriate land registry or land titles offices, as soon as practicable and in any event on or before the 60th day following the earliest to occur of:

(a) a Servicer Event of Default that has not been remedied within 30 days or such shorter period permitted by the Servicing Agreement;

(b) an Issuer Event of Default (other than an Insolvency Event with respect to the Issuer) that has not been remedied within 30 days or such shorter period permitted by Condition 7.01;

(c) an Insolvency Event (without regard to the parenthetical language in clause (a) of such definition) with respect to the Seller;

(d) the acceptance by an applicable Purchaser of any offer by the Guarantor to sell Loans and their Related Security (only in respect of the Loans being sold and their Related Security) to any such Purchaser who is not the Seller or the relevant Originator, unless otherwise agreed by such Purchaser and the Guarantor, with the consent of the Bond Trustee, which consent will not be unreasonably withheld;

(e) the Seller, the Originators and/or the Guarantor being required: (i) by law; (ii) by an order of a court of competent jurisdiction; or (iii) by a regulatory authority which has jurisdiction over the Seller, the Originators or the Guarantor, to effect such notice and registration; and

(f) the date on which the Bank incurs a downgrade in the ratings of its unsecured, unsubordinated and unguaranteed debt obligations below Baa1 by Moody's or in its long-term issuer default rating below BBB- by Fitch.

Notwithstanding the occurrence of any event or circumstance described in clauses (a) through (d) immediately above, none of the steps described in the preceding paragraph are required to be taken if (x) satisfactory assurances are provided by OSFI or such other supervisory authority having jurisdiction over the Seller permitting registered title to the Mortgages to remain with the Seller (or the applicable Originator), and (y) Rating Agency Confirmation has been obtained until such time as (i) the Loans and their Related Security are to be sold or otherwise disposed of by the Guarantor or the Bond Trustee in the performance of their respective obligations under the Transaction Documents, or (ii) the Guarantor or the Bond Trustee is required to take actions to enforce or otherwise deal with the Loans and their Related Security.

Except where lodged with the relevant registry in relation to any registration or recording which may be pending, the Loan, the Related Security and the Loan Files relating to the Loans in the Covered Bond Portfolio will be held by, or to the order of, the Seller or the Servicer, as the case may be, or by solicitors, service providers or licensed conveyancers acting for the Seller and/or the Originators in connection with the creation of the Loans and their Related Security. The Seller or the Servicer, as the case may be, will undertake that all the Loan Files relating to the Loans in the Covered Bond Portfolio which are at any time in their possession or under their control or held to their order will be held to the order of the Bond Trustee or as the Bond Trustee may direct. The right, interest and title of the Guarantor to the Loans and their Related Security will be secured by irrevocable powers of attorney granted by the Seller and the relevant Originator, as of the Transfer Date such Loans are transferred, in favour of the Guarantor (or the Managing GP) and the Bond Trustee in respect of registered title to the Loans and their Related Security.

Multiproduct Accounts

The Issuer expects that the Covered Bond Portfolio may from time to time include Home Power Plan Mortgage Loans. A Borrower may obtain a Home Power Plan Line of Credit and one or more Home Power Plan Mortgage Loans, all of which are secured by the same Multiproduct Mortgage on the related Property.

Each Home Power Plan Mortgage Loan will be a Loan provided that the Loan Representations and Warranties and the other applicable requirements under the Transaction Documents are satisfied. Home Power Plan Lines of Credit will not be eligible for sale to the Guarantor as a Loan pursuant to the Mortgage Sale Agreement until (i) approved as a New Loan Type by the Rating Agencies, and (ii) CMHC has verified compliance with the CMHC Guide.

Prior to a default or breach by a Borrower that is not remedied or waived under any Multiproduct Account, the Transaction Documents will require the Seller and the Servicer to apply payments to a Multiproduct Account in accordance with the related Multiproduct Mortgage. Following a default or breach by a Borrower that is not remedied or waived under any Multiproduct Account, the Security Sharing Agreement provides for the priority of payment of all monies received from such Borrower and all amounts realized from the enforcement of security held for such Borrower's Multiproduct Account (as described under "*Security Sharing Agreement – Priority of Payment in respect of Enforcement Proceeds*", below).

The Seller may from time to time sell interests in Multiproduct Accounts to third party purchasers, together with the benefit of a corresponding interest in the related Multiproduct Mortgage. The Seller will act as the servicer of each related Multiproduct Account unless and until a replacement servicer is appointed (as described under "*Security Sharing Agreement – Single Servicer for Purchased Loans and Related Loans secured by the same Mortgage*", below).

Concurrently with the sale of the First Home Power Plan Mortgage Loan relating to a particular Borrower to the Guarantor, the Seller will transfer and convey all of its right, title and interest in the Related Security (including its interest in the related Multiproduct Mortgage (or, in the case of a Home Power Plan Mortgage Loan located in the Province of Québec, an interest in the related Multiproduct Mortgage to the extent of the First Home Power Plan Mortgage Loan that is sold to the Guarantor)) to the Guarantor. The Guarantor will hold the Related Security in respect of each Home Power Plan Mortgage Loan sold to the Guarantor as follows: (i) an interest in such Related Security for its own sole and absolute account and benefit, to the extent of all outstanding indebtedness owing under all Home Power Plan Mortgage Loans owned by it in respect of the same Borrower from time to time, which interest will have full priority over all other rights, claims and interests; and (ii) subject to the Guarantor's priority described in item (i) above, an interest in such Related Security, as agent, nominee and bare trustee for the Seller and any Multiproduct Purchaser from time to time, as their interests may appear, to the extent of all outstanding indebtedness owing under any Home Power Plan Mortgage Loans and Home Power Plan Lines of Credit owned by the Seller or Multiproduct Purchaser from time to time. As well, for Home Power Plan Mortgage Loans in the Province of Québec, the Seller and each of the Multiproduct Purchasers will be entitled to an interest in the Multiproduct Mortgage to the extent of any outstanding indebtedness owing under any related Multiproduct Accounts.

In respect of a Multiproduct Account, the Transaction Documents will provide that the Servicer will (i) have the sole right to take all enforcement actions and make all servicing decisions with respect to the Related Security (including under the related Multiproduct Mortgage) and (ii) allocate any monies received by it and otherwise realized from the enforcement of the security for the related Multiproduct Account with the same Borrower in accordance with the priority arrangement described above, including the allocation of such monies to all indebtedness owing under each related Home Power Plan Mortgage Loan owned by the Guarantor in priority to all related Home Power Plan Lines of Credit and Home Power Plan Mortgage Loans owned by the Seller or any Multiproduct Purchaser (as described under "*Security Sharing Agreement – Priority of Payment in respect of Enforcement Proceeds*", below).

Seller and Guarantor Representations and Warranties

Under the Mortgage Sale Agreement, the Seller makes the following representations and warranties (in addition to the Loan Representations and Warranties described below) in favour of the Guarantor on the Programme Date and on each Transfer Date: (i) it is a bank listed in Schedule I to the Bank Act and duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, (ii) it is not a non-resident of Canada for purposes of the ITA, (iii) the execution, delivery and performance by it of the Mortgage Sale Agreement and related documents to which it is a party (x) are within its corporate powers, (y) have been duly authorized by all necessary corporate action, and (z) do not contravene or result in a default under, or conflict with, (A) its charter or by-laws, (B) any law, rule or regulation applicable to it, or (C) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting it or its property, (iv) no authorization, approval, licenses, consent or other action by, and no notice to or filing with, any governmental authority or other person is required for the due execution, delivery and performance by it of the Mortgage Sale Agreement and each related document to which it is a party or to make such document legal, valid, binding and admissible into evidence in a court of competent jurisdiction, other than those that have been obtained or made, (v) each of the Mortgage Sale Agreement and the related documents to which it is a party has been duly executed and delivered and constitutes the legal, valid and binding obligation of, and is enforceable in accordance with its terms against, the Seller, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity, and (vi) there are no actions, suits or proceedings pending or, to its knowledge, threatened against or affecting it at law, in equity or before any arbitrator or governmental authority having jurisdiction which, if adversely determined, would have a material adverse effect on its ability to perform its obligations under the Transaction Documents.

Under the Mortgage Sale Agreement, the Guarantor makes the following representations and warranties in favour of the Seller on the Programme Date and on each Transfer Date: (i) it is a limited partnership formed under the laws of the Province of Ontario and is duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, (ii) the execution, delivery and performance by it of the Mortgage Sale Agreement and related documents to which it is a party (x) are within its corporate or other powers, (y) have been duly authorized by all necessary corporate or other action, and (z) do not contravene or result in a default under or conflict with (A) the Guarantor Agreement, (B) any law, rule or regulation applicable to it, or (C) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting it or its property, (iii) there are no actions, suits or proceedings pending or, to its knowledge, threatened against or affecting it at law, in equity or before any arbitrator or governmental authority having jurisdiction which, if adversely determined, would reasonably be expected to materially adversely affect its financial condition or operations or its property or its ability to perform its obligations under the Mortgage Sale Agreement, or which purports to affect the legality, validity or enforceability of the Mortgage Sale Agreement, (iv) no authorization or approval or other action by, and no notice to or filing with, any governmental authority or other person is required for the due execution, delivery and performance by it of the Mortgage Sale Agreement and each related document to which it is a party, other than those that have been obtained or made, and (v) each of the Mortgage Sale Agreement and the related documents to which it is a party has been duly executed and delivered and constitutes the legal, valid and binding obligation of, and is enforceable in accordance with its terms against, the Guarantor, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.

Loan Representations and Warranties

Neither the Guarantor nor the Bond Trustee has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Loans and their Related Security sold or to be sold to the Guarantor. Instead, each is relying entirely on the Loan Representations and Warranties by the Seller contained in the Mortgage Sale Agreement. The parties to the Mortgage Sale Agreement may, with the prior written consent of the Bond Trustee (which shall be given if Rating Agency Confirmation has been received) amend the Loan Representations and Warranties in the Mortgage Sale Agreement.

The material Loan Representations and Warranties are as follows and are given: (i) in respect of Loans and their Related Security, on the Transfer Date of such Loans and their Related Security; and (ii) in respect of a Loan and its Related Security to which an Additional Loan Advance or Product Switch has been made, on the Calculation Date following the making of such Additional Loan Advance or Product Switch:

- the Seller is the legal and beneficial owner of the Loans to be sold to the Guarantor (excluding registered or recorded title to Loans which may continue to be held by an applicable Originator, if any), free and clear of any encumbrances, other than certain permitted encumbrances and upon each purchase, the Guarantor shall acquire a valid and enforceable first priority perfected beneficial ownership interest in the applicable Loans free and clear of any encumbrances, other than certain permitted encumbrances;

- each Loan was originated by the Seller or the applicable Originator in the ordinary course of business (and kept on its books for a minimum of one month) prior to the Cut-off Date;

- each Loan has a remaining amortization period of less than 50 years as at the relevant Cut-off Date;

- prior to the making of each advance under a Loan, the Lending Criteria and all preconditions to the making of any Loan were satisfied in all material respects subject only to such exceptions as would be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's or the applicable Originator's market;

- all of the Borrowers are individuals or have guarantees from individuals for the Loans (which guarantees and any security related to such guarantees are assignable and will be sold, transferred and assigned to the Guarantor as Related Security for the Loans in accordance with the terms of the Mortgage Sale Agreement);

- the whole of the Current Balance on each Loan is secured by a Mortgage over residential property in Canada consisting of not more than four units;

- each Mortgage constitutes a valid first mortgage lien over the related Property, or is insured as a first priority lien, in each case subject to certain permitted encumbrances;

- the True Balance on each Loan (other than any agreement for Additional Loan Advances (if any)) constitutes a legal, valid, binding and enforceable debt due to the Seller or the applicable Originator from the relevant Borrower and the terms of each Loan and its related Mortgage constitute valid and binding obligations of the Borrower enforceable in accordance with their terms except as enforceability may be limited by applicable

bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity;

- other than (i) registrations in the appropriate land registry or land titles offices in respect of the sale, transfer and assignment of the relevant Loans from the Seller to the Guarantor effected by the Mortgage Sale Agreement (and any applicable registration in respect of registered title to the relevant Loans), and (ii) the provision to Borrowers under the related Loans or the obligors under their Related Security of actual notice of the sale, transfer and assignment thereof to the Guarantor, all material filings, recordings, notifications, registrations or other actions under all applicable laws have been made or taken in each jurisdiction where necessary or appropriate (other than certain registrations in the Province of Quebec which will be made when permitted by applicable law) to give legal effect to the sale, transfer and assignment of the Loans and their Related Security and the right to transfer servicing of such Loans as contemplated by the Mortgage Sale Agreement, and to validate, preserve, perfect and protect the Guarantor's ownership interest in and rights to collect any and all of the related Loans being purchased on the relevant Transfer Date, including the right to service and enforce such Loans and their Related Security;

- there is no requirement in order for a sale, transfer and assignment of the Loans and their Related Security to be effective to obtain the consent of the Borrower to such sale, transfer or assignment and such sale, transfer and assignment shall not give rise to any claim by the Borrower against the Guarantor, the Bond Trustee or any of their successors in title or assigns;

- all of the Properties are in Canada;

- not more than 12 months (or a longer period as may be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's or the applicable Originator's market) prior to the granting of each Loan, the Seller or the applicable Originator obtained information on the relevant Property from an independently maintained valuation model, acceptable to reasonable and prudent institutional mortgage lenders in the Seller's or the applicable Originator's market, or received a valuation report on the relevant Property, which would be, and the contents or confirmation, as applicable, of which, were such as would be, acceptable to reasonable and prudent institutional mortgage lenders in the Seller's or the applicable Originator's market or obtained such other form of valuation of the relevant Property which has received Rating Agency Confirmation;

- prior to the taking of Related Security (other than a re-mortgage) in respect of each Loan, the Seller or the applicable Originator instructed lawyers or service providers to conduct a search of title to the relevant Property and to undertake such other searches, investigations, enquiries and actions on behalf of the Seller or the applicable Originator as would be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's or the applicable Originator's market or the Borrower was required to obtain either (i) a solicitor's opinion on title or (ii) lender's title insurance in respect of the Loan from an insurer acceptable to reasonable and prudent institutional mortgage lenders in the Seller's or the applicable Originator's market;

- each Loan contains a requirement that the relevant Property be covered by building insurance maintained by the Borrower or in the case of a leasehold property under a policy arranged by a relevant landlord or property management company;

- the Seller or the applicable Originator has, since the making of each Loan, kept or procured the keeping of full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to such Loans;

- if the Loan is a Home Power Plan Mortgage Loan and if there has been a disposition of the related Home Power Plan Line of Credit or a related Home Power Plan Mortgage Loan to a Multiproduct Purchaser, the related Multiproduct Purchaser has agreed to become bound by the Security Sharing Agreement and has provided a release in favour of the Guarantor, substantially in the form attached to the Security Sharing Agreement; and

- there are no governmental authorizations, approvals, licences or consents required as appropriate for the Seller to enter into or to perform its obligations under the Mortgage Sale Agreement or to make the Mortgage Sale Agreement legal, valid, binding, enforceable and admissible into evidence in a court of competent jurisdiction, other than authorizations, approvals, licenses, consents, actions, notices, filings or polling that have been obtained, made or taken.

If New Loan Types are to be sold to the Guarantor, then the Loan Representations and Warranties in the Mortgage Sale Agreement will be modified as required to accommodate these New Loan Types. The prior consent of the holders of the Covered Bonds to the requisite amendments will not be required. On each Transfer Date, the Guarantor shall be entitled to collections in respect of the Loans purchased on such Transfer Date during the period from the Cut-off Date to the Transfer Date.

Repurchase of Portfolio Assets – Representations and Warranties

If the Seller receives a Portfolio Asset Repurchase Notice from the Guarantor (or the Cash Manager on its behalf) identifying a Portfolio Asset in the Covered Bond Portfolio which, as at the relevant Transfer Date or relevant Calculation Date (in the case of a Product Switch or an Additional Loan Advance): (i) does not comply with the Loan Representations and Warranties set out in the Mortgage Sale Agreement; or (ii) is subject to an adverse claim other than certain permitted security interests, and such breach or adverse claim materially and adversely affects the interest of the Guarantor in such Portfolio Asset or the value of such Portfolio Asset, then the Seller will, subject to the applicable breach or adverse claim being cured during a 20 Toronto Business Day period commencing on the date on which such non-compliance is discovered, be required to repurchase on the first Calculation Date occurring after such 20 Toronto Business Day Period: (i) any such Portfolio Asset; and (ii) any other Loan secured or intended to be secured by that Related Security or any part of it, which would include one or more Home Power Plan Mortgage Loans made to the same Borrower which are owned by the Guarantor. The repurchase price payable upon the repurchase of any Portfolio Asset is an amount (not less than zero) equal to the purchase price paid by the Guarantor for such Portfolio Asset plus expenses as at the relevant repurchase date, less any amounts received from the Borrower since the Transfer Date in respect of principal on such Portfolio Asset. The repurchase proceeds received by the Guarantor will be applied (other than Accrued Interest and Arrears of Interest) in accordance with the Pre-Acceleration Principal Priority of Payments (see "*Cashflows*" below).

Non-Performing Loans

The Cash Manager will identify any Non-Performing Loans in the Covered Bond Portfolio and upon identification serve a Non-Performing Loans Notice on the Bank and the Servicer.

Non-Performing Loans will not be given credit in the Asset Coverage Test or the Amortization Test.

General ability to repurchase

Prior to the occurrence of an Issuer Event of Default, the Seller may from time to time offer to repurchase a Loan (or Loans) and their Related Security from the Guarantor for a purchase price of not less than the fair market value of the relevant Loan. Any such offer to purchase a Home Power Plan Mortgage Loan must include any other Home Power Plan Mortgage Loans made to the same Borrower which are owned by the Guarantor. The Guarantor may accept such offer at its discretion, provided that any such sale, will be subject to the Asset Coverage Test being met on the date of such sale, after giving effect to the sale.

Right of pre-emption

Under the terms of the Mortgage Sale Agreement, the Seller has a right of pre-emption in respect of any sale, in whole or in part, of Portfolio Assets.

In connection with any sale of Portfolio Assets by the Guarantor, except where such Portfolio Assets are being sold to the Seller pursuant to an offer from the Seller, the Guarantor will serve on the Seller a Portfolio Asset Offer Notice offering to sell Portfolio Assets for an offer price equal to the greater of (a) the fair market value of such Portfolio Assets and (b) (i) if the sale is following a breach of the Pre-Maturity Test or the service of a Notice to Pay, the Adjusted Required Redemption Amount of the relevant Series of Covered Bonds, otherwise (ii) the True Balance of such Portfolio Assets, subject to the offer being accepted by the Seller within 10 Toronto Business Days.

At any time there is no Asset Coverage Test Breach Notice outstanding and no Covered Bond Guarantee Activation Event has occurred, it will be a condition to the Guarantor's right to sell Portfolio Assets that the Asset Coverage Test and/or Amortization Test, as applicable, will be met on the date of such sale, after giving effect to the sale.

If an Issuer Event of Default has occurred but no liquidator or administrator has been appointed to the Seller, the Seller's right to accept the offer (and therefore its right of pre-emption) will be conditional upon the delivery by the Seller of a solvency certificate to the Guarantor and the Bond Trustee. If the Seller rejects the Guarantor's offer or fails to accept it in accordance with the foregoing, the Guarantor may offer to sell such Portfolio Assets to other Purchasers (as described under "*Guarantor Agreement—Sale of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor*", below).

If the Seller validly accepts the Guarantor's offer to sell such Portfolio Assets, the Guarantor will, within three Toronto Business Days of such acceptance, serve a Portfolio Asset Repurchase Notice on the Seller. The Seller will sign and return a duplicate copy of such Portfolio Asset Repurchase Notice and will repurchase from the Guarantor free from the Security created by the Security Agreement the relevant Portfolio Assets (and any other Loan secured or intended to be secured by Related Security securing such Portfolio Asset) referred to in the relevant Portfolio Asset Repurchase Notice. Completion of the purchase of such Portfolio Assets by the Seller will take place, upon satisfaction of any applicable conditions to the purchase and sale, on the first Guarantor Payment Date following receipt of the relevant Portfolio Asset Repurchase Notice(s) or such other date as the Guarantor may direct in the Portfolio Asset Repurchase Notice (provided that such date is not later than the earlier to occur of the date which is: (a) 10 Toronto Business

Days after returning the Portfolio Asset Repurchase Notice to the Guarantor; and (b) the Final Maturity Date of the Earliest Maturing Covered Bonds).

For the purposes hereof:

> "**Adjusted Required Redemption Amount**" means the Canadian Dollar Equivalent of the Required Redemption Amount, plus or minus the Canadian Dollar Equivalent of any swap termination amounts payable under the Covered Bond Swap Agreement to or by the Guarantor in respect of the relevant Series of Covered Bonds less (where applicable) amounts held by the Cash Manager for and on behalf of the Guarantor and amounts standing to the credit of the Guarantor Accounts and the Canadian Dollar Equivalent of the principal balance of any Substitute Assets (excluding all amounts to be applied on the next following Guarantor Payment Date to repay higher ranking amounts in the Guarantee Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds) plus or minus any swap termination amounts payable to or by the Guarantor under the Interest Rate Swap Agreement in respect of the relevant Series of Covered Bonds, determined on a *pro rata* basis amongst all Series of Covered Bonds according to the respective Principal Amount Outstanding thereof, minus amounts standing to the credit of the Pre-Maturity Liquidity Ledger that are not otherwise required to provide liquidity for any Series of Hard Bullet Covered Bonds which mature within 12 months of the date of such calculation.
>
> "**Required Redemption Amount**" means, in respect of a Series of Covered Bonds, the amount calculated as follows:

the Principal Amount Outstanding of the relevant Series of Covered Bonds	x	[1 + Negative Carry Factor x (days to maturity of the relevant Series of Covered Bonds/365)]

Further drawings under Loans

The Seller is solely responsible for funding all Additional Loan Advances, if any, in respect of Loans sold by the Seller to the Guarantor. The amount of the Intercompany Loan will increase by the amount of the funded Additional Loan Advances, provided that, if for any reason, the Intercompany Loan is not increased at any relevant time such amount shall be deemed to constitute a Capital Contribution by the Seller and the Seller's interest, as a limited partner in the Guarantor, shall be increased by such amount.

Authorized Underpayments

In the event that the Servicer permits a Borrower to make an Authorized Underpayment, the Seller of such Loan will be required to pay to the Guarantor an amount equal to the unpaid interest associated with that Authorized Underpayment. The amount of any such payment representing capitalized interest in respect of that Authorized Underpayment shall constitute a Cash Capital Contribution by the Seller to the Guarantor.

New Sellers

In the future, any New Seller that wishes to sell Loans and their Related Security to the Guarantor will accede to, *inter alia*, the Mortgage Sale Agreement. The sale of New Loans and their Related

Security by New Sellers to the Guarantor will be subject to certain conditions, including the following:

- each New Seller accedes to the terms of the Guarantor Agreement as a Limited Partner (with such subsequent amendments as may be agreed by the parties thereto) so that it has, in relation to those New Loans and their Related Security to be sold by the relevant New Seller, substantially the same rights and obligations as the Seller had in relation to those Loans and their Related Security previously sold into the Covered Bond Portfolio under the Guarantor Agreement;

- each New Seller accedes to the terms of the Mortgage Sale Agreement (with such subsequent amendments as may be agreed by the parties thereto) or enters into a new mortgage sale agreement with the Guarantor and the Bond Trustee, in each case so that it has, in relation to those New Loans and their Related Security to be sold by the relevant New Seller, substantially the same rights and obligations as the Seller had in relation to those Loans and their Related Security previously sold into the Covered Bond Portfolio under the Mortgage Sale Agreement;

- each New Seller accedes to the Dealership Agreement(s) and enters into such other documents as may be required by the Bond Trustee and/or the Guarantor (acting reasonably) to give effect to the addition of a New Seller to the transactions contemplated under the Programme;

- any Portfolio Assets sold by a New Seller to the Guarantor comply with the Eligibility Criteria set out in the Mortgage Sale Agreement;

- either (i) the Servicer services the New Loans and their Related Security sold by a New Seller on the terms set out in the Servicing Agreement (with such subsequent amendments as may be agreed by the parties thereto) or (ii) the New Seller enters into a servicing agreement with the Guarantor and the Bond Trustee which sets out the servicing obligations of the New Seller in relation to the New Loans and their Related Security and which is on terms substantially similar to the terms set out in the Servicing Agreement (in the event the New Loans and their Related Security are not purchased on a fully serviced basis, the servicing agreement shall set out fees payable to the Servicer or the New Seller acting as servicer of such New Loans and their Related Security which may be determined on the date of the accession of the New Seller to the Programme);

- the Bond Trustee is satisfied that any accession of a New Seller to the Programme will not prejudice the Asset Coverage Test; and

- the Bond Trustee is satisfied that the accession of a New Seller to the Programme is not materially prejudicial to holders of the Covered Bonds and has received a Rating Agency Confirmation.

If the above conditions are met, the consent of holders of the Covered Bonds will not be required or obtained in connection with the accession of a New Seller to the Programme.

Security Sharing Agreement

The Seller, the Guarantor, the Bond Trustee and the Custodian entered into a Security Sharing Agreement in connection with Loans and their Related Security that have been and will be sold

by the Seller to the Guarantor where the Mortgage also secures or may from time to time secure loans, indebtedness or liabilities ("**Retained Loans**" and together with the Loans secured by the same Mortgage, "**Related Loans**") that do not form part of the Covered Bond Portfolio.

The Security Sharing Agreement:

- confirms that the Seller retains an interest in the Mortgage securing the Related Loans;
- provides for the priority of payments in respect of collections received in respect of any Related Loans following a default under or breach of such Related Loans that is not remedied or waived in accordance with the terms of the agreements with the Borrower in respect of such Related Loans ("**Post-Default Collections**") including from the enforcement of the Mortgage securing Related Loans ("**Enforcement Proceeds**");
- requires Post-Default Collections to be promptly transferred, to the person entitled to such amounts;
- provides for each Loan sold to the Guarantor and Related Loans to be serviced by the same servicer or sub-servicer;
- provides the Seller with certain rights to purchase Related Loans from the Guarantor; and
- provides for the delivery by the Seller of a release in respect of its interest in the Mortgage securing the Related Loans to the Custodian and the circumstances under which such release can be used or relied upon.

The Security Sharing Agreement will cease to apply in respect of any Related Loans upon all such Related Loans being held by a single person and provides that upon payment in full of the Loans forming part of the Related Loans, the Mortgage will be transferred to the beneficial owner (or owner) of the Retained Loans.

Priority of Payments in respect of Enforcement Proceeds

The parties to the Security Sharing Agreement have agreed that notwithstanding the terms of the Related Loans, which provide for the application of Enforcement Proceeds amongst such Related Loans, Post-Default Collections, including Enforcement Proceeds, will be applied as follows:

- first, in or towards payment of all taxes, reasonable costs and expenses incurred or to be incurred in relation to the enforcement of the Mortgage;
- second, in or towards payment of all amounts owing by the Borrower in respect of the Loans owned by the Guarantor and secured by such Mortgage until such amounts have been paid in full;
- third, in or towards payment of all amounts owing by the Borrower in respect of the Retained Loans secured by such Mortgage until such amounts have been paid in full; and
- lastly, in paying the surplus (if any) to the persons entitled thereto.

In connection with the above, to the extent a beneficial owner (or owner) of Related Loans receives Post-Default Collections while amounts are payable in priority to the amounts to which

such person is entitled under the above priority of payments, such amounts are to be promptly transferred, to the person entitled to such amounts. Such payments will not be subject to the Priorities of Payments or any set-off or counterclaim.

Single Servicer for Purchased Loans and Related Loans secured by the same Mortgage

For so long as the Seller is the Servicer, it will service the Related Loans, or may sub-contract its servicing obligations, provided that, in all cases, each Loan owned by the Guarantor and each Related Loan secured by the same Mortgage, will be serviced by the same servicer or sub-servicer. In the event that the Servicer ceases to be the Seller, the Guarantor is required to enter into a servicing agreement with a replacement servicer (a "**Replacement Servicer**") to arrange for the servicing of the Related Loans in a manner that ensures continuity of servicing and the Seller has granted a power of attorney in favour of the Guarantor for this purpose. The Replacement Servicer must satisfy certain requirements with respect to its capacity to carry out the servicing obligations and will be required to make representations consistent with the requirements represented and warranted to by the current Servicer (see "*Servicing Agreement – Representations and Warranties of Servicer*" on page 238 of this Prospectus). A servicing agreement will be required to be entered into for the servicing by the Replacement Servicer and must, among other things:

- be commercially reasonable having regard to the interest of each of the Guarantor and the Seller in the Related Loans and Mortgages being serviced, including with respect to the allocation of costs;

- provide for the servicing of the Retained Loans in accordance with the Seller's policy and otherwise in accordance with the standards of a reasonable and prudent institutional mortgage lender and in compliance with applicable laws;

- restrict the ability of the Replacement Servicer to authorize, approve, accept or make product switches or additional advances in respect of Retained Loans without the consent of the Seller;

- require the Replacement Servicer to hold funds received in respect of the Retained Loans in trust for the Seller in a separate account and transfer such funds to the Seller on a daily basis; and

- require the prior written consent of the Guarantor and the Seller to any amendment or waiver of such servicing agreement.

A Replacement Servicer will be entitled to take such enforcement procedures in respect of the Mortgages it is servicing that a reasonable and prudent institutional mortgage lender would be reasonably expected to take in administering its own loans and their security and each of the holders of the Related Loans will refrain from taking any enforcement procedures except at the direction of the Servicer.

A third party purchaser or the Guarantor can terminate the Servicing Agreement in respect of Related Loans and their Related Security sold to the third party purchaser provided that the purchaser services or appoints a servicer for the Related Loans that include the purchased Loans owned by the Guarantor and enters into a servicing agreement that meets the requirements applicable to a Replacement Servicer.

Purchase and Sale

Under the Security Sharing Agreement, in addition to the pre-emptive rights the Guarantor has under the Mortgage Sale Agreement (see "*Mortgage Sale Agreement*" above), if the Guarantor intends to sell any Related Loan, the Seller may, upon notice to the Guarantor, purchase such Related Loan and its Related Security. In addition, in the event the Seller desires to acquire any Loans and their Related Security forming part of the Related Loans for any reason to institute enforcement procedures or upon becoming aware that enforcement procedures have been or are to be instituted in respect of any Mortgage securing Related Loans, the Seller may, upon notice to the Guarantor and the Custodian, purchase such Related Loans and their Related Security from the Guarantor provided that the Asset Coverage Test, and/or at such time as the Amortization Test is being conducted, the Amortization Test, as applicable, is met following such sale and such sale would not (or would not reasonably be expected to) adversely affect the interests of Covered Bondholders. In each case, the purchase price for such Related Loans and their Related Security will be a price determined in accordance with the Guarantor Agreement (see "*Guarantor Agreement – Method of Sale of Portfolio Assets*") and will be payable in a form of consideration permitted under the CMHC Guide, which includes the substitution of assets. The Seller's right to purchase Related Loans will cease upon a sale of such Related Loans and their Related Security by the Guarantor to a third party.

Release of Security

In connection with entering into the Security Sharing Agreement, the Seller agreed to deliver to the Custodian a release of security upon each sale or contribution of Related Loans to the Guarantor. The Custodian will hold any such releases of security, including any delivered by a purchaser of Retained Loans, and will only deliver a release of security in order for it to be used or relied upon in respect of any affected Related Loans if the following conditions are met:

- (i) the servicer of the affected Related Loans has provided notice to the parties to the Security Sharing Agreement under (A) the Servicing Agreement or (B) any corresponding agreement with a Replacement Servicer, or (ii) the Custodian has otherwise received evidence satisfactory to it (acting reasonably), in each case, that any of the following has occurred:

    (a) the Servicer or any beneficial owner (or owner) of any Retained Loan breached or caused a breach of or provided written advice to the Servicer to breach: (i) the priority of payments for the application of Post-Default Collections; (ii) its obligation to hold the Post-Default Collections in trust and transfer them to the person entitled to such amounts; or (iii) the requirement that each Loan owned by the Guarantor and any Related Loan secured by the same Mortgage be serviced by the same servicer or sub-servicer, where any such breach or advice, as applicable, is not remedied or withdrawn, as the case may be, within 60 days (or after an Issuer Event of Default, 10 Business Days) of receiving notice thereof;

    (b) any Retained Loan has been sold, transferred or assigned to a third party that has not agreed to be bound by the obligations of the Seller under the Security Sharing Agreement with respect to such Retained Loans and delivered a release of security to the Custodian in respect of the Mortgage for such Retained Loans (unless such sale, transfer or assignment results in a single person beneficially owning (or owning) all of the Related Loans); or

(c) the Seller or a third party purchaser of any Retained Loan commences a challenge to the validity, legality or enforceability of (i) the priority of payments for the application of Post-Default Collections; (ii) the obligation to hold Post-Default Collections in trust and transfer them to the person entitled to such amounts; or (iii) the requirement to maintain a single servicer for Related Loans; and

- the beneficial owner (or owner) of the Related Loans that formed part of the Covered Bond Portfolio delivers a request to the Custodian to deliver to it the release of security in respect of the affected Related Loans; and

- following receipt of the request to deliver the release of security in respect of the affected Related Loans, the Custodian receives an opinion of independent legal counsel (as such term is used in the CMHC Guide), acceptable to the Custodian, confirming notice from the servicer was properly delivered or that the Custodian otherwise received evidence satisfactory to it (acting reasonably) that one of the circumstances in (a) to (c) above occurred (which opinion may make assumptions and rely on statements of fact from the servicer and appropriate officers or directors of a person reasonably expected to have knowledge of such matters) and the notice from the servicer (or other evidence) and request to deliver the release of security was properly given to the Custodian.

Upon the above conditions being satisfied, the Custodian will deliver the release of security in respect of the affected Related Loans to the Guarantor or third party purchaser, as the case may be, of the Related Loans that formed part of the Covered Bond Portfolio.

Servicing Agreement

Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to service on behalf of the Guarantor the Loans and their Related Security sold by the Seller to the Guarantor in the Covered Bond Portfolio.

The Servicer will administer the Loans and their Related Security comprised in the Covered Bond Portfolio in accordance with applicable law, the Servicing Agreement and the other Transaction Documents and with reasonable care and diligence, using that degree of skill and attention that it exercises in managing, servicing, administering, collecting on and performing similar functions relating to comparable loans that it services for itself.

The Servicer will be required to administer the Loans in accordance with the Servicing Agreement:

(a) as if the Loans and their Related Security sold by the Seller to the Guarantor had not been sold to the Guarantor but remained with the Seller; and

(b) in accordance with the Seller's or the relevant Originator's administration, arrears and enforcement policies and procedures forming part of the Servicer's policy from time to time as they apply to those Loans.

The Servicer's actions in servicing the Loans in accordance with its procedures will be binding on the Guarantor, the Seller and the Secured Creditors.

Undertakings of the Servicer

Pursuant to the terms of the Servicing Agreement, the Servicer will undertake in relation to those Loans and their Related Security in the Covered Bond Portfolio that it is servicing, among other things, to:

- keep records and accounts on behalf of the Guarantor in relation to the Loans;
- keep the Loan Files in its possession or under its control in safe custody and maintain records necessary to enforce each Mortgage and to provide the Guarantor and the Bond Trustee with access to the Loan Files and other records relating to the administration of the Loans and their Related Security;
- maintain a register in respect of the Covered Bond Portfolio;
- make available upon request to the Guarantor and the Bond Trustee a report on a monthly basis containing information about the Loans and their Related Security comprised in the Covered Bond Portfolio;
- assist the Cash Manager in the preparation of a monthly asset coverage report in accordance with the Cash Management Agreement;
- take all reasonable steps to recover all sums due to the Guarantor, including instituting proceedings and enforcing any relevant Loan or Mortgage using the discretion of reasonable and prudent institutional mortgage lenders in the Seller's or the relevant Originator's market in applying the enforcement procedures forming part of the Seller's or the relevant Originator's policy;
- enforce any Loan which is in default in accordance with the Seller's or applicable Originator's enforcement procedures or, to the extent that such enforcement procedures are not applicable having regard to the nature of the default in question, with the usual procedures undertaken by reasonable and prudent institutional mortgage lenders in the Seller's or the relevant Originator's market on behalf of the Guarantor;
- comply and, as applicable, cause any person to which it sub-contracts or delegates the performance of all or any of its powers and obligations to comply with, the provisions of the Security Sharing Agreement applicable to a servicer and not take any action in contravention of the Security Sharing Agreement, except pursuant to a written notice or direction in which case it will provide notice thereof to the parties to the Security Sharing Agreement; and
- to provide notice to each party to the Security Sharing Agreement in the event that it receives advice or is provided or comes into possession or written evidence, as applicable, of any of the circumstances which could give rise to an obligation on the part of the Custodian to deliver a release of security in respect of any affected Related Loans following receipt of such notice, a request by a beneficial owner (or owner) of such affected Related Loans and delivery of an independent legal counsel opinion (see "*Security Sharing Agreement*", above).

On the Servicer being assigned the applicable ratings by the Rating Agencies below the Servicer Replacement Threshold Ratings (as defined below), the Servicer undertakes to, upon the request

of the Guarantor or the Bond Trustee, use commercially reasonable efforts to enter into a new or a master servicing agreement with the Bond Trustee and a third party substantially in the form of the Servicing Agreement (or otherwise subject to Rating Agency Confirmation), with such modifications as the Guarantor and the Bond Trustee may reasonably require (including with respect to the payment of servicing fees), within 60 days under which such third party will undertake the servicing obligations in relation to the Covered Bond Portfolio. In connection with the foregoing, upon entering into the new or master servicing agreement with such third party, the Servicer or replacement Servicer, as agreed between the parties to the Servicing Agreement, will (on behalf of the Guarantor) deliver notice of the sale, assignment and transfer of the Loans and their Related Security and direct Borrowers to make all future repayments on the Loans to the Standby Account Bank for the account of the Guarantor. "**Servicer Replacement Threshold Ratings**" means the threshold ratings Baa2 or F2 (in respect of Moody's and Fitch, respectively) of the unsecured, unsubordinated and unguaranteed debt obligations (or, in the case of Fitch, the short-term issuer default rating) of the Servicer.

Payments, Administration and Enforcement

The Servicer is authorized to act as the collection agent of the Guarantor under a system for the manual or automated debiting of bank accounts, pursuant to which system a Borrower's periodic Loan payments are debited directly from a specified account. In accordance with the Servicing Agreement, such debiting system must be operated in accordance with policies and procedures that would be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market. A significant majority of the Loans serviced by the Servicer are subject to such debiting system.

The Servicer will have the power to exercise the rights, powers and discretions and to perform the duties of the Guarantor in relation to the Loans and their Related Security that it is servicing pursuant to the terms of the Servicing Agreement, and to do anything which it reasonably considers necessary or convenient or incidental to the administration of those Loans and their Related Security. Among such powers of the Servicer is the right to accept any application for a Product Switch or Additional Loan Advance, provided that at all times the Servicer must act in accordance with policies and procedures that would be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's market. Any Additional Loan Advance is the obligation of the Seller and will be funded in accordance with the terms of the Intercompany Loan Agreement and the other Transaction Documents. The Guarantor will not be obligated to make any Additional Loan Advance.

With respect to collections, the Servicer may institute proceedings and enforce any Loan that is in default in accordance with the Servicer's enforcement procedures and the usual procedures undertaken by a reasonable and prudent institutional mortgage lender for loans similar to the Loans in the Covered Bond Portfolio. The Servicer's collections policy is designed to identify payment problems sufficiently early to permit the Servicer to address such delinquencies and, when necessary, to act to preserve the lender's equity in the property. A Loan is considered delinquent if a scheduled payment remains unpaid for 30 days or more after the due date, or if another event of default occurs. If timely payment is not received, or if such other default is not rectified, the Loan is assigned to the collections queue.

Collections files are segmented into queues for appropriate treatment, such as sending automated dunning letters followed by telephone calls, or immediate calling where there is a history of delinquency. When contact is made with a delinquent Borrower, collectors present the Borrower with alternative payment methods in order to expedite payments. Collection techniques

include presenting solutions for unexpected short-term financial setbacks which can be resolved within 60 days or less and will not impact future payments. If delinquency cannot be fully resolved within 60 days and the Borrower requests longer arrangements, in appropriate cases solutions such as re-amortization or capitalization may be permitted, provided that the Borrower demonstrates the willingness and ability to resolve the delinquency and a satisfactory financial capacity assessment is performed.

Where collection efforts are exhausted without success, the Servicer determines whether enforcement proceedings are appropriate. If so, the Servicer assigns the Loan account to the Servicer's approved lawyers. Once an account is assigned to the legal process, the account is managed through a network of the Servicer's approved legal and real estate professionals. The Servicer communicates directly and securely with all lawyers, real estate agents and property management business partners to achieve optimal recovery. The course of action pursued with respect to a delinquent Mortgage generally will be guided by a number of factors, including the Borrower's payment history, ability and willingness to pay, the condition and occupancy of the related Property, the amount of the Borrower's equity in the related Property, whether there are any tax arrears, condominium or strata fee arrears, or construction liens and the particular requirements of the provincial enforcement regime.

Prior to a foreclosure or sale by power of sale, once the Servicer is in possession of the related Property, it obtains an appraisal from a Servicer-approved appraiser. The Servicer then hires a real estate agent to sell the related Property. The real estate agent performs a current market analysis which includes: (i) a current valuation of the related Property; (ii) an evaluation of the amount owed, if any, for real estate taxes; and (iii) estimated carrying costs, brokers' fees, repair costs, and other related costs associated with owned real estate. The Servicer sets the sale price for the foreclosure process or the power of sale on the basis of this analysis and its own appraisal.

The foreclosure process and power of sale process vary by jurisdiction across Canada and there are two different ways that the Servicer can acquire the right to sell the related Property. If the Servicer acquires title to a Property at a foreclosure process or a Certificate of Power of Sale at a power of sale process, it obtains an estimate of the sale price of the Property and then hires one or more real estate agents to begin marketing the Property. If the related Property is not vacant when acquired, the lawyers that have been hired to facilitate the Mortgage enforcement commence eviction proceedings and/or negotiations are held with occupants in an attempt to have them vacate without incurring the additional time and cost of eviction. Repairs are performed if it is determined that the repairs will increase the net liquidation proceeds, taking into consideration the cost of repairs, the carrying costs during the repair period and the marketability of the Property both before and after the repairs.

A loss, if any, on a Loan is determined based on the aggregate amount due on the Loan less the aggregate proceeds of sale of the Property minus related expenses. Where the loss results from matters covered by title insurance or property valuation indemnity insurance, the appropriate claim(s) are filed and recovery is pursued. Losses not covered by insurance are assigned to the Servicer's collection process for unsecured indebtedness where appropriate and dependent on provincial guidelines.

Setting of variable rate and other discretionary rates and margins

Pursuant to the terms of the Mortgage Sale Agreement and in accordance with Mortgage Conditions applicable to certain Loans, the Seller or the applicable Originators have prescribed policies relating to interest rate setting, arrears management and handling of complaints which

the Guarantor (and any subsequent purchaser thereof) will be required to adhere to following the transfer of Loans and their Related Security. Such arrears management and handling of complaints policies are consistent with those to be applied by the Servicer under the terms of the Servicing Agreement. The interest rate setting policy specified in the Mortgage Sale Agreement is only applicable to Loans with interest rates which may be varied from time to time in the discretion of the lender under the relevant Loan.

In addition to the undertakings described above, the Servicer has also undertaken in the Servicing Agreement to determine and set the variable rate and any other discretionary rates and margins in relation to any applicable Loans in the Covered Bond Portfolio for which the Guarantor is entitled to set the variable rate and any other discretionary rates and margins pursuant to the terms of such Loans. The Servicer shall set such rates and margins in accordance with the policy to be adhered to by the Guarantor above, at such times as the Guarantor would be entitled to set such rates and margins, except in the limited circumstances described below, when the Guarantor will be entitled to set such rates and margins. The Servicer will not at any time prior to the earlier of (i) the occurrence of a Covered Bond Guarantee Activation Event, and/or (ii) a Servicer Event of Default having occurred, without the prior written consent of the Guarantor, set or maintain any such discretionary rates or margins at rates or margins which are higher than (although they may be lower than or equal to) the applicable then prevailing discretionary rates or margins of the Seller for loans owned by the Seller which have a similarly determined variable rate or margin to the relevant Loan in the Covered Bond Portfolio sold by the Seller to the Guarantor.

In particular, the Servicer will determine on each Calculation Date, having regard to:

(a) the income which the Guarantor would expect to receive during the next succeeding Guarantor Payment Period (the relevant Guarantor Payment Period);

(b) any discretionary rates and margins in respect of the Loans which the Servicer proposes to set under the Servicing Agreement for the relevant Guarantor Payment Period; and

(c) the other resources available to the Guarantor including the Interest Rate Swap Agreement, the Covered Bond Swap Agreement and the Reserve Fund,

whether the Guarantor would receive an amount of income during the relevant Guarantor Payment Period which, when aggregated with the funds otherwise available to it, is less than the amount which is the aggregate of (1) the amount of interest which would be payable (or provisioned to be paid) under the Covered Bond Guarantee on each Guarantor Payment Date falling at the end of the relevant Guarantor Payment Period and any amounts which would be payable (or provisioned to be paid) to the Covered Bond Swap Provider under the Covered Bond Swap Agreement in respect of all Covered Bonds on each Guarantor Payment Date of each Series of Covered Bonds falling at the end of the relevant Guarantor Payment Period and (2) the other senior expenses payable by the Guarantor ranking in priority thereto in accordance with the relevant Priorities of Payments applicable prior to a Guarantor Event of Default.

If the Servicer determines that there will be a shortfall in the foregoing amounts, it will give written notice to the Guarantor and the Bond Trustee, within one Toronto Business Day, of the amount of the shortfall. If the Guarantor or the Bond Trustee notifies the Servicer and the Bank that, having regard to the obligations of the Guarantor and the amount of the shortfall, further Loans and their Related Security should be sold to the Guarantor, the Bank will use all reasonable efforts to ensure that the obligations of the Guarantor for such period will be met. This may include,

making advances under the Intercompany Loan, selling Portfolio Assets to the Guarantor or making a Capital Contribution on or before the next Calculation Date in such amounts and with such rates or margins, as applicable, sufficient to avoid such shortfall on future Calculation Dates.

In addition, the Servicer will determine on each Calculation Date following an Issuer Event of Default, having regard to the aggregate of:

(a) any discretionary rate or margin, in respect of the Loans which the Servicer proposes to set under the Servicing Agreement for the relevant Guarantor Payment Period; and

(b) the other resources available to the Guarantor under the Interest Rate Swap Agreement,

whether the Guarantor would receive an aggregate amount of interest on the Loans sufficient to pay the full amounts payable under the Interest Rate Swap Agreement during the relevant Guarantor Payment Period (the "**Post Issuer Event of Default Yield Shortfall Test**").

If the Servicer determines that the Post Issuer Event of Default Yield Shortfall Test will not be met, it will give written notice to the Guarantor and the Bond Trustee, prior to the Guarantor Payment Date immediately following such Calculation Date, of the amount of the shortfall and the rates or margins, for any discretionary rates or margins which the Guarantor is entitled to set with respect to Loans in the Covered Bond Portfolio pursuant to the terms of such Loans, which need to be set in order for no shortfall to arise and the Post Issuer Event of Default Yield Shortfall Test to be met, having regard to the date(s) on which the change to such discretionary rates or margins would take effect and at all times acting in accordance with the standards of reasonable and prudent institutional mortgage lenders in the Seller's market. If the Guarantor or the Bond Trustee notifies the Servicer that, having regard to the obligations of the Guarantor, such discretionary rates or margins should be increased, the Servicer or replacement Servicer, as the case may be, will take all steps which are necessary to increase such discretionary rates or margins including publishing any notice which is required in accordance with the Mortgage Terms.

The Guarantor and the Bond Trustee may terminate the authority of the Servicer to determine and set any such discretionary rates or margins on the occurrence of a Servicer Event of Default as defined under *"—Removal or resignation of the Servicer*", in which case the Guarantor and the Bond Trustee will agree to appoint the replacement Servicer to set such discretionary rates or margins itself in the manner described above.

Representations and Warranties of Servicer

Under the Servicing Agreement, the Servicer represents and warrants to the Guarantor and the Bond Trustee that (i) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under the Servicing Agreement and the other Transaction Documents to which it is a party and it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions thereunder, (ii) it is rated at or above the Servicer Replacement Threshold Ratings by each of the Rating Agencies, (iii) it is and will continue to be in good standing with OSFI, (iv) it is and will continue to be in material compliance with its internal policies and procedures relevant to the services to be provided by it pursuant to the Servicing Agreement and the other Transaction Documents to which it is party, and (v) it is and will continue to be in material compliance with all laws, regulations and rules

applicable to it in relation to the services provided by it pursuant to the Servicing Agreement and the other Transaction Documents to which it is a party.

Removal or resignation of the Servicer

The Guarantor and the Bond Trustee may (unless otherwise specified below), upon written notice to the Servicer, terminate the Servicer's rights and obligations if any of the following events (each a "**Servicer Termination Event**" and, each of the first four events set out below, a "**Servicer Event of Default**") occurs:

- the Servicer's applicable ratings from the Rating Agencies below the Servicer Replacement Threshold Ratings;

- the Servicer defaults in the payment of any amount due to the Guarantor under the Servicing Agreement and fails to remedy that default for a period of three Toronto Business Days after the earlier of the Servicer becoming aware of the default and receipt by the Servicer of written notice from the Bond Trustee or the Guarantor requiring the same be remedied;

- the Servicer (or any delegate thereof) defaults in remitting any funds as required pursuant to the Servicing Agreement at any time that there has been a downgrade in the ratings of the Servicer by one or more Rating Agencies below the Servicer Deposit Threshold Ratings and such default continues unremedied for a period of one (1) Canadian Business Day after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Bond Trustee or the Guarantor requiring the same to be remedied;

- the Servicer fails to comply with any of its other covenants and obligations under the Servicing Agreement which failure in the reasonable opinion of the Bond Trustee is materially prejudicial to the interests of the holders of the Covered Bonds from time to time and does not remedy such failure within the earlier of 20 Toronto Business Days after becoming aware of the failure and receipt by the Servicer of written notice from the Bond Trustee or the Guarantor requiring the same to be remedied;

- an Insolvency Event occurs in relation to the Servicer or any credit support provider in respect of the Servicer or the merger of the Servicer without an assumption of the obligations under the Servicing Agreement;

- the Guarantor resolves, after due consideration and acting reasonably, that the appointment of the Servicer should be terminated provided that a substitute servicer has entered into a substitute servicing agreement with the parties to the Servicing Agreement (excluding the Servicer) on substantially similar terms and conditions as the Servicing Agreement and for which Rating Agency Confirmation has been received;

- there is a breach by the Servicer of certain representations and warranties or a failure by the Servicer to perform certain covenants made by it under the Servicing Agreement; or

- an Issuer Event of Default occurs and is continuing, or has previously occurred and is continuing, at any time that the Guarantor is Independently Controlled and Governed.

In the case of the occurrence of the first Servicer Termination Event described above at any time that the Guarantor is not Independently Controlled and Governed, the Guarantor shall by notice in writing to the Servicer terminate its appointment as Servicer with effect from a date (not earlier than the date of the notice) specified in the notice.

Termination of the Servicer will become effective upon the appointment of a successor Servicer in place of such Servicer. The Servicer, the Guarantor and the Bond Trustee agree to use commercially reasonable efforts to arrange for the appointment of a successor Servicer.

Subject to the fulfilment of a number of conditions, the Servicer may voluntarily resign by giving not less than 12 months' notice to the Bond Trustee and the Guarantor provided that a substitute servicer qualified to act as such with a management team with experience of administering mortgages in Canada has been appointed and enters into a servicing agreement with the Guarantor substantially on the same terms as the Servicing Agreement, except as to fees. The resignation of the Servicer is conditional on Rating Agency Confirmation unless the holders of the Covered Bonds agree otherwise by Extraordinary Resolution.

If the appointment of the Servicer is terminated, the Servicer must deliver the Loan Files relating to the Loans in the Covered Bond Portfolio administered by it to, or at the direction of, the Guarantor. The Servicing Agreement will terminate at such time as the Guarantor has no further interest in any of the Loans or their Related Security sold to the Guarantor and serviced under the Servicing Agreement that comprised the Covered Bond Portfolio.

The Servicer may sub-contract or delegate the performance of its duties under the Servicing Agreement provided that it meets conditions as set out in the Servicing Agreement.

The Bond Trustee will not be obliged to act as Servicer in any circumstances.

Asset Monitor Agreement

Under the terms of the Asset Monitor Agreement, the Asset Monitor has agreed, subject to due receipt of the information to be provided by the Cash Manager to the Asset Monitor, to carry out arithmetic testing of, and report on the arithmetic accuracy of the calculations performed by the Cash Manager once each year and more frequently in certain circumstances as required by the terms of the Asset Monitor Agreement with a view to confirming that the Asset Coverage Test and/or the Amortization Test, as applicable, is met on each applicable Calculation Date.

If the arithmetic testing conducted by the Asset Monitor reveals any errors in the calculations performed by the Cash Manager, the Asset Monitor will be required to conduct such arithmetic tests and report on such arithmetic accuracy for (a) the last Calculation Period of each calendar quarter of the preceding year, (b) each Calculation Period of the current year until such arithmetic testing demonstrates no arithmetical inaccuracy for three consecutive Calculation Periods, and (c) thereafter, the last Calculation Period of each remaining calendar quarter of the current year.

In addition to the arithmetic testing described above, the Asset Monitor will also perform certain specified procedures in relation to the Covered Bond Portfolio and verify compliance by the Issuer, the Guarantor and the Programme with certain aspects of the Covered Bond Legislative Framework and the CMHC Guide.

The Asset Monitor is entitled, in the absence of manifest error, to assume that all information provided to it by the Cash Manager for the purpose of performing its duties under the Asset

Monitor Agreement is true and correct and not misleading and is not required to report as such or otherwise take steps to verify the accuracy of any such information. Each report of the Asset Monitor delivered in accordance with the terms of the Asset Monitor Agreement will be delivered to the Cash Manager, the Guarantor, the Issuer, the Bond Trustee and CMHC.

The Guarantor will pay to the Asset Monitor a fee per report (exclusive of GST), equal to the amount set out in the Asset Monitor Agreement from time to time, for the reports to be performed by the Asset Monitor.

The Guarantor may, at any time, only with the prior written consent of the Bond Trustee (unless the Asset Monitor defaults in the performance or observance of certain of its covenants or breaches certain of its representations and warranties made, respectively, under the Asset Monitor Agreement, in which case such consent will not be required), terminate the appointment of the Asset Monitor by giving at least 60 days' prior written notice to the Asset Monitor, and the Asset Monitor may, at any time, resign by giving at least 60 days' prior written notice (and immediately if continuing to perform its obligations under the Asset Monitor Agreement becomes unlawful or conflicts with independence or professional rules applicable to the Asset Monitor) to the Guarantor and the Bond Trustee.

Upon giving notice of resignation, the Asset Monitor will use reasonable efforts to assist the Guarantor in appointing a replacement Asset Monitor approved by the Bond Trustee (such approval to be granted by the Bond Trustee if the replacement is an accounting firm of national standing which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Agreement). If a replacement is not appointed by the date which is 30 days prior to the date when tests are to be carried out in accordance with the terms of the Asset Monitor Agreement, then the Guarantor will use all reasonable efforts to appoint an accounting firm of national standing to carry out the relevant tests on a one-off basis, provided that notice of such appointment is given to the Bond Trustee.

The Bond Trustee will not be obliged to act as Asset Monitor in any circumstances.

Guarantor Agreement

The general and limited partners of the Guarantor have agreed to operate the business of the Guarantor in accordance with the terms of the Guarantor Agreement.

General Partner and Limited Partners of the Guarantor

The Managing GP is the managing general partner and the Liquidation GP is the liquidation general partner and the Bank is the sole limited partner of the Guarantor. The Partners will have the duties and obligations, rights, powers and privileges specified in the *Limited Partnerships Act* (Ontario) and pursuant to the terms of the Guarantor Agreement.

No new limited partner may be otherwise appointed, and no new general partner may be added or general partner replaced without the consent of the Limited Partner and, while there are Covered Bonds outstanding, the Bond Trustee, and receipt by the Issuer and/or the Bond Trustee of Rating Agency Confirmation.

Under the Guarantor Agreement, the Limited Partner represents and warrants to the other Partners that (i) it is a validly created chartered bank under the laws of Canada and is validly subsisting under such laws, (ii) it has taken all necessary action to authorize the execution,

delivery and performance of the Guarantor Agreement, (iii) it has the capacity and corporate authority to enter into and perform its obligations under the Guarantor Agreement and such obligations do not conflict with nor do they result in a breach of any of its constating documents or by-laws or any agreement by which it is bound, (iv) no authorization, consent or approval of, or filing with or notice to, any person is required in connection with the execution, delivery or performance of the Guarantor Agreement by the Limited Partner, other than whose which have been obtained, and (v) it is not a non-resident of Canada for purposes of the Act and will retain such status during the term of the partnership governed by the Guarantor Agreement.

No person shall be admitted to, or be permitted to remain in, the partnership as a Partner if such person is a non-resident of Canada for purposes of the Act or (if a partnership) is not a "Canadian partnership" within the meaning of the Act.

Capital Contribution

Each of the Managing GP and the Liquidation GP has contributed a nominal cash amount to the Guarantor and hold 99 per cent and 1 per cent respectively of the 0.05 per cent general partner interest. The Limited Partner holds the substantial economic interest in the Guarantor (approximately 99.95 per cent) having also contributed cash to the Guarantor. The Limited Partner may from time to time make additional Capital Contributions. Such Capital Contributions may be Cash Capital Contributions or Capital Contributions in Kind. In the case of the latter, the Limited Partner will have an additional interest in the capital of the Guarantor equal to the fair market value of those Loans sold by it as at the Transfer Date recorded in the Capital Account Ledger.

New Limited Partners

In the future, any person that wishes to become a new Limited Partner will, subject to the following paragraph, require the consent of the Limited Partner and, while there are Covered Bonds outstanding, the Bond Trustee and be required to accede to the Mortgage Sale Agreement and any other Transaction Documents to which the Limited Partner is a party and deliver such other agreements and provide such other assurances as may be required by the Guarantor and/or the Bond Trustee (acting reasonably). Subject to compliance with the foregoing, the consent of the Covered Bondholders will not be required to the accession of a new Limited Partner to the Guarantor.

The Limited Partner may assign all or some portion of its interest in the Guarantor to any Subsidiary by giving written notice of such assignment to the Guarantor and the Bond Trustee, and the assignee of such interest acceding to the Guarantor Agreement. Any such assignment shall not relieve the Limited Partner of its obligations under the Guarantor Agreement or require the consent of the General Partners, Bond Trustee, the holders of the Covered Bonds or, if applicable, any other Limited Partner.

Capital Distributions

Provided the Asset Coverage Test and/or the Amortization Test, as applicable, will be met after giving effect to any Capital Distribution, the Managing GP, may from time to time, in its discretion, make Capital Distributions to the Partners. Pursuant to the terms of the Guarantor Agreement distributions to the Liquidation GP will be limited to an amount which may be less than the Liquidation GP's *pro rata* interest in the Guarantor.

OC Valuation

The CMHC Guide requires that the Guarantor confirm that the cover pool's Level of Overcollateralization (as defined below) exceeds 103% (the "**Guide OC Minimum**"). Accordingly, for so long as Covered Bonds remain outstanding, the Guarantor (or the Cash Manager on behalf of the Guarantor) will calculate the Level of Overcollateralization at the same time that the Asset Coverage Test is performed, and the Guarantor will compare such Level of Overcollateralization with the Guide OC Minimum (such calculation and comparison, the "**OC Valuation**").

For purposes of the OC Valuation, the "**Level of Overcollateralization**" means the amount, expressed as a percentage, calculated as at each Calculation Date as follows:

$$A \div B$$

where,

A = the lesser of: (i) the total amount of the Cover Pool Collateral; and (ii) the amount of Cover Pool Collateral required to collateralize the Covered Bonds outstanding and ensure that the Asset Coverage Test is met,

B = the Canadian Dollar Equivalent of the Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.

The term "**Cover Pool Collateral**" shall, for the purposes of the foregoing calculation, include, as calculated on the relevant Calculation Date,

(a) the Loans owned by the Guarantor that meet the Eligibility Criteria and are less than three months in arrears and such Loans will be valued using their Outstanding Principal Balance; and

(b) Substitute Assets owned by the Guarantor and such assets shall be valued using their outstanding principal amount;

provided that, the "Cover Pool Collateral" shall not include Contingent Collateral Amounts, Swap Collateral Excluded Amounts or Voluntary Overcollateralization.

The Issuer must provide immediate notice to CMHC if the Level of Overcollateralization falls below the Guide OC Minimum. The OC Valuation will be calculated by the Cash Manager as at each Calculation Date and monitored from time to time by the Asset Monitor. Such calculation will be completed within the time period specified in the Cash Management Agreement. The Level of Overcollateralization, with a comparison to the Guide OC Minimum, must be disclosed for the month the calculation is performed in each Investor Report and each public offering document prepared, filed or otherwise made available to investors during the currency of the calculation.

Asset Coverage Test

The Guarantor must ensure that on each Calculation Date, the Adjusted Aggregate Asset Amount is in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated at the relevant Calculation Date.

If on any Calculation Date, the Adjusted Aggregate Asset Amount is less than the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds as calculated at

the relevant Calculation Date, then the Guarantor (or the Cash Manager on its behalf) will notify the Partners, the Bond Trustee and CMHC thereof. The Bank shall use all reasonable efforts to ensure that the Guarantor satisfies the Asset Coverage Test. This may include making advances under the Intercompany Loan, selling New Loans and their Related Security to the Guarantor or making a Capital Contribution in cash or in kind on or before the next Calculation Date in amounts sufficient to avoid such shortfall on future Calculation Dates. If the Adjusted Aggregate Asset Amount is less than the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds on the next following Calculation Date, the Asset Coverage Test will be breached and the Guarantor (or the Cash Manager on its behalf) will serve an Asset Coverage Test Breach Notice on the Partners, the Bond Trustee, CMHC and, if delivered by the Cash Manager, the Guarantor. The Asset Coverage Test Breach Notice will be revoked if the Asset Coverage Test is satisfied on the next Calculation Date following service of an Asset Coverage Test Breach Notice provided no Covered Bond Guarantee Activation Event has occurred.

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

(a) the Guarantor may be required to sell Randomly Selected Loans (as described further under "Guarantor Agreement—Sale of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor");

(b) prior to the occurrence of a Covered Bond Guarantee Activation Event, the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments will be modified as more particularly described in "Allocation and distribution of Available Revenue Receipts and Available Principal Receipts when an Asset Coverage Test Breach Notice is outstanding but no Covered Bond Guarantee Activation Event has occurred" below; and

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

If an Asset Coverage Test Breach Notice has been served and not revoked on or before the Guarantor Payment Date immediately following the Calculation Date after service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default will occur and the Bond Trustee will be entitled (and, in certain circumstances may be required) to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice, the Bond Trustee will be required to serve a Notice to Pay on the Guarantor.

For the purposes hereof:

"**Adjusted Aggregate Asset Amount**" means the amount calculated as at each Calculation Date as follows:

$$A+B+C+D+E-Y-Z$$

where,

A = the lower of (i) and (ii) where:

(i) = the sum of the **"LTV Adjusted Loan Balance"** of each Loan in the Covered Bond Portfolio, which shall be the lower of (1) the actual Outstanding Principal Balance of the relevant Loan in the Covered Bond Portfolio on such Calculation Date, and (2) 80% multiplied by the Latest Valuation relating to that Loan, in each case multiplied by M.

"M" means:

(a) 100% for all Loans that are not Non-Performing Loans; or

(b) 0% for all Loans that are Non-Performing Loans;

minus

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the LTV Adjusted Loan Balance of the relevant Loan or Loans on such Calculation Date of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced, by an amount equal to the resulting financial loss incurred by the Guarantor in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Seller to indemnify the Guarantor for such financial loss);

AND

(ii) = the aggregate "**Asset Percentage Adjusted Loan Balance**" of the Loans in the Covered Bond Portfolio which in relation to each Loan shall be the lower of (1) the actual Outstanding Principal Balance of the relevant Loan on such Calculation Date, and (2) the Latest Valuation relating to that Loan, in each case multiplied by N.

"N" means

(a) 100% for all Loans that are not Non-Performing Loans; or

(b) 0% for all Loans that are Non-Performing Loans;

minus

the aggregate sum of the following deemed reductions to the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the Asset Percentage Adjusted Loan Balance of the relevant Loan or Loans (as calculated on such Calculation Date) of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in the immediately preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the Guarantor in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Seller to indemnify the Guarantor for such financial loss),

the result of the calculation in this paragraph (ii) being multiplied by the Asset Percentage (as defined below);

B = the aggregate amount of any Principal Receipts on the Portfolio Assets up to such Calculation Date (as recorded in the Principal Ledger) which have not been applied as at such Calculation Date to acquire further Portfolio Assets or otherwise applied in accordance with the Guarantor Agreement and/or the other Transaction Documents;

C = the aggregate amount of (i) any Cash Capital Contributions made by the Partners (as recorded in the Capital Account Ledger for each Partner of the Guarantor), (ii) proceeds advanced under the Intercompany Loan Agreement or (iii) proceeds from any sale of Randomly Selected Loans which, in each case, have not been applied as at such Calculation Date to acquire further Portfolio Assets or otherwise applied in accordance with the Guarantor Agreement and/or the other Transaction Documents;

D = the aggregate outstanding principal balance of any Substitute Assets;

E = the balance, if any, of the Reserve Fund;

Y = the sum of (i) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date and delivered with respect to the Interest Rate Swap Agreement, plus (ii) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date delivered with respect to the Covered Bond Swap Agreement, in each case, determined as at such Calculation Date; and

Z = the weighted average remaining maturity expressed in years of all Covered Bonds then outstanding multiplied by the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor where the "**Negative Carry Factor**" is, if the weighted average margin of the interest rate payable on the Principal Amount Outstanding of the Covered Bonds relative to the interest rate receivable on the Covered Bond Portfolio is (i) less than or equal to 0.1 per cent per annum, 0.5 per cent or (ii) greater than 0.1 per cent per annum, 0.5 per cent plus such margin minus 0.1 per cent; provided that if the weighted average remaining maturity of the Covered Bonds then outstanding is less than one year, the weighted average maturity shall be deemed, for the purposes of this calculation, to be one year, unless and for so long as the Interest Rate Swap Agreement (x) has an effective date that has occurred prior to the related Calculation Date, and (y) provides for the hedging of interest received in respect of (i) the Portfolio Assets; (ii) any Substitute Assets; and (iii) cash balances held in the GDA Account; whereupon the Negative Carry Factor shall be zero.

"**Asset Percentage**" means 93.0 per cent or such lesser percentage figure as determined from time to time in accordance with the terms of the Guarantor Agreement, provided that the Asset Percentage shall not be less than 80 per cent unless otherwise agreed by the Issuer (and following an Issuer Event of Default, the Guarantor for the purposes of making certain determinations in respect of the Intercompany Loan). Any increase in the maximum Asset Percentage will be deemed to be a material amendment to the Trust Deed and will require satisfaction of the Rating Agency Confirmation. See "— *Modification of Transaction Documents*".

On or prior to the Guarantor Payment Date immediately following the Calculation Date falling in February, May, August and November of each year and on such other date as the Bank may request following the date on which the Bank is required to assign the Interest Rate Swap Agreement to a third party, the Guarantor (or the Cash Manager on its behalf) will determine the Asset Percentage in accordance with the terms of the Guarantor Agreement and the various methodologies of the Rating Agencies which may from time to time be prescribed for the Covered Bond Portfolio based on the value of the Portfolio Assets as at the Calculation Date immediately preceding such Calculation Date (being such values for the Loans on the Calculation Date in January, April, July or October, as applicable) as a whole or on the basis of a sample of Randomly Selected Loans in the Covered Bond Portfolio, such calculations to be made on the same basis throughout unless Rating Agency Confirmation has been received in respect thereof.

Amortization Test

Following the occurrence and during the continuance of an Issuer Event of Default (but prior to service of a Guarantor Acceleration Notice) and, for so long as Covered Bonds remain outstanding, the Guarantor must ensure that, on each Calculation Date following the occurrence and during the continuance of an Issuer Event of Default, the Guarantor is in compliance with the Amortization Test.

Following the occurrence and during the continuance of an Issuer Event of Default, if on any Calculation Date the Amortization Test Aggregate Asset Amount is less than the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date, then the Amortization Test will be deemed to be breached and a Guarantor Event of Default will occur. The Guarantor, the Cash Manager or the Asset Monitor, as the case may be, will immediately and in any event prior to the Guarantor Payment Date

immediately following such Calculation Date, notify the Guarantor, the Issuer, the Bond Trustee (while Covered Bonds are outstanding), and CMHC of any breach of the Amortization Test and the Bond Trustee will be entitled to serve a Guarantor Acceleration Notice in accordance with the Conditions.

The "**Amortization Test Aggregate Asset Amount**" will be calculated as at each Calculation Date as follows:

A+B+C-Y-Z

where

A = the aggregate "**Amortization Test True Balance**" of each Loan, which shall be the lower of (1) the actual True Balance of the relevant Loan as calculated on such Calculation Date and (2) 80% multiplied by the Latest Valuation, in each case multiplied by N.

"N" means

(a) 100% for all Loans that are not Non-Performing Loans; or

(b) 0% for all Loans that are Non-Performing Loans;

B = the sum of the amount of any cash standing to the credit of the Guarantor Accounts (excluding any Revenue Receipts received in the immediately preceding Calculation Period);

C = the aggregate outstanding principal balance of any Substitute Assets;

Y = the sum of (i) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date and delivered with respect to the Interest Rate Swap Agreement, plus (ii) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date delivered with respect to the Covered Bond Swap Agreement, in each case determined as at such Calculation Date; and

Z = zero so long as the Interest Rate Swap Agreement (x) has an effective date that has occurred prior to the related Calculation Date, and (y) provides for the hedging of interest received in respect of (i) the Portfolio Assets; (ii) any Substitute Assets; and (iii) cash balances held in the GDA Account; otherwise the weighted average remaining maturity expressed in years of all Covered Bonds then outstanding multiplied by the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor (provided that if the weighted average remaining maturity is less than one, the weighted average shall be deemed, for the purposes of this calculation, to be one).

Valuation Calculation

For so long as the Covered Bonds remain outstanding, the Guarantor must ensure that the Valuation Calculation is performed on each Calculation Date. The results of the Valuation Calculation for a Calculation Date will be disclosed in the related Investor Report.

The Valuation Calculation is equal to the Asset Value (as defined below) minus the Canadian Dollar Equivalent of the Trading Value of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.

"**Asset Value**" means the amount calculated as at each Calculation Date as follows:

A+B+C+D+E+F

where

A = the aggregate "**LTV Adjusted Loan Present Value**" of each Loan in the Covered Bond Portfolio, which shall be the lower of (1) the Present Value of the relevant Loan in the Covered Bond Portfolio on such Calculation Date, and (2) 80% multiplied by the Latest Valuation relating to that Loan, in each case multiplied by M.

"M" means:

(a) 100% for all Loans that are not Non-Performing Loans; or

(b) 0% for all Loans that are Non-Performing Loans;

minus

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted Loan Present Value of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate LTV Adjusted Loan Present Value of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the LTV Adjusted Present Value of the relevant Loan or Loans on such Calculation Date of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate LTV Adjusted Loan Present Value of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced, by an amount equal to the resulting financial loss incurred by the Guarantor in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Seller to indemnify the Guarantor for such financial loss);

B = the aggregate amount of any Principal Receipts on the Portfolio Assets up to such Calculation Date (as recorded in the Principal Ledger) which have not been applied as at such Calculation Date to acquire further Portfolio Assets or otherwise applied in accordance with the Guarantor Agreement and/or the other Transaction Documents;

C = the aggregate amount of (i) any Cash Capital Contributions made by the Partners (as recorded in the Capital Account Ledger for each Partner of the Guarantor), (ii) proceeds advanced under the Intercompany Loan Agreement or (iii) proceeds from any sale of Randomly Selected Loans which, in each case, have not been applied as at such Calculation Date to acquire further Portfolio Assets or otherwise applied in accordance with the Guarantor Agreement and/or the other Transaction Documents;

D = the Trading Value of any Substitute Assets;

E = the balance, if any, of the Reserve Fund; and

F = the Trading Value of the Swap Collateral.

Sales of Randomly Selected Loans following a breach of the Pre-Maturity Test

The Pre-Maturity Test will be breached if the applicable ratings fall below the Pre-Maturity Minimum Ratings and a Hard Bullet Covered Bond is due for repayment within a specified period of time thereafter. See "*Credit Structure—Pre-Maturity Liquidity*". If the Pre-Maturity Test is breached, the Guarantor may offer to sell Randomly Selected Loans pursuant to the terms of the Guarantor Agreement (see "*Method of sale of Portfolio Assets*" below), subject to:

(i) any right of pre-emption of the Seller pursuant to the terms of the Mortgage Sale Agreement or the Security Sharing Agreement, as applicable;

(ii) a Contribution in Kind made by one or more of the Partners (as recorded in the Capital Account Ledger for such Partners of the Guarantor) of certain Substitute Assets in accordance with the Guarantor Agreement with an aggregate principal amount up to the Pre-Maturity Liquidity Required Amount (which shall be a credit to the Pre-Maturity Liquidity Ledger); or

(iii) Cash Capital Contributions made by one or more of the Partners (as recorded in the Capital Account Ledger for each applicable Partner of the Guarantor) or proceeds advanced under the Intercompany Loan Agreement which have not been applied to acquire further Portfolio Assets or otherwise applied in accordance with the Guarantor Agreement and/or the other Transaction Documents with an aggregate principal amount up to the Pre-Maturity Liquidity Required Amount (which shall be a credit to the Pre-Maturity Liquidity Ledger).

If the Issuer fails to repay any Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof, then following the occurrence of an Issuer Event of Default and service of a Notice to Pay on the Guarantor, the proceeds from any sale of Randomly Selected Loans standing to the credit of the Pre-Maturity Liquidity Ledger will be applied to repay the relevant Series of Hard Bullet Covered Bonds. Otherwise, the proceeds will be applied as set out in "*Credit Structure – Pre-Maturity Liquidity*" below.

Sales of Randomly Selected Loans after a Demand Loan Repayment Event has occurred or the Issuer has otherwise demanded that the Demand Loan be repaid

If, prior to the service of an Asset Coverage Test Breach Notice or a Notice to Pay, a Demand Loan Repayment Event has occurred or the Issuer has demanded that the Demand Loan be

repaid, the Guarantor may be required to sell Portfolio Assets in accordance with the Guarantor Agreement (see "*Method of sale of Portfolio Assets*" below), subject to the rights of pre-emption enjoyed by the Seller to purchase the Portfolio Assets pursuant to the terms of the Mortgage Sale Agreement. Any such sale will be subject to the condition that the Asset Coverage Test is satisfied after the receipt of the proceeds of such sale and repayment, after giving effect to such repayment.

Sales of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor

At any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor, but prior to service of a Guarantor Acceleration Notice on the Guarantor, the Guarantor may be obliged to sell Portfolio Assets in accordance with the Guarantor Agreement (see "*Method of sale of Portfolio Assets*" below), subject to the rights of pre-emption enjoyed by the Seller to buy the Portfolio Assets pursuant to the terms of the Mortgage Sale Agreement and subject to additional advances on the Intercompany Loan and any Cash Capital Contribution made by the Limited Partner. The proceeds from any such sale or refinancing will be credited to the GDA Account and applied as set out in the Priorities of Payments (see "*Cashflows*" below).

Method of sale of Portfolio Assets

If the Guarantor is required to sell Portfolio Assets to Purchasers following a breach of the Pre-Maturity Test, the occurrence of a Demand Loan Repayment Event, the Demand Loan being demanded by the Issuer, the service of an Asset Coverage Test Breach Notice (if not revoked) or a Notice to Pay on the Guarantor, the Guarantor will be required to ensure that before offering Portfolio Assets for sale:

(a) the Portfolio Assets being sold are Randomly Selected Loans; and

(b) the Portfolio Assets have an aggregate True Balance in an amount (the "**Required True Balance Amount**") which is as close as possible to the amount calculated as follows:

(i) following a Demand Loan Repayment Event or the Demand Loan being demanded by the Bank but prior to service of an Asset Coverage Test Breach Notice, such amount that would ensure that, if the Randomly Selected Loans were sold at their True Balance, the Demand Loan as calculated on the date of the demand could be repaid, subject to satisfaction of the Asset Coverage Test; or

(ii) following the service of an Asset Coverage Test Breach Notice (but prior to service of a Notice to Pay on the Guarantor), such amount that would ensure that, if the Portfolio Assets were sold at their True Balance, the Asset Coverage Test would be satisfied on the next Calculation Date taking into account the payment obligations of the Guarantor on the Guarantor Payment Date following that Calculation Date (assuming for this purpose that the Asset Coverage Test Breach Notice is not revoked on the next Calculation Date); or

(iii) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Guarantor:

$$N \times \frac{\text{True Balance of all the Portfolio Assets in the Covered Bond Portfolio}}{\text{the Canadian Dollar Equivalent of the Required Redemption Amount in respect of each Series of Covered Bonds then outstanding}}$$

where "N" is an amount equal to

(x) in respect of Randomly Selected Loans being sold following a breach of the Pre-Maturity Test, the Pre-Maturity Liquidity Required Amount less amounts standing to the credit of the Pre-Maturity Liquidity Ledger; or

(y) in respect of Randomly Selected Loans being sold following service of a Notice to Pay, the Canadian Dollar Equivalent of the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the Guarantor Accounts and the principal amount of any Substitute Assets (excluding all amounts to be applied on the next following Guarantor Payment Date to repay higher ranking amounts in the Guarantee Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds).

The Guarantor will offer the Portfolio Assets for sale to Purchasers for the best price reasonably available but in any event:

(a) following (i) a Demand Loan Repayment Event, the Demand Loan being demanded by the Bank or (ii) the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay on the Guarantor), in each case, for an amount not less than the True Balance of the Portfolio Assets; and

(b) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Guarantor, for an amount not less than the Adjusted Required Redemption Amount.

Following the service of a Notice to Pay on the Guarantor, if the Portfolio Assets have not been sold (in whole or in part) in an amount equal to the Adjusted Required Redemption Amount by the date which is six months prior to, as applicable, if the Covered Bonds are not subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Final Maturity Date or, if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto), or the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds in respect of a sale in connection with the Pre-Maturity Test, then the Guarantor will offer the Portfolio Assets for sale for the best price reasonably available notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

The Guarantor will through a tender process appoint a portfolio manager of recognized standing on a basis intended to incentivize the portfolio manager to achieve the best price for the sale of the Portfolio Assets (if such terms are commercially available in the market) and to advise it in relation to the sale of the Portfolio Assets to Purchasers (except where the Seller is buying the Portfolio Assets in accordance with their right of pre-emption in the Mortgage Sale Agreement).

The terms of the agreement giving effect to the appointment in accordance with such tender will be approved by the Bond Trustee.

In respect of any sale or refinancing (as applicable) of Portfolio Assets at any time an Asset Coverage Test Breach Notice is outstanding, a breach of the Pre-Maturity Test, or a Notice to Pay has been served on the Guarantor, the Guarantor will instruct the portfolio manager to use all reasonable efforts to procure that Portfolio Assets are sold or refinanced (as applicable) as quickly as reasonably practicable (in accordance with the recommendations of the portfolio manager) taking into account the market conditions at that time and the scheduled repayment dates of the Covered Bonds and the terms of the Guarantor Agreement.

The terms of any sale and purchase agreement with respect to the sale of Portfolio Assets (which will give effect to the recommendations of the portfolio manager) will be subject to the prior written approval of the Bond Trustee. The Bond Trustee will not be required to release the Portfolio Assets from the Security unless the conditions relating to the release of the Security (as described under "*Security Agreement—Release of Security*", below) are satisfied.

Following the service of a Notice to Pay on the Guarantor, if Purchasers accept the offer or offers from the Guarantor so that some or all of the Portfolio Assets will be sold prior to the next following Final Maturity Date or, if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the next following Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, then the Guarantor will, subject to the foregoing paragraph, enter into a sale and purchase agreement with the relevant Purchasers which will require among other things a cash payment from the relevant Purchasers. Any such sale will not include any Loan Representations and Warranties from the Guarantor in respect of the Portfolio Assets unless expressly agreed by the Bond Trustee or otherwise agreed with the Seller.

Covenants of the General Partner and Limited Partner of the Guarantor

Each of the Partners covenants that, subject to the terms of the Transaction Documents, it will not sell, transfer, convey, create or permit to arise any security interest on, declare a trust over, create any beneficial interest in or otherwise dispose of its interest in the Guarantor without the prior written consent of the Managing GP and, while the Covered Bonds are outstanding, the Bond Trustee.

The Guarantor covenants that it will not, save with the prior written consent of the Limited Partner (and, for so long as any Covered Bonds are outstanding, the consent of the Bond Trustee) or as envisaged by the Transaction Documents

(a) have an interest in a bank account;

(b) have any employees, premises or subsidiaries;

(c) acquire any material assets;

(d) sell, exchange, deal with or grant any option, present or future right to acquire any of the assets or undertakings of the Guarantor or any interest therein or thereto;

(e) enter into any contracts, agreements or other undertakings;

(f) incur any indebtedness or give any guarantee or indemnity in respect of any such indebtedness;

(g) create or permit to subsist any security interest over the whole or any part of the assets or undertakings, present or future of the Guarantor;

(h) change the name or business of the Guarantor or do any act in contravention of, or make any amendment to, the Guarantor Agreement;

(i) do any act which makes it impossible to carry on the ordinary business of the Guarantor, including winding up the Guarantor;

(j) compromise, compound or release any debt due to it;

(k) commence, defend, consent to a judgment, settle or compromise any litigation or other claims relating to it or any of its assets;

(l) permit a person to become a general or limited partner (except in accordance with the terms of the Guarantor Agreement); or

(m) consolidate or merge with another person.

The funds and assets of the Guarantor shall not (except in accordance with the terms of the Guarantor Agreement, the other Transaction Documents and the CMHC Guide) be commingled with the funds or assets of the Managing GP or the Liquidation GP or of any other person. For greater certainty, subject to such permitted commingling in accordance with the terms of the Guarantor Agreement, the other Transaction Documents and the CMHC Guide, all cash and Substitute Assets of the Guarantor shall be held in one or more Guarantor Accounts and all Substitute Assets shall be segregated from the assets of the Account Bank.

Limit on investing in Substitute Assets; Prescribed Cash Limitation

At any time that no Asset Coverage Test Breach Notice is outstanding and prior to a Notice to Pay having been served on the Guarantor, the Guarantor will be permitted to hold Substitute Assets provided that the aggregate value of the Substitute Assets does not at any time exceed an amount equal to 10 per cent of the aggregate value of (x) the Loans and Related Security, (y) any Substitute Assets, and (z) all cash held by the Guarantor (subject to the Prescribed Cash Limitation) and provided that investments in Substitute Assets are made in accordance with the terms of the Cash Management Agreement and subject to the applicable Priority of Payments.

At any time an Asset Coverage Test Breach Notice is outstanding or a Covered Bond Guarantee Activation Event has occurred, the Substitute Assets held by or on behalf of the Guarantor must be sold as quickly as reasonably practicable with proceeds credited to the GDA Account.

The Guarantor may not at any time hold cash in excess of (such limitation, the "**Prescribed Cash Limitation**") (i) the amount necessary to meet its payment obligations for the immediately succeeding six months pursuant to the terms of the Transaction Documents, or (ii) such greater amount as CMHC may at its discretion permit in accordance with the Covered Bond Legislative Framework and the CMHC Guide, in each case excluding amounts received between Guarantor Payment Dates; provided that to the extent that cash receipts of the Guarantor cause it to hold cash in excess of the amount permitted in (i) or (ii), as applicable, the Guarantor will not be in

breach of this covenant if it uses such excess amount to (w) purchase New Loans and their Related Security for the Covered Bond Portfolio pursuant to the terms of the Mortgage Sale Agreement; and/or (x) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (y) subject to complying with the Asset Coverage Test, to make Capital Distributions to the Limited Partner; and/or (z) repay all or a portion of the Demand Loan, in each case, within 31 days of receipt.

For greater certainty, amounts standing to the credit of the Pre-Maturity Liquidity Ledger and the Reserve Fund (other than, in each case, those amounts that constitute Substitute Assets) constitute cash and are subject to the Prescribed Cash Limitation. In the event that the Guarantor is required to fund the Pre-Maturity Liquidity Ledger and/or the Reserve Fund in accordance with the Transaction Documents and such funding would cause the Guarantor to hold cash in excess of the Prescribed Cash Limitation, any cash held by the Guarantor in excess of such cash standing to the credit of the Pre-Maturity Liquidity Ledger and the Reserve Fund shall be used by the Guarantor in accordance with clauses (w), (x), (y) and (z) in the immediately preceding paragraph above to ensure that the Guarantor is not in breach of the Prescribed Cash Limitation. In the event that the Guarantor is in breach of the Prescribed Cash Limitation and it does not hold any cash other than the amounts it is required to hold in order to fund the Pre-Maturity Liquidity Ledger and the Reserve Fund in accordance with the Transaction Documents, the Guarantor will request that CMHC, in accordance with the discretion granted to it under the Covered Bond Legislative Framework and the CMHC Guide, permit the Guarantor to hold such amount of cash in excess of the Prescribed Cash Limitation as may be required to allow it to comply with the Transaction Documents in the circumstances.

Other Provisions

The allocation and distribution of Revenue Receipts, Principal Receipts and all other amounts received by the Guarantor is described under "*Cashflows*" below.

For so long as any Covered Bonds are outstanding, each of the Partners has agreed that it will not terminate or purport to terminate the Guarantor or institute any winding-up, administration, insolvency or other similar proceedings against the Guarantor. Furthermore, each of the Partners has agreed, among other things, except as otherwise specifically provided in the Transaction Documents not to demand or receive payment of any amounts payable to such Partners by the Guarantor (or the Cash Manager on its behalf) or the Bond Trustee unless all amounts then due and payable by the Guarantor to all other creditors ranking higher in the relevant Priorities of Payments have been paid in full.

Each of the Partners will be responsible for the payment of its own tax liabilities and will be required to indemnify the other from any liabilities which they incur as a result of the relevant partner's non-payment.

Following the appointment of a liquidator to any partner, any decisions of the Guarantor that are reserved to the Partners or a unanimous decision of the Partners in the Guarantor Agreement will be made by the Partner(s) not in liquidation only.

Cash Management Agreement

The Cash Manager has agreed to provide certain cash management services to the Guarantor pursuant to the terms of the Cash Management Agreement.

The Cash Manager's services include but are not limited to:

(a) maintaining the Ledgers on behalf of the Guarantor;

(b) collecting the Revenue Receipts and the Principal Receipts from the Servicer and distributing and/or depositing the Revenue Receipts and the Principal Receipts in accordance with the Priorities of Payments described under "*Cashflows*", below;

(c) determining whether the Asset Coverage Test is satisfied on each Calculation Date in accordance with the Guarantor Agreement, as more fully described under "*Credit Structure—Asset Coverage Test*";

(d) determining whether the Amortization Test is satisfied on each Calculation Date following the occurrence and during the continuance of an Issuer Event of Default in accordance with the Guarantor Agreement, as more fully described under "*Credit Structure—Amortization Test*", below;

(e) preparation of Investor Reports in respect of the Covered Bonds for the Bond Trustee and the Rating Agencies; and

(f) on each Toronto Business Day, determining whether the Pre-Maturity Test for each Series of Hard Bullet Covered Bonds, if any, is satisfied as more fully described under "*Credit Structure—Pre-Maturity Liquidity*" below.

Under the Cash Management Agreement, the Cash Manager represents and warrants to the Guarantor and the Bond Trustee that (i) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under the Cash Management Agreement and the other Transaction Documents to which it is a party and it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions thereunder, (ii) it is rated at or above the Cash Manager Required Ratings by each of the Rating Agencies, (iii) it is and will continue to be in good standing with OSFI, (iv) it is and will continue to be in material compliance with its internal policies and procedures relevant to the services to be provided by it pursuant to the Cash Management Agreement and the other Transaction Documents to which it is party, and (v) it is and will continue to be in material compliance with all laws, regulations and rules applicable to it in relation to the services provided by it pursuant to the Cash Management Agreement and the other Transaction Documents to which it is a party.

In the event of a downgrade in the ratings of the Cash Manager by the Rating Agencies below the Cash Management Deposit Ratings, the Cash Manager will be required to (i) direct the Servicer to deposit all Revenue Receipts and Principal Receipts received by the Servicer directly into the GDA Account, and (ii) transfer any amounts held by it to the Transaction Account (or Standby Transaction Account) or GDA Account (or Standby GDA Account) within 5 Business Days (inclusive of all cure periods).

In the event of a downgrade in the ratings of the Cash Manager by the Rating Agencies below the Cash Manager Required Ratings, the Cash Manager will, in certain circumstances, be required to assign the Cash Management Agreement to a third party service provider acceptable to the Bond Trustee and for which Rating Agency Confirmation has been received. The Guarantor will also have the discretion to terminate the Cash Manager if an Issuer Event of Default occurs and is continuing, or has previously occurred and is continuing, at any time that the Guarantor is Independently Controlled and Governed. In addition to the foregoing, the Guarantor and the Bond

Trustee will, in certain circumstances, each have the right to terminate the appointment of the Cash Manager in which event the Guarantor will appoint a substitute (the identity of which will be subject to the Bond Trustee's written approval). Any substitute cash manager will have substantially the same rights and obligations as the Cash Manager (although the fee payable to the substitute cash manager may be higher).

Interest Rate Swap Agreement

To provide a hedge against possible variances in the rates of interest payable on the Portfolio Assets and related amounts in the Covered Bond Portfolio (which may, for instance, include variable rates of interest or fixed rates of interest) and the interest amounts payable on the Intercompany Loan and, following the Covered Bond Swap Effective Date, the Covered Bond Swap Agreement, the Guarantor has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider. The Guarantor and the Interest Rate Swap Provider agreed to swap the amount of interest received by the Guarantor from Borrowers and related amounts in the Covered Bond Portfolio in exchange for (i) an amount sufficient to pay the interest payable on the Intercompany Loan plus a minimum spread and an amount for certain expenses of the Guarantor, and (ii) following a Covered Bond Swap Effective Date, the amounts payable by the Guarantor under the Covered Bond Swap Agreements plus a minimum spread and an amount for certain expenses of the Guarantor.

The amounts payable by the Interest Rate Swap Provider under the Interest Rate Swap Agreement, and the amounts payable by the Guarantor following a Covered Bond Swap Effective Date under Covered Bond Swap Agreements are based on CORRA effective 1 July 2024.

The Interest Rate Swap Agreement will terminate (unless terminated earlier by an Interest Rate Swap Early Termination Event) on the earlier of:

(a) the Final Maturity Date for the final Tranche or Series of Covered Bonds then outstanding (provided that the Issuer has not given prior written notice to the Interest Rate Swap Provider and the Guarantor that it intends to issue additional Covered Bonds following such date) or, if the Guarantor notifies the Interest Rate Swap Provider, prior to the Final Maturity Date for such final Tranche or Series of Covered Bonds then outstanding, of the inability of the Guarantor to pay in full Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such final Tranche or Series of Covered Bonds then outstanding, the final date on which an amount representing the Final Redemption Amount for such final Tranche or Series of Covered Bonds then outstanding is paid (but in any event not later than the Extended Due for Payment Date for such Tranche or Series of Covered Bonds);

(b) the date designated therefor by the Bond Trustee and notified to the Interest Rate Swap Provider and the Guarantor for purposes of realizing the Security in accordance with the Security Agreement and distributing the proceeds therefrom in accordance with the Post-Enforcement Priority of Payments following the enforcement of the Security pursuant to Condition 7.03;

(c) the date on which the notional amount under the Interest Rate Swap Agreement reduces to zero (as a result of the reduction for the amount of any Early Redemption Amount paid pursuant to Condition 7.02 in respect of the final Tranche or Series of Covered Bonds then outstanding or any Final Redemption Amount

paid pursuant to Condition 6.01 in respect of the final Tranche or Series of Covered Bonds then outstanding following the Final Maturity Date for such Tranche or Series of Covered Bonds, provided in each case that the Issuer has not given prior written notice to the Interest Rate Swap Provider and the Guarantor that it intends to issue additional Covered Bonds following such date); and

(d) the date of redemption pursuant to Conditions 6.02 or 6.13 in respect of any final Tranche or Series of Covered Bonds then outstanding (provided that the Issuer has not given prior written notice to the Interest Rate Swap Provider that it intends to issue additional Covered Bonds following such date).

The Interest Rate Swap Agreement may also be terminated in certain other circumstances (each referred to as an "**Interest Rate Swap Early Termination Event**"), including:

- subject to the following paragraph, at the option of any party to the Interest Rate Swap Agreement, if there is a failure by the other party to pay any amounts due under the Interest Rate Swap Agreement, however, no such failure to pay by the Guarantor will entitle the Interest Rate Swap Provider to terminate the Interest Rate Swap Agreement, if such failure is due to the assets available at such time to the Guarantor being insufficient to make the required payment in full;

- subject to the following paragraph, at the option of the Guarantor, if the Interest Rate Swap Provider is the Issuer and an Issuer Event of Default has occurred which has resulted in the Covered Bonds becoming due and payable under their respective terms;

- subject to the following paragraph, at the option of the Guarantor, in the event that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations or, respectively, the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Provider or any credit support provider, as applicable, cease to be rated at least P-1 or A2, respectively, by Moody's, or, if such person does not have a short-term rating assigned by Moody's, the long-term unsecured, unsubordinated and unguaranteed debt obligations of such person cease to be rated at least A1 by Moody's, or (ii) the short-term issuer default rating and the long-term issuer default rating of the Interest Rate Swap Provider or any credit support provider, as applicable, cease to be at least F1 and A, respectively, by Fitch, (each such event, an "**Initial IRS Downgrade Trigger Event**") and the Interest Rate Swap Provider does not provide credit support to the Guarantor within 10 Business Days of the occurrence of such Initial IRS Downgrade Trigger Event pursuant to the terms of the applicable credit support annex, or, within 30 calendar days (in the case of an Initial IRS Downgrade Trigger Event caused by a failure to maintain the minimum ratings specified by Moody's) or 14 calendar days (in the case of an Initial IRS Downgrade Trigger Event caused by a failure to maintain the minimum ratings specified by Fitch), arrange for its obligations under the Interest Rate Swap Agreement to be guaranteed by, or transferred to, an entity with rating(s) required by the relevant Rating Agencies;

- subject to the following paragraph, at the option of the Guarantor, in the event that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations or, respectively, the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Provider or any credit support provider, as applicable, cease to be rated at least P-2 or A3, respectively, by Moody's, or (ii) the short-term issuer default rating and the long-term issuer default rating of the Interest Rate Swap Provider or any

credit support provider, as applicable, cease to be at least F3 and BBB-, respectively, by Fitch, (each such event, a "**Subsequent IRS Downgrade Trigger Event**", and together with the Initial IRS Downgrade Trigger Events, the "**IRS Downgrade Trigger Events**") and the Interest Rate Swap Provider does not, within 15 calendar days, arrange for its obligations under the Interest Rate Swap Agreement to be guaranteed by, or transferred to, an entity with rating(s) required by the relevant Rating Agencies, and does not provide additional credit support to the Guarantor within 10 Business Days of the occurrence of such Subsequent IRS Downgrade Trigger Event pursuant to the terms of the applicable credit support annex; and

- upon the occurrence of the insolvency of the Interest Rate Swap Provider, or any credit support provider and certain insolvency-related events in respect of the Guarantor, or the merger of the Interest Rate Swap Provider without an assumption of the obligations under the Interest Rate Swap Agreement.

If, at any time, the Guarantor (a) is Independently Controlled and Governed, the Guarantor has the discretion, but is not required to, (i) waive any requirement of the Interest Rate Swap Provider to provide credit support, obtain an eligible guarantee or replace itself upon the occurrence of an IRS Downgrade Trigger Event, and (ii) refrain from forthwith terminating the Interest Rate Swap Agreement or finding a replacement Interest Rate Swap Provider, in each case, upon the occurrence of an event of default or additional termination event caused solely by the Interest Rate Swap Provider, and (b) is not Independently Controlled and Governed, the Guarantor shall not have the rights set out under clause (a)(i) and (a)(ii) of this paragraph unless, within 10 Toronto Business Days, of the occurrence of an IRS Downgrade Trigger or an event of default (other than an insolvency event of default) or additional termination event caused solely by the Interest Rate Swap Provider, as applicable, and for so long as such event continues to exist, and provided that (x) the Interest Rate Swap Provider is the lender under the Intercompany Loan Agreement, (y) a Contingent Collateral Notice is delivered in respect of such event by the Interest Rate Swap Provider (in its capacity as lender under the Intercompany Loan Agreement) to the Guarantor and (z) the Guarantor has Contingent Collateral.

Upon the termination of the Interest Rate Swap Agreement pursuant to an Interest Rate Swap Early Termination Event, the Guarantor or the Interest Rate Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the Interest Rate Swap Agreement.

As noted herein, the notional amount of an Interest Rate Swap Agreement will be adjusted to correspond to any sale of Portfolio Assets following each of a Demand Loan Repayment Event, the Demand Loan being demanded by the Issuer, breach of the Pre-Maturity Test, service of an Asset Coverage Test Breach Notice and service of a Notice to Pay and swap termination payments may be due and payable in accordance with the terms of the Interest Rate Swap Agreement as a consequence thereof.

If withholding taxes are imposed on payments made by the Interest Rate Swap Provider under the Interest Rate Swap Agreement, the Interest Rate Swap Provider will always be obliged to gross up these payments. If withholding taxes are imposed on payments made by the Guarantor to the Interest Rate Swap Provider under the Interest Rate Swap Agreement, the Guarantor shall not be obliged to gross up those payments.

All of the interest and obligations of the Interest Rate Swap Provider under the Interest Rate Swap Agreement may be transferred by it to a replacement swap counterparty upon the Interest Rate

Swap Provider providing five Toronto Business Days' prior written notice to Guarantor and the Bond Trustee, provided that (i) such replacement swap counterparty has the rating(s) required by the relevant Rating Agencies (or the obligations of such replacement swap counterparty under the Interest Rate Swap Agreement are guaranteed by an entity having the rating(s) required by the relevant Rating Agencies), (ii) as of the date of such transfer, such replacement swap counterparty will not be required to withhold or deduct any taxes under the Interest Rate Swap Agreement as a result of such transfer, (iii) no termination event or event of default will occur under the Interest Rate Swap Agreement as a result of such transfer, (iv) no additional amount will be payable by the Guarantor under the Interest Rate Swap Agreement as a result of such transfer, (v) Rating Agency Confirmation shall have been obtained or deemed to have been obtained and (vi) such replacement swap counterparty enters into documentation substantially identical to the Interest Rate Swap Agreement. The Bond Trustee's written consent to such transfer is required, provided that such consent shall be given if such replacement swap counterparty has the rating(s) required by the relevant Rating Agencies and Rating Agency Confirmation has been received.

The Interest Rate Swap Agreement is in the form of an ISDA Master Agreement, including a schedule and confirmation thereto and credit support annex. Under the Interest Rate Swap Agreement, the Guarantor makes the following representations with respect to itself and/or the Interest Rate Swap Agreement, as applicable: (i) that it is duly organized and validly existing, (ii) that it has the power and authority to enter into the Interest Rate Swap Agreement, (iii) that it is not in violation or conflict with any applicable law, its constitutional documents, any court order or judgment or any contractual restriction, (iv) it has obtained all necessary consents, (v) its obligations under the Interest Rate Swap Agreement are valid and binding, (vi) no event of default, potential event of default or termination event has occurred and is continuing under the Interest Rate Swap Agreement, (vii) there is no pending or, to its knowledge, any threatened litigation which is likely to affect its ability to perform under the Interest Rate Swap Agreement, (viii) all information furnished in writing is true, accurate and complete in every material respect, (ix) all payments will be made without any withholding and deduction, (x) that it is a "**Canadian partnership**" under the Act and a limited partnership organized under the laws of the Province of Ontario, (xi) that it is entering into the agreement as principal and not as agent, and (xii) that it is not relying on the other party for any investment advice, that is capable of assessing the merits of and understanding the risks of entering into the relevant transaction and that the Interest Rate Swap Provider is not acting as fiduciary to it.

Under the Interest Rate Swap Agreement, the Guarantor's obligations are limited in recourse to the Charged Property.

The Interest Rate Swap Agreement will be governed by, and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Covered Bond Swap Agreement

To provide a hedge against currency and/or other risks, in respect of amounts received by the Guarantor under the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, the Guarantor has entered into the Covered Bond Swap Agreement with the Covered Bond Swap Provider in respect of each Series of Covered Bonds issued to date, and will enter into a new ISDA Master Agreement, schedule and confirmation(s) and credit support annex, for each Tranche and/or Series of Covered Bonds issued at the time such Covered Bonds are issued. The Covered Bond Swap Provider and the Guarantor will agree to swap Canadian dollar floating rate amounts received by the Guarantor

under the Interest Rate Swap Agreement (described above) into the exchange rate specified in the Covered Bond Swap Agreement relating to the relevant Tranche or Series of Covered Bonds. This will allow the Guarantor to hedge certain currency and/or other risks in respect of amounts received by the Guarantor under the Interest Rate Swap Agreement and amounts payable or that may become payable in respect of its obligations under the Covered Bond Guarantee. However, in certain circumstances, the amounts received by the Guarantor under the Covered Bond Swap Agreement may not match its obligations under the Covered Bond Guarantee. For example, in the event that a reference rate on a specified date is not available, the fallback provisions for determining the reference rate in such circumstances under a Series of Covered Bonds, and thus, the amounts payable by the Guarantor under the Covered Bond Guarantee, may be different than the fallback provisions for determining that reference rate under the relevant Covered Bond Swap Agreement which is used to determine the amounts received by the Guarantor under the Covered Bond Swap Agreement. In addition, the calculation of a reference rate under a Series of Covered Bonds may include an observation look back period which may not be included in the determination of that reference rate under the Covered Bond Swap Agreement. No cash flows will be exchanged under the Covered Bond Swap Agreement unless and until the Covered Bond Swap Effective Date has occurred.

If prior to (i) the Final Maturity Date in respect of the relevant Series or Tranche of Covered Bonds, or (ii) any Interest Payment Date or the Extended Due for Payment Date following a deferral of the Due for Payment Date to the Extended Due for Payment Date by the Guarantor pursuant to Condition 6.01 (if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the payment of the Final Redemption Amount or any part of it by the Guarantor under the Covered Bond Guarantee is deferred pursuant to Condition 6.01), the Guarantor notifies the Covered Bond Swap Provider (pursuant to the terms of the Covered Bond Swap Agreement) of the amount in the Specified Currency to be paid by such Covered Bond Swap Provider on such Final Maturity Date or Interest Payment Date thereafter (such amount being equal to the Final Redemption Amount or the relevant portion thereof payable by the Guarantor on such Final Maturity Date or Interest Payment Date under the Covered Bond Guarantee in respect of the relevant Series or Tranche of Covered Bonds), then the Covered Bond Swap Provider will pay the Guarantor such amount and the Guarantor will pay the Covered Bond Swap Provider the Canadian Dollar Equivalent of such amount. Further, if on any day an Early Redemption Amount is payable pursuant to Condition 7.02, the Covered Bond Swap Provider will pay the Guarantor such Early Redemption Amount (or the relevant portion thereof) and the Guarantor will pay the Covered Bond Swap Provider the Canadian Dollar Equivalent thereof, following which the notional amount of the Covered Bond Swap Agreement will reduce accordingly.

The Covered Bond Swap Agreement will (unless terminated earlier by a Covered Bond Swap Early Termination Event) terminate in respect of any relevant Tranche or Series of Covered Bonds, on the earlier of:

(a) the Final Maturity Date for, or if earlier, the date of redemption in whole of, such Series of Covered Bonds or, if the Guarantor notifies the Covered Bond Swap Provider, prior to the Final Maturity Date for such Tranche or Series of Covered Bonds, of the inability of the Guarantor to pay in full Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such Tranche or Series of Covered Bonds, the final Interest Payment Date on which an amount representing the Final Redemption Amount for such Tranche or Series of Covered Bonds is paid (but in any event not later than the Extended Due for Payment Date for such Tranche or Series of Covered Bonds); and

(b) the date designated therefor by the Bond Trustee and notified to the Covered Bond Swap Provider and the Guarantor for purposes of realizing the Security in accordance with the Security Agreement and distributing the proceeds therefrom in accordance with the Post-Enforcement Priority of Payments following the enforcement of the Security pursuant to Condition 7.03.

The Covered Bond Swap Agreement may also be terminated in certain other circumstances (each referred to as a "**Covered Bond Swap Early Termination Event**"), including:

- subject to the following paragraph, at the option of any party to the Covered Bond Swap Agreement, if there is a failure by the other party to pay any amounts due under the Covered Bond Swap Agreement, however, no such failure to pay by the Guarantor will entitle the Covered Bond Swap Provider to terminate the Covered Bond Swap Agreement, if such failure is due to the assets available at such time to the Guarantor being insufficient to make the required payment in full;

- subject to the following paragraph, at the option of the Guarantor, if the Covered Bond Swap Provider is the Issuer and an Issuer Event of Default has occurred which has resulted in the Covered Bonds becoming due and payable under their respective terms;

- subject to the following paragraph, at the option of the Guarantor, in the event that (i) the long-term counterparty risk assessment of the Covered Bond Swap Provider or any credit support provider, as applicable, ceases to be least A2(cr) by Moody's, or (ii) the short-term issuer default rating or the derivative counterparty rating, if one is assigned, and if not, the long-term issuer default rating of the Covered Bond Swap Provider or any credit support provider, as applicable, ceases to be at least (x) F1 or A- or (y) F1 or A if the then current requirements of Fitch requires the trigger levels to be F1 or A, respectively, by Fitch, (each such event, an "**Initial CBS Downgrade Trigger Event**", provided that, for greater certainty, in respect of (ii), if the Covered Bond Swap Provider or any credit support provider, as applicable, has one of such ratings from Fitch, an Initial CBS Downgrade Trigger Event will not occur with respect to Fitch) and the Covered Bond Swap Provider does not provide credit support to the Guarantor within 14 calendar days of the occurrence of such Initial CBS Downgrade Trigger Event pursuant to the terms of the applicable credit support annex, or, within 30 Toronto Business Days (in the case of an Initial CBS Downgrade Trigger Event caused by a failure to maintain the minimum ratings specified by Moody's) or 60 calendar days (in the case of an Initial CBS Downgrade Trigger Event caused by a failure to maintain the minimum ratings specified by Fitch), arrange for its obligations under the Covered Bond Swap Agreement to be guaranteed by, or transferred to, an entity with rating(s) required by the relevant Rating Agencies;

- subject to the following paragraph, at the option of the Guarantor, in the event that (i) the long-term counterparty risk assessment of the Covered Bond Swap Provider or any credit support provider, as applicable, ceases to be at least A3(cr) by Moody's, or (ii) (x) the short-term issuer default rating or (y) the derivative counterparty rating, if one is assigned, and if not, the long-term issuer default rating of the Covered Bond Swap Provider or any credit support provider, as applicable, ceases to be at least F3 or BBB-, respectively, by Fitch, (each such event, a "**Subsequent CBS Downgrade Trigger Event**" (provided that, for greater certainty, in respect of (ii), if the Covered Bond Swap Provider or any credit support provider, as applicable has one of such ratings from Fitch, a Subsequent CBS Downgrade Trigger Event will not occur with respect to such Rating Agency), and together with the Initial CBS Downgrade Trigger Events, the "**CBS Downgrade Trigger Events**",

and together with the IRS Downgrade Trigger Events, the "**Downgrade Trigger Events**") and the Covered Bond Swap Provider does not, within 30 Toronto Business Days (in the case of a Subsequent CBS Downgrade Trigger Event caused by a failure to maintain the minimum ratings specified by Moody's) or 60 calendar days (in the case of a Subsequent CBS Downgrade Trigger Event caused by a failure to maintain the minimum ratings specified by Fitch) arrange for its obligations under the Covered Bond Swap Agreement to be guaranteed by, or transferred to, an entity with rating(s) required by the relevant Rating Agencies, and does not provide additional credit support to the Guarantor within 14 calendar days of the occurrence of such Subsequent CBS Downgrade Trigger Event pursuant to the terms of the applicable credit support annex; and

- upon the occurrence of the insolvency of the Covered Bond Swap Provider or any credit support provider, and certain insolvency-related events in respect of the Guarantor or the merger of the Covered Bond Swap Provider without an assumption of the obligations under the Covered Bond Swap Agreement.

If, at any time, the Guarantor (a) is Independently Controlled and Governed, the Guarantor has the discretion, but is not required to, (i) waive any requirement of the Covered Bond Swap Provider to provide credit support, obtain an eligible guarantee or replace itself upon the occurrence of a CBS Downgrade Trigger Event, and (ii) refrain from forthwith terminating the Covered Bond Swap Agreement or finding a replacement Covered Bond Swap Provider, in each case, upon the occurrence of an event of default or additional termination event caused solely by the Covered Bond Swap Provider, and (b) is not Independently Controlled and Governed, the Guarantor shall not have the rights set out under clause (a)(i) and (a)(ii) of this paragraph unless, within 14 calendar days, of the occurrence of a CBS Downgrade Trigger Event or an event of default (other than an insolvency event of default) or additional termination event caused solely by the Covered Bond Swap Provider, as applicable, and for so long as such event continues to exist and provided that (x) the Covered Bond Swap Provider is the lender under the Intercompany Loan Agreement, (y) a Contingent Collateral Notice is delivered in respect of such event by the Covered Bond Swap Provider (in its capacity as lender under the Intercompany Loan Agreement) to the Guarantor and (z) the Guarantor has Contingent Collateral.

Upon the termination of the Covered Bond Swap Agreement pursuant to a Covered Bond Swap Early Termination Event, the Guarantor or the Covered Bond Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the Covered Bond Swap Agreement.

Any termination payment made by the Covered Bond Swap Provider to the Guarantor in respect of the Covered Bond Swap Agreement will first be used to the extent necessary (prior to the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice) to pay a replacement Covered Bond Swap Provider to enter into a replacement Covered Bond Swap with the Guarantor, unless a replacement Covered Bond Swap Agreement has already been entered into on behalf of the Guarantor. Any premium received by the Guarantor from a replacement Covered Bond Swap Provider entering into a Covered Bond Swap Agreement will first be used to make any termination payment due and payable by the Guarantor with respect to the Covered Bond Swap Agreement, unless such termination payment has already been made or behalf of the Guarantor.

Swap Collateral Excluded Amounts, if applicable, will be paid to the Covered Bond Swap Provider directly and not via the Priorities of Payments.

All of the interest and obligations of the Covered Bond Swap Provider under the Covered Bond Swap Agreement may be transferred by it to a replacement swap counterparty upon the Covered Bond Swap Provider providing five Toronto Business Days' prior written notice to Guarantor and the Bond Trustee, provided that (i) such replacement swap counterparty has the rating(s) required by the relevant Rating Agencies (or the obligations of such replacement swap counterparty under the Covered Bond Swap Agreement are guaranteed by an entity having the rating(s) required by the relevant Rating Agencies), (ii) as of the date of such transfer, such replacement swap counterparty will not be required to withhold or deduct any taxes under the Covered Bond Swap Agreement as a result of such transfer, (iii) no termination event or event of default will occur under the Covered Bond Swap Agreement as a result of such transfer, (iv) no additional amount will be payable by the Guarantor under the Covered Bond Swap Agreement as a result of such transfer, (v) Rating Agency Confirmation shall have been obtained or deemed to have been obtained and (vi) such replacement swap counterparty enters into documentation substantially identical to the Covered Bond Swap Agreement. The Bond Trustee's written consent to such transfer is required, provided that such consent shall be given if such replacement swap counterparty has the rating(s) required by the relevant Rating Agencies and Rating Agency Confirmation has been received.

If withholding taxes are imposed on payments made by the Covered Bond Swap Provider to the Guarantor under the Covered Bond Swap Agreement, the Covered Bond Swap Provider will always be obliged to gross up those payments. If withholding taxes are imposed on payments made by the Guarantor to the Covered Bond Swap Provider under the Covered Bond Swap Agreement, the Guarantor will not be obliged to gross up those payments.

The Covered Bond Swap Agreement is in the form of an ISDA Master Agreement, including a schedule and confirmation and credit support annex, if applicable, in relation to each particular Tranche or Series of Covered Bonds, as the case may be. Under the Covered Bond Swap Agreement, the Guarantor makes the following representations with respect to itself and/or the Covered Bond Swap Agreement, as applicable: (i) that it is duly organized and validly existing, (ii) that it has the power and authority to enter into the Covered Bond Swap Agreement, (iii) that it is not in violation or conflict with any applicable law, its constitutional documents, any court order or judgment or any contractual restriction, (iv) it has obtained all necessary consents, (v) its obligations under the Covered Bond Swap Agreement are valid and binding, (vi) no event of default, potential event of default or termination event has occurred and is continuing under the Covered Bond Swap Agreement, (vii) there is no pending or, to its knowledge, any threatened litigation which is likely to affect its ability to perform under the Covered Bond Swap Agreement, (viii) all information furnished in writing is true, accurate and complete in every material respect, (ix) all payments will be made without any withholding and deduction, (x) that it is a "Canadian partnership" under the Act and a limited partnership organized under the laws of the Province of Ontario, (xi) that it is entering into the agreement as principal and not as agent, and (xii) that it is not relying on the other party for any investment advice, that is capable of assessing the merits of and understanding the risks of entering into the relevant transaction and that the Covered Bond Swap Provider is not acting as fiduciary to it.

Under the Covered Bond Swap Agreement, the Guarantor's obligations are limited in recourse to the Charged Property.

The Covered Bond Swap Agreement will be governed by, and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Bank Account Agreement

Pursuant to the terms of the Bank Account Agreement entered into on the Programme Date between the Guarantor, the Account Bank, the GDA Provider, the Cash Manager and the Bond Trustee, the Guarantor will maintain with the Account Bank the accounts described below, which will be operated in accordance with the Cash Management Agreement, the Guarantor Agreement and the Security Agreement:

(a) the GDA Account into which amounts may be deposited by the Guarantor (including, following the occurrence of an Issuer Event of Default which is not cured within the applicable grace period, all amounts received from Borrowers in respect of Loans in the Covered Bond Portfolio). On each Guarantor Payment Date as applicable, amounts required to meet the Guarantor's various creditors and amounts to be distributed to the Partners under the Guarantor Agreement will be transferred to the Transaction Account (to the extent maintained); and

(b) the Transaction Account (to the extent maintained) into which, amounts may be deposited by the Guarantor prior to their transfer to the GDA Account. Moneys standing to the credit of the Transaction Account will be transferred on each Guarantor Payment Date and applied by the Cash Manager in accordance with the Priorities of Payments described below under "*Cashflows*".

Under the Bank Account Agreement, the Account Bank represents and warrants to the Cash Manager, the Guarantor and the Bond Trustee on the Programme Date and on each date on which an amount is credited to the Guarantor Accounts and on each Guarantor Payment Date that: (i) it is a bank listed in Schedule I to the Bank Act and duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, (ii) the execution, delivery and performance by it of the Bank Account Agreement (x) are within its corporate powers, (y) have been duly authorized by all necessary corporate action, and (z) do not contravene or result in a default under or conflict with (A) its charter or by-laws, (B) any law, rule or regulation applicable to it, or (C) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting it or its property, (iii) it is not a non-resident of Canada for purposes of the ITA, (iv) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under the Bank Account Agreement and the other Transaction Documents to which it is a party and it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions thereunder, (v) it is rated at or above the Account Bank Threshold Ratings by each of the Rating Agencies, (vi) it is and will continue to be in good standing with OSFI, (vii) it is and will continue to be in material compliance with its internal policies and procedures relevant to the services to be provided by it pursuant to the Bank Account Agreement and the other Transaction Documents to which it is party, and (viii) it is and will continue to be in material compliance with all laws, regulations and rules applicable to it in relation to the services provided by it pursuant to the Bank Account Agreement and the other Transaction Documents to which it is a party.

If the applicable ratings of the Account Bank cease to be rated by the Rating Agencies at or above the Account Bank Threshold Ratings (as defined below), then the GDA Account and the Transaction Account (to the extent maintained) will be required to be closed and all amounts standing to the credit thereof transferred to accounts held with the Standby Account Bank.

"**Account Bank Threshold Ratings**" means the threshold ratings P-1 (in respect of Moody's) or A or F1 (in respect of Fitch, provided that, for greater certainty, only one of the applicable ratings

from Fitch is required to be at or above such threshold ratings) of the short-term deposit ratings (or, in the case of Fitch, the issuer default rating) of the Account Bank by the Rating Agencies.

In addition to the requirement that the Guarantor Accounts be moved to the Standby Account Bank if the Account Bank breaches the Account Bank Threshold Ratings as described above, the Guarantor may (in the case of (i) through (iii) below) or shall (in the case of (iv) through (vii) below) terminate the Bank Account Agreement and move the Guarantor Accounts to the Standby Account Bank if: (i) a deduction or withholding for or on account of any taxes is imposed or is likely to be imposed in respect of the interest payable on any Guarantor Account, (ii) there is a breach by the Account Bank of certain representations and warranties or a failure by the Account Bank to perform certain covenants made by it under the Bank Account Agreement, (iii) the Account Bank fails to comply with any of its other covenants and obligations under the Bank Account Agreement, which failure in the reasonable opinion of the Bond Trustee is materially prejudicial to the interests of the Covered Bondholders and such failure is not remedied within 30 days of the earlier of the Account Bank becoming aware of the failure and receipt by the Account Bank of notice from the Bond Trustee requiring the same to be remedied, (iv) the Account Bank ceases or threatens to cease carrying on the business of the Account Bank, (v) an order is made for the winding up of the Account Bank, (vi) an Insolvency Event occurs with respect to the Account Bank, or (vii) if the Account Bank is the Issuer or an affiliate thereof, an Issuer Event of Default has occurred and is continuing.

Standby Bank Account Agreement

Pursuant to the terms of a standby bank account agreement (the "**Standby Bank Account Agreement**") entered into on the Programme Date between the Guarantor, the Standby Account Bank, the Standby GDA Provider, the Cash Manager and the Bond Trustee, as amended on 22 December 2017 and on 18 June 2018 (as amended and/or restated and/or supplemented from time to time), the Standby Account Bank will open and maintain a standby GDA account (the "**Standby GDA Account**") and standby transaction account (the "**Standby Transaction Account**") in the name of the Guarantor following delivery by the Guarantor (or the Cash Manager on its behalf) of a standby account bank notice (the "**Standby Account Bank Notice**") to the Standby Account Bank.

Pursuant to the terms of the Cash Management Agreement, the Cash Manager will deliver a Standby Account Bank Notice to the Standby Account Bank if the funds held in the GDA Account and the Transaction Account (to the extent maintained) are required to be transferred to the Standby Account Bank pursuant to the terms of the Bank Account Agreement or the Bank Account Agreement is terminated for any reason.

The Standby Bank Account Agreement provides that the Standby GDA Account and the Standby Transaction Account, when opened, will be subject to the security interest in favour of the Bond Trustee (for itself and on behalf of the other Secured Creditors) granted under the Security Agreement and that payments of amounts owing to the Standby Account Bank in respect of fees or otherwise shall be subject to the relevant Priorities of Payments set out in the Guarantor Agreement and the Security Agreement.

Under the Standby Bank Account Agreement, the Standby Account Bank represents and warrants to the Guarantor and the Bond Trustee on the Programme Date and on each date on which an amount is credited to any Guarantor Account that is held with the Standby Account Bank and on each Guarantor Payment Date that: (i) it is a bank listed in Schedule I to the Bank Act and duly qualified to do business in every jurisdiction where the nature of its business requires it to be so

qualified, (ii) the execution, delivery and performance by it of the Standby Bank Account Agreement (x) are within its corporate powers, (y) have been duly authorized by all necessary corporate action, and (z) do not contravene or result in a default under or conflict with (A) its charter or by-laws, (B) any law, rule or regulation applicable to it, or (C) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting it or its property, (iii) it is not a non-resident of Canada for purposes of the ITA, (iv) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under the Standby Bank Account Agreement and the other Transaction Documents to which it is a party and it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions thereunder, (v) it is rated at or above the Standby Account Bank Threshold Ratings by each of the Rating Agencies, (vi) it is and will continue to be in good standing with OSFI, (vii) it is and will continue to be in material compliance with its internal policies and procedures relevant to the services to be provided by it pursuant to the Standby Bank Account Agreement and the other Transaction Documents to which it is party, and (viii) it is and will continue to be in material compliance with all laws, regulations and rules applicable to it in relation to the services provided by it pursuant to the Standby Bank Account Agreement and the other Transaction Documents to which it is a party.

The Standby Bank Account Agreement further provides that if the applicable ratings of the Standby Account Bank by the Rating Agencies fall below the Standby Account Bank Threshold Ratings, then the Standby GDA Account and the Standby Transaction Account (to the extent maintained) will be required to be closed and all amounts standing to the credit thereof transferred to accounts held with a satisfactorily rated bank.

"**Standby Account Bank Threshold Ratings**" means the threshold ratings P-1 (in respect of Moody's) or A or F1 (in respect of Fitch, provided that, for greater certainty, only one of the applicable ratings from Fitch is required to be at or above such threshold ratings), of the short-term deposit rating (or, in the case of Fitch, the issuer default rating) of the Standby Account Bank by the Rating Agencies.

As of the date of this Prospectus, the Standby Account Bank has been assigned the following ratings from the Rating Agencies:

Rating Agency	**Short-Term Deposits**	**Senior Debt**[(1)]
Moody's	P-1	A2
Fitch	F1+	AA-

(1) Subject to conversion under bank recapitalization "bail-in" regime.

In addition to the requirement that the Guarantor Accounts be moved from the Standby Account Bank to a satisfactorily rated bank if the Standby Account Bank breaches the Standby Account Bank Threshold Ratings as described above, the Guarantor may (in the case of (i) through (iii) below) or shall (in the case of (iv) through (vi) below) terminate the Standby Bank Account Agreement and move the Guarantor Accounts from the Standby Account Bank to a satisfactorily rated bank if: (i) a deduction or withholding for or on account of any taxes is imposed or is likely to be imposed in respect of the interest payable on any Guarantor Account, (ii) there is a breach by the Standby Account Bank of certain representations and warranties or a failure by the Standby Account Bank to perform certain covenants made by it under the Standby Bank Account Agreement, (iii) the Standby Account Bank materially breaches any of its other covenants and

obligations under the Standby Bank Account Agreement or the Standby Guaranteed Deposit Account Contract, (iv) the Standby Account Bank ceases or threatens to cease carrying on the business of the Standby Account Bank, (v) an order is made for the winding up of the Standby Account Bank, or (vi) an Insolvency Event occurs with respect to the Standby Account Bank.

References in this Prospectus to the GDA Account or the Transaction Account include, unless otherwise stated, references to the Standby GDA Account or the Standby Transaction Account when the Standby GDA Account and the Standby Transaction Account become operative.

Guaranteed Deposit Account Contract

The Guarantor entered into a guaranteed deposit account contract (the "**Guaranteed Deposit Account Contract**" or "**GDA**") with the GDA Provider, the Cash Manager and the Bond Trustee on the Programme Date (as amended and/or restated and/or supplemented from time to time), pursuant to which the GDA Provider has agreed to pay interest on the moneys standing to the credit of the Guarantor in the GDA Account at specified rates determined in accordance with the GDA during the term of the GDA. The Guarantor or the Bond Trustee may terminate the GDA following the closing of the GDA Account or termination of the Bank Account Agreement. Under the Guaranteed Deposit Account Contract, the GDA Provider makes the same representations and warranties to the Cash Manager, the Guarantor and the Bond Trustee on the Programme Date and on each date on which an amount is credited to the GDA Account and on each Guarantor Payment Date as are made by the Account Bank and which are described under "**Bank Account Agreement**" above.

Standby Guaranteed Deposit Account Contract

Pursuant to the terms of a standby guaranteed investment contract (the "**Standby Guaranteed Deposit Account Contract**") entered into on the Programme Date between the Standby Account Bank, the Standby GDA Provider, the Guarantor, the Cash Manager and the Bond Trustee, as amended on 22 December 2017, on 18 June 2018 and on 31 July 2024 (as amended and/or restated and/or supplemented from time to time), the Standby GDA Provider has agreed to pay interest on the moneys standing to the credit of the Standby GDA Account at specified rates determined in accordance with the terms of the Standby Guaranteed Deposit Account Contract during the term of the Standby Bank Account Agreement. The Standby Guaranteed Deposit Account Contract will be automatically terminated following the closing of the Standby GDA Account or termination of the Standby Bank Account Agreement in accordance with the Standby Bank Account Agreement. Under the Standby Guaranteed Deposit Account Contract, the Standby GDA Provider makes the same representations and warranties to the Guarantor and the Bond Trustee on the Programme Date and on each date on which an amount is credited to the Standby GDA Account and on each Guarantor Payment Date as are made by the Standby Account Bank and which are described under "*Standby Bank Account Agreement*" above.

Security Agreement

Pursuant to the terms of the Security Agreement entered into on the Programme Date by the Guarantor, the Bond Trustee and other Secured Creditors, the secured obligations of the Guarantor and all other obligations of the Guarantor under or pursuant to the Transaction Documents to which it is a party owed to the Bond Trustee and the other Secured Creditors are secured by a first ranking security interest (the "**Security**") over all present and after-acquired undertaking, property and assets of the Guarantor (the "**Charged Property**"), including without limitation the Covered Bond Portfolio, and any other Portfolio Assets or Substitute Assets that the

Guarantor may acquire from time to time and funds being held for the account of the Guarantor by its service providers and the amounts standing to the credit of the Guarantor in the Guarantor Accounts, subject to the right of the Guarantor (provided the Asset Coverage Test and/or the Amortization Test, as applicable, is met) to sell such Charged Property.

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

Under the Security Agreement, the Guarantor represents and warrants to the Secured Creditors that: (i) the Security Agreement creates a valid first priority security interest in the present and future personal property and undertaking of the Guarantor and all proceeds thereof (the "**Collateral**"), (ii) it is the legal and beneficial owner of all Collateral, (iii) the Collateral is free and clear of all liens other than those created in favour of the Bond Trustee and customary permitted liens, (iv) the security interest of the Bond Trustee in the Collateral has been perfected, (v) the Bond Trustee has obtained control pursuant to applicable personal property security legislation of the Collateral that consists of investment property, the Bond Trustee is a "protected purchaser" within the meaning of such legislation, and no other person has control or the right to obtain control of such investment property, (vi) no authorization, consent or approval from, or notices to, any governmental authority or other person is required for the due execution and delivery by it of the Security Agreement or the performance or enforcement of its obligations thereunder, other than those that have been obtained or made, (vii) it is validly formed and existing as a limited partnership under the laws of the Province of Ontario, (viii) since its date of formation there has been no material adverse change in its financial position or prospects, (ix) it is not the subject of any governmental or other official investigation, nor to its knowledge is such an investigation pending, which may have a material adverse effect, (x) no litigation, arbitration or administrative proceedings have been commenced, nor to its knowledge are pending or threatened, against any of its assets or revenues which may have a material adverse effect, (xi) the Managing GP has (x) at all times carried on and conducted the affairs and business of the Guarantor in the name of the Guarantor as a separate entity and in accordance with the Guarantor Agreement and all laws and regulations applicable to it, (y) at all times kept or procured the keeping of proper books and records for the Guarantor separate from any other person or entity, and (z) duly executed the Transaction Documents for and on behalf of the Guarantor, (xii) its entry into the Transaction Documents and the performance of its obligations thereunder do not and will not constitute a breach of (x) its constitutional documents, (y) any law applicable to it, or (z) any agreement, indenture, contract, mortgage, deed or other instrument to which it is a party or which is binding on it or any of its assets, (xiii) its obligations under the Transaction Documents to which it is a party are legal, valid, binding and enforceable obligations, (xiv) the Transaction Documents to which it is a party have been entered into in good faith for its own benefit and on arm's length commercial terms, (xv) it is not in breach of or default under any agreement, indenture, contract, mortgage, deed or other instrument to which it is a party or which is binding on it or any of its assets which would be reasonably likely to result in a material adverse effect, and (xvi) each of the Transaction Documents to which it is a party has been properly authorized by all necessary action of its Partners and constitutes the legal, valid and binding obligation of, and is enforceable in accordance with its terms against, the Guarantor, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.

Release of Security

In the event of any sale of Portfolio Assets by the Guarantor pursuant to and in accordance with the Transaction Documents, the Bond Trustee will, while any Covered Bonds are outstanding (subject to the written request of the Guarantor), release those Portfolio Assets from the Security created by and pursuant to the Security Agreement on the date of such sale but only if:

(a) the Bond Trustee provides its prior written consent to the terms of such sale as described under "*Guarantor Agreement – Method of sale of Portfolio Assets*" above; and

(b) in the case of the sale of Portfolio Assets, the Guarantor provides to the Bond Trustee a certificate confirming that the Portfolio Assets being sold are Randomly Selected Loans.

In the event of the repurchase of a Portfolio Asset by the Seller pursuant to and in accordance with the Transaction Documents, the Bond Trustee will release that Portfolio Asset from the Security created by and pursuant to the Security Agreement on the date of the repurchase.

Enforcement

If a Guarantor Acceleration Notice is served on the Guarantor, the Bond Trustee will be entitled to appoint a receiver, and/or enforce the Security constituted by the Security Agreement (including selling the Covered Bond Portfolio), and/or take such steps as it deems necessary, subject in each case to being indemnified and/or secured to its satisfaction. All proceeds received by the Bond Trustee from the enforcement of the Security will be applied in accordance with the Post-Enforcement Priority of Payments described under "*Cashflows*".

The Security Agreement is governed by Ontario law (other than certain other provisions relating to real property located outside of the Province of Ontario which will be governed by the law of the jurisdiction in which such property is located).

Corporate Services Agreement

Pursuant to the terms of a corporate services agreement (such corporate services agreement as amended and/or restated and/or supplemented from time to time, the "**Corporate Services Agreement**") entered into on the Programme Date among, *inter alios*, the Corporate Services Provider, the Liquidation GP, the Bank and the Guarantor, the Corporate Services Provider will provide corporate services to the Liquidation GP.

Custodial Agreement

Pursuant to the terms of a custodial agreement (such custodial agreement as amended and/or restated and/or supplemented from time to time, the "**Custodial Agreement**") entered into on the Programme Date, as amended on 22 December 2017 among, *inter alios*, the Custodian, the Bank and the Guarantor, the Custodian will, among other things, hold applicable powers of attorney granted by the Bank to the Guarantor, and details of the Portfolio Assets and Substitute Assets, in each case on behalf of the Guarantor.

In the event that there is a breach by the Custodian of certain representations and warranties or a failure by the Custodian to perform certain covenants made by it under the Custodial Agreement,

the Guarantor will have the right to terminate the Custodial Agreement and appoint a replacement Custodian. The Issuer and the Guarantor may also terminate the Custodial Agreement and appoint a replacement Custodian if the Custodian commits a breach which is either not capable of remedy, or capable of remedy but which is not remedied within 30 days of receipt by the Custodian of notice specifying such breach and requiring the same to be remedied.

Agency Agreement

Under the terms of the Agency Agreement entered into on the Programme Date between the Agents, the Issuer, the Guarantor and the Bond Trustee, the Agents have been appointed by the Issuer and the Guarantor to carry out various issuing and paying agency, exchange agency, transfer agency, calculation agency and registrar duties in respect of the Covered Bonds. Such duties include, but are not limited to, dealing with any applicable stock exchanges and Clearing Systems on behalf of the Issuer and the Guarantor in connection with an issuance of Covered Bonds and making payments of interest and principal in respect of the Covered Bonds upon receipt of such amounts from the Issuer or the Guarantor, as applicable.

Upon the occurrence of an Issuer Event of Default, Potential Issuer Event of Default, a Guarantor Event of Default or Potential Guarantor Event of Default, as applicable, the Bond Trustee may, by notice in writing to the Issuer, the Guarantor and the Agents, require the Agents to thereafter act as agents of the Bond Trustee.

Any Agent or Calculation Agent may resign its appointment under the Agency Agreement and/or in relation to any Series of Covered Bonds upon 30 days' notice to the Issuer, the Guarantor and the Bond Trustee, provided that such resignation will not be effective (i) if the notice period would otherwise expire within 30 days before or after the final maturity date or any interest or other payment date for any Series (or if the resignation is only with respect to a particular Series, such Series), until the 30th day following such final maturity date or any interest or other payment date, and (ii) in certain circumstances, unless a successor has been appointed.

The Issuer or the Guarantor may revoke its appointment of any Agent or Calculation Agent under the Agency Agreement and/or in relation to any Series of Covered Bonds upon 30 days' notice to such Agent or Calculation Agent, provided that in certain circumstances, such revocation will not be effective unless a successor has been appointed. Notwithstanding the foregoing, the Guarantor may revoke the appointment of any Agent or Calculation Agent in the event that there is a breach by such Agent or Calculation Agent of certain representations and warranties or a failure by such Agent or Calculation Agent to perform certain covenants made by it under the Agency Agreement.

The appointment of any Agent or Calculation Agent under the Agency Agreement and in relation to each relevant Series of Covered Bonds shall terminate forthwith if any of the following events or circumstances shall occur or arise, namely: such Agent or Calculation Agent becomes incapable of acting; such Agent or Calculation Agent is adjudged bankrupt or insolvent; such Agent or Calculation Agent files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver, administrator or other similar official of all or any substantial part of its property or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof; a resolution is passed or an order is made for the winding-up or dissolution of such Agent or Calculation Agent; a receiver, administrator or other similar official of such Agent or Calculation Agent or of all or any substantial part of its property is appointed; an order of any court is entered approving any petition filed by or against such Agent or Calculation Agent under the provisions of any applicable bankruptcy or

insolvency law; or any public officer takes charge or control of such Agent or Calculation Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

Modification of Transaction Documents

The provisions of the Transaction Documents generally require that all amendments thereto be in writing and executed by the parties thereto. In addition, any material amendment to a Transaction Document will be subject to satisfaction of the Rating Agency Confirmation. Pursuant to the terms of the Security Agreement and the Trust Deed, the Bond Trustee is permitted to consent to and/or execute amendments without consulting the other Secured Creditors if the amendment is of a minor or technical nature or the Bond Trustee is otherwise satisfied that the amendment is not reasonably expected to be materially prejudicial to the interests of the Covered Bondholders.

In addition to the general amendment provisions, the Managing GP has the authority to make amendments to the Guarantor Agreement without the consent of any other party in order to cure any ambiguity or correct or supplement any provision thereof, provided that such amendments do not adversely affect the interests of the other Partners, or, while Covered Bonds are outstanding, the Bond Trustee (on behalf of the Secured Creditors). If the interests of any such party would be adversely affected by a proposed amendment to the Guarantor Agreement, such amendment may only be made by the Managing GP with the consent of such adversely affected Partner and/or the Bond Trustee, as applicable.

For greater certainty, all amendments to the Transaction Documents must comply with the CMHC Guide.

Modification of Ratings Triggers and Consequences

Any amendment to (a) a ratings trigger that (i) lowers the ratings specified therein, or (ii) changes the applicable rating type, in each case as provided for in any Transaction Document, or (b) the consequences of breaching any such ratings trigger, or changing the applicable rating type, provided for in any Transaction Document that makes such consequences less onerous, shall, with respect to each affected Rating Agency only, be deemed to be a material amendment and shall be subject to Rating Agency Confirmation from each affected Rating Agency.

CREDIT STRUCTURE

Under the terms of the Covered Bond Guarantee, the Guarantor has agreed to, following the occurrence of a Covered Bond Guarantee Activation Event, unconditionally and irrevocably pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of the holders of the Covered Bonds), an amount equal to that portion of the Guaranteed Amounts which shall become Due for Payment but would otherwise be unpaid, as of any Original Due for Payment Date, or, if applicable, Extended Due for Payment Date, by the Issuer. Under the Covered Bond Guarantee, the Guaranteed Amounts will become due and payable on any earlier date on which a Guarantor Acceleration Notice is served. The Issuer will not be relying on payments from the Guarantor in respect of advances under the Intercompany Loan Agreement or receipt of Available Revenue Receipts or Available Principal Receipts from the Covered Bond Portfolio in order to pay interest or repay principal under the Covered Bonds.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to holders of the Covered Bonds, as follows:

- the Covered Bond Guarantee provides credit support to the Issuer;
- the Pre-Maturity Test is intended to test the liquidity of the Guarantor's assets in respect of principal due on the Final Maturity Date of Hard Bullet Covered Bonds;
- the Asset Coverage Test is intended to test the asset coverage of the Guarantor's assets in respect of the Covered Bonds at all times;
- the Amortization Test is intended to test the asset coverage of the Guarantor's assets in respect of the Covered Bonds following the occurrence of a Covered Bond Guarantee Activation Event;
- a Reserve Fund (if the applicable ratings by the Rating Agencies fall below the ratings specified in the definition of "Reserve Fund Required Amount") will be established by the Guarantor (or the Cash Manager on its behalf) in the GDA Account to trap Available Revenue Receipts and Available Principal Receipts; and
- under the terms of the GDA, the GDA Provider has agreed to pay a variable rate of interest on all amounts held by the Guarantor in the GDA Account at a floor of 0.19547 per cent above Daily Compounded CORRA as determined by the GDA Provider for the applicable Guarantor Observation Period, or such greater percentage as the Guarantor (or the Cash Manager on its behalf) and the GDA Provider may agree from time to time.

Certain of these factors are considered more fully in the remainder of this Section.

Guarantee

The Covered Bond Guarantee provided by the Guarantor under the Trust Deed guarantees payment of Guaranteed Amounts when the same become Due for Payment in respect of all Covered Bonds issued under the Programme. The Covered Bond Guarantee will not guarantee any amount becoming payable for any other reason, including any accelerated payment pursuant to Condition 7 (Events of Default and Enforcement) following the occurrence of an Issuer Event of Default. In this circumstance (and until a Guarantor Event of Default occurs and a Guarantor

Acceleration Notice is served), the Guarantor's obligations will only be to pay the Guaranteed Amounts as such amounts fall Due for Payment.

See further "*Overview of the Principal Documents – Trust Deed*" as regards the terms of the Covered Bond Guarantee. See further "*Cashflows – Guarantee Priority of Payments*" as regards the payment of amounts payable by the Guarantor to holders of the Covered Bonds and other Secured Creditors following the occurrence of an Issuer Event of Default.

Pre-Maturity Liquidity

Certain Series of Covered Bonds may be scheduled to be redeemed in full on their respective Final Maturity Dates without any provision for scheduled redemption other than on the Final Maturity Date (the "**Hard Bullet Covered Bonds**"). The applicable Final Terms will identify whether any Series of Covered Bonds is a Series of Hard Bullet Covered Bonds. The Pre-Maturity Test is intended to test the liquidity of the Guarantor's assets in respect of the Hard Bullet Covered Bonds when the applicable ratings fall below a certain level. On each Toronto Business Day (each, a "**Pre-Maturity Test Date**") prior to the occurrence of an Issuer Event of Default or the occurrence of a Guarantor Event of Default, the Guarantor or the Cash Manager on its behalf will determine if the Pre-Maturity Test has been breached, and if so, it will immediately notify the Seller and the Bond Trustee.

The Issuer will fail and be in breach of the "**Pre-Maturity Test**" on a Pre-Maturity Test Date if

(a) the short-term issuer default rating from Fitch of the Issuer falls below F1+ and the Final Maturity Date of the Series of Hard Bullet Covered Bonds falls within 12 months from the relevant Pre-Maturity Test Date; or

(b) the rating from Moody's of the Issuer's unsecured, unsubordinated and unguaranteed debt obligations falls below P-1 and the Final Maturity Date of the Series of Hard Bullet Covered Bonds falls within 12 months from the relevant Pre-Maturity Test Date,

(each of the ratings set out above, the "**Pre-Maturity Minimum Ratings**").

Following a breach of the Pre-Maturity Test in respect of a Series of Hard Bullet Covered Bonds, the Guarantor may offer to sell Randomly Selected Loans to Purchasers, subject to:

(i) any right of pre-emption of the Seller pursuant to the terms of the Mortgage Sale Agreement or the Security Sharing Agreement, as applicable;

(ii) a Contribution in Kind made by one or more of the Partners (as recorded in the Capital Account Ledger for such Partners of the Guarantor) of certain Substitute Assets in accordance with the Guarantor Agreement with an aggregate principal amount up to the Pre-Maturity Liquidity Required Amount (which shall be a credit to the Pre-Maturity Liquidity Ledger); or

(iii) Cash Capital Contributions made by one or more of the Partners (as recorded in the Capital Account Ledger for each applicable Partner of the Guarantor) or proceeds advanced under the Intercompany Loan Agreement which have not been applied to acquire further Portfolio Assets or otherwise applied in accordance with the Guarantor Agreement and/or

the other Transaction Documents with an aggregate principal amount up to the Pre-Maturity Liquidity Required Amount (which shall be a credit to the Pre-Maturity Liquidity Ledger);

provided that if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached less than six months prior to the Final Maturity Date of that Series of Hard Bullet Covered Bonds, an Issuer Event of Default will occur if the Guarantor has not taken the required action described above within the earlier to occur of (i) 10 Toronto Business Days from the date that the Seller is notified of the breach of the Pre-Maturity Test and (ii) the Final Maturity Date of that Series of Hard Bullet Covered Bonds (see further: Condition 7.01). To cure a Pre-Maturity Test breach within such period, the Pre-Maturity Liquidity Ledger shall be funded so that by the end of such period, there will be an amount equal to the Pre-Maturity Liquidity Required Amount standing to the credit of the Pre-Maturity Liquidity Ledger. The method for selling Randomly Selected Loans is described in "*Overview of the Principal Documents – Guarantor Agreement – Method of sale of Portfolio Assets*" above. The proceeds of sale of Randomly Selected Loans will be recorded to the Pre-Maturity Liquidity Ledger on the GDA Account.

In certain circumstances, Revenue Receipts will also be available to repay a Hard Bullet Covered Bond, as described in "*Cashflows – Pre-Acceleration Revenue Priority of Payments*" below.

Failure by the Issuer to pay the full amount due in respect of a Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof, subject to applicable cure periods, will constitute an Issuer Event of Default. Following service of a Notice to Pay on the Guarantor, the Guarantor will apply funds standing to the Pre-Maturity Liquidity Ledger to repay the relevant Series of Hard Bullet Covered Bonds.

If the Issuer and/or the Guarantor fully repay the relevant Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof, cash standing to the credit of the Pre-Maturity Liquidity Ledger on the GDA Account will be applied by the Guarantor in accordance with the Pre-Acceleration Principal Priority of Payments, unless:

(a) the Issuer is failing the Pre-Maturity Test in respect of any other Series of Hard Bullet Covered Bonds, in which case the cash will remain on the Pre-Maturity Liquidity Ledger in order to provide liquidity for that other Series of Hard Bullet Covered Bonds; or

(b) the Issuer is not failing the Pre-Maturity Test, but the Cash Manager elects to retain the cash on the Pre-Maturity Liquidity Ledger in order to provide liquidity for any future Series of Hard Bullet Covered Bonds.

Amounts standing to the credit of the Pre-Maturity Liquidity Ledger following the repayment of the Hard Bullet Covered Bonds as described above may, except where the Cash Manager has elected or is required to retain such amounts on the Pre-Maturity Liquidity Ledger, also be used to repay the advances under the Intercompany Loan Agreement, subject to the Guarantor making provision for higher ranking items in the Pre-Acceleration Principal Priority of Payments.

Asset Coverage Test

The Asset Coverage Test is intended to ensure that (subject to certain limitations with respect to the Asset Percentage, which may be removed by agreement with the Issuer) the Guarantor can meet its obligations under the Covered Bond Guarantee. Under the Guarantor Agreement, so

long as the Covered Bonds remain outstanding, the Guarantor must ensure that on each Calculation Date the Adjusted Aggregate Asset Amount will be in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date. If, on any Calculation Date, the Asset Coverage Test is not satisfied and such failure is not remedied on or before the next following Calculation Date, the Asset Coverage Test will be breached and the Guarantor (or the Cash Manager on its behalf) will serve an Asset Coverage Test Breach Notice on the Partners, the Bond Trustee and, if delivered by the Cash Manager, the Guarantor. The Asset Coverage Test is a formula which adjusts the Outstanding Principal Balance of each Loan in the Covered Bond Portfolio and has further adjustments to take account of failure by the Seller to repurchase Portfolio Assets, in accordance with the terms of the Mortgage Sale Agreement, that do not materially comply with the Loan Representations and Warranties on the relevant Transfer Date.

See further "*Overview of the Principal Documents – Guarantor Agreement – Asset Coverage Test*", above.

An Asset Coverage Test Breach Notice will be revoked if, on any Calculation Date falling on or prior to the next Calculation Date following the service of the Asset Coverage Test Breach Notice, the Asset Coverage Test is satisfied and no Covered Bond Guarantee Activation Event has occurred.

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

Amortization Test

The Amortization Test is intended to ensure that if, following an Issuer Event of Default (but prior to service on the Guarantor of a Guarantor Acceleration Notice), the assets of the Guarantor available to meet its obligations under the Covered Bond Guarantee fall to a level where holders of the Covered Bonds may not be repaid, a Guarantor Event of Default will occur and all amounts owing under the Covered Bonds may be accelerated. Under the Guarantor Agreement, following the occurrence and during the continuance of an Issuer Event of Default, for so long as there are Covered Bonds outstanding, the Guarantor must ensure that, on each Calculation Date following an Issuer Event of Default, the Amortization Test Aggregate Asset Amount will be in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date. The Amortization Test is a formula which adjusts the True Balance of each Loan in the Covered Bond Portfolio and has further adjustments to take account of Loans in arrears. See further "*Overview of the Principal Documents – Guarantor Agreement – Amortization Test*", above.

Reserve Fund

The Guarantor will be required, if the Issuer's counterparty risk assessment falls below P-1(cr) (in respect of Moody's) or if the issuer default rating of the Issuer falls below F1 or A (in respect of Fitch, provided that, for greater certainty, only one of the applicable ratings from Fitch is required to be at or above such threshold ratings) as applicable, to establish the Reserve Fund on the GDA Account which will be credited with Available Revenue Receipts and Available Principal Receipts

up to an amount equal to the Reserve Fund Required Amount. The Guarantor will not be required to maintain the Reserve Fund following the occurrence of an Issuer Event of Default.

The Reserve Fund will be funded from (i) Available Revenue Receipts after the Guarantor has paid all of its obligations in respect of items ranking higher than the Reserve Ledger in the Pre-Acceleration Revenue Priority of Payments, and (ii) Available Principal Receipts after the Guarantor has paid all of its obligations in respect of items ranking higher than the Reserve Ledger in the Pre-Acceleration Principal Priority of Payments on each Guarantor Payment Date.

A Reserve Ledger will be maintained by the Cash Manager to record the balance from time to time of the Reserve Fund. Following the occurrence of an Issuer Event of Default, service of an Issuer Acceleration Notice and service of a Notice to Pay on the Guarantor, amounts standing to the credit of the Reserve Fund will be added to certain other income of the Guarantor in calculating Available Revenue Receipts.

Voluntary Overcollateralization

From time to time, the Guarantor may hold Loans and Related Security, Substitute Assets and cash with a value in excess of the value required to satisfy the coverage tests prescribed by the Transaction Documents and the CMHC Guide, including the Asset Coverage Test and the Amortization Test, as applicable. Such excess collateral, excluding, for certainty, any Contingent Collateral, is the "**Voluntary Overcollateralization**". Pursuant to the terms of the Transaction Documents and provided that the Guarantor must at all times be in compliance with such coverage tests, the terms of the Transaction Documents and the CMHC Guide, the Guarantor is from time to time permitted to:

- apply cash (in an amount up to the Voluntary Overcollateralization) to the repayment of any loan advanced by the Issuer, including the Intercompany Loan;

- distribute cash (in an amount up to the Voluntary Overcollateralization) to the Partners;

- (i) subject to the rights of pre-emption enjoyed by the Seller pursuant to the terms of the Mortgage Sale Agreement and the Security Sharing Agreement, as applicable, transfer, or (ii) agree with the Seller to withdraw or remove Loans and Related Security and Substitute Assets (with an aggregate value, in the case of Loans and Related Security, equal to the LTV Adjusted Loan Balance thereof, and in the case of Substitute Assets, equal to the face value thereof, up to the Voluntary Overcollateralization); or

- agree with the Seller to substitute assets owned by the Guarantor with other Loans and Related Security and/or Substitute Assets that in each case comply with the terms of the Transaction Documents, the CMHC Guide and the Covered Bond Legislative Framework.

In calculating Voluntary Overcollateralization, no credit will be given to the Guarantor in the coverage tests, including for the Adjusted Aggregate Asset Amount and Amortization Test Aggregate Asset Amount, for any Excess Proceeds received by the Guarantor following an Issuer Event of Default. Any Loans and Related Security and/or Substitute Assets transferred, withdrawn, removed or substituted in accordance with the above will be selected in a manner that would not reasonably be expected to adversely affect the interests of the Covered Bondholders and the consideration received by the Guarantor therefor (whether in cash or in kind) will, unless otherwise prescribed by the terms of the Transaction Documents, not be less than the fair market value thereof. For instance, the terms of the Intercompany Loan Agreement prescribe the

consideration to be received by the Guarantor for a Payment in Kind. See "*Overview of the Principal Documents – Intercompany Loan Agreement*".

CASHFLOWS

As described above under "*Credit Structure"*, until the occurrence of a Covered Bond Guarantee Activation Event, the Covered Bonds will be obligations of the Issuer only. The Issuer is liable to make payments when due on the Covered Bonds, whether or not it has received any corresponding payment from the Guarantor under the Intercompany Loan.

This section summarizes the Priorities of Payments of the Guarantor, as to the allocation and distribution of amounts standing to the credit of the Guarantor on the Ledgers and their order of priority:

(a) when no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred;

(b) when an Asset Coverage Test Breach Notice is outstanding but no Covered Bond Guarantee Activation Event has occurred;

(c) following service of a Notice to Pay on the Guarantor; and

(d) following service of a Guarantor Acceleration Notice and enforcement of the Security.

If the Transaction Account is closed in accordance with the terms of the Bank Account Agreement or no Transaction Account is maintained, any payment to be made to or from the Transaction Account will, as applicable, be made to or from the GDA Account, or no payment shall be made at all if such payment is expressed to be from the GDA Account to the Transaction Account.

Allocation and distribution of Available Revenue Receipts when no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred

At any time no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred, Available Revenue Receipts will be allocated and distributed as described below.

The Guarantor or the Cash Manager on its behalf will, as of each Calculation Date, calculate:

(i) the amount of Available Revenue Receipts available for distribution on the immediately following Guarantor Payment Date;

(ii) the Reserve Fund Required Amount (if applicable);

(iii) where the Pre-Maturity Test has been breached in respect of a Series of Hard Bullet Covered Bonds, on each Calculation Date falling in the five months prior to the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds, whether or not the amount standing to the credit of the Pre-Maturity Liquidity Ledger including the principal amount of any Substitute Assets standing to the credit of the Pre-Maturity Liquidity Ledger at such date is less than the Pre-Maturity Liquidity Required Amount.

On each Guarantor Payment Date, the Guarantor (or the Cash Manager on its behalf) will transfer Available Revenue Receipts from the Revenue Ledger to the Payment Ledger, and use Available Revenue Receipts held by the Cash Manager for and on behalf of the Guarantor and, as necessary, transfer Available Revenue Receipts from the GDA Account to the Transaction Account (to the extent maintained), in an amount equal to the lower of (a) the amount required to make the payments or credits described below (taking into account any Available Revenue Receipts held by the Cash Manager for or on behalf of the Guarantor and any Available Revenue Receipts standing to the credit of the Transaction Account), and (b) the amount of Available Revenue Receipts.

Pre-Acceleration Revenue Priority of Payments

At any time no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred, Available Revenue Receipts will be applied by or on behalf of the Guarantor (or the Cash Manager on its behalf) on each Guarantor Payment Date (except for amounts due to third parties by the Guarantor under paragraph (a) or Third Party Amounts, which will be paid when due) in making the following payments and provisions (the "**Pre-Acceleration Revenue Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, in or towards satisfaction of any amounts due and payable by the Guarantor to third parties and incurred without breach by the Guarantor of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere in the relevant Priorities of Payments) and to provide for any such amounts expected to become due and payable by the Guarantor in the immediately succeeding Guarantor Payment Period and to pay and discharge any liability of the Guarantor for taxes;

(b) *second*, any amounts in respect of interest due to the Bank in respect of the Demand Loan pursuant to the terms of the Intercompany Loan;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Agreement in the immediately succeeding Guarantor Payment Period, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(ii) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager under the provisions of the Cash Management Agreement in the immediately succeeding Guarantor Payment Period, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(iii) amounts (if any) due and payable to the Account Bank (or, as applicable, the Standby Account Bank) (including costs) pursuant to the terms of the Bank Account Agreement (or, as applicable, the Standby Bank Account

Agreement), together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(iv) amounts due and payable to the Asset Monitor pursuant to the terms of the Asset Monitor Agreement (other than the amounts referred to in paragraph (j) below), together with applicable GST (or other similar taxes) thereon to the extent provided therein; and

(v) amounts due and payable to the Custodian pursuant to the terms of the Custodial Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(d) *fourth,* in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) payment due to the Interest Rate Swap Provider (including any termination payment due and payable by the Guarantor under the Interest Rate Swap Agreement (but excluding any Excluded Swap Termination Amount)) pursuant to the terms of the Interest Rate Swap Agreement; and

(ii) payment due to the Covered Bond Swap Provider (including any termination payment due and payable by the Guarantor under the Covered Bond Swap Agreement (but excluding any Excluded Swap Termination Amount)) pursuant to the terms of the Covered Bond Swap Agreement;

(e) *fifth*, in or towards payment on the Guarantor Payment Date of, or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine (in the case of any such payment or provision, after taking into account any provisions previously made and any amounts receivable from the Interest Rate Swap Provider under the Interest Rate Swap Agreement) any amounts due or to become due and payable (excluding principal amounts) to the Bank in respect of the Guarantee Loan pursuant to the terms of the Intercompany Loan Agreement;

(f) *sixth*, if a Servicer Event of Default has occurred, all remaining Available Revenue Receipts to be credited to the GDA Account (with a corresponding credit to the Revenue Ledger maintained in respect of that account) until such Servicer Event of Default is either remedied by the Servicer or waived by the Bond Trustee or a new servicer is appointed to service the Covered Bond Portfolio (or the relevant part thereof);

(g) *seventh*, in or towards a credit to the GDA Account (with a corresponding credit to the Reserve Ledger) of an amount up to but not exceeding the amount by which the Reserve Fund Required Amount (if applicable) exceeds the existing balance on the Reserve Ledger as calculated on the immediately preceding Calculation Date;

(h) *eighth*, if the Guarantor is required to make a deposit to the Pre-Maturity Liquidity Ledger due to a breach of the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds, towards a credit to the GDA Account (with a corresponding

credit to the Pre-Maturity Liquidity Ledger) of an amount up to but not exceeding the difference between:

(i) the Pre-Maturity Liquidity Required Amount as calculated on the immediately preceding Calculation Date; and

(ii) any amounts standing to the credit of the Pre-Maturity Liquidity Ledger on the immediately preceding Calculation Date;

(i) *ninth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) payment of any Excluded Swap Termination Amounts due and payable by the Guarantor under the Interest Rate Swap Agreement; and

(ii) payment of any Excluded Swap Termination Amounts due and payable by the Guarantor under the Covered Bond Swap Agreement;

(j) *tenth*, in or towards payment *pro rata* and *pari passu* in accordance with the respective amounts thereof of any indemnity amount due to the Asset Monitor pursuant to the Asset Monitor Agreement, and any indemnity amount due to any Partner pursuant to the Guarantor Agreement;

(k) *eleventh*, in or towards payment of the fee due to the Corporate Services Provider by the Guarantor pursuant to the terms of the Corporate Services Agreement; and

(l) *twelfth*, towards such distributions of profit to the Partners as may be payable in accordance with the terms of the Guarantor Agreement.

Any amounts received by the Guarantor under the Interest Rate Swap Agreement and the Covered Bond Swap Agreement (other than, in each case, amounts in respect of Swap Collateral Excluded Amounts) on or after the Guarantor Payment Date but prior to the next following Guarantor Payment Date will be applied, together with any provision for such payments made on any preceding Guarantor Payment Date, to make payments (other than in respect of principal) due and payable in respect of the Intercompany Loan Agreement and then the expenses of the Guarantor unless an Asset Coverage Test Breach Notice is outstanding or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine.

Any amounts received under the Interest Rate Swap Agreement and the Covered Bond Swap Agreement on the Guarantor Payment Date or on any date prior to the next succeeding Guarantor Payment Date which are not applied towards a payment or provision in accordance with paragraph (d) above or the preceding paragraph will be credited to the Revenue Ledger and applied as Available Revenue Receipts on the next succeeding Guarantor Payment Date.

Amounts (if any) held by the Cash Manager for and on behalf of the Guarantor or standing to the credit of the Transaction Account which are not required to be applied in accordance with paragraphs (a) to (l) of the Pre-Acceleration Revenue Priority of Payments or paragraphs (a) to (g) of the Pre-Acceleration Principal Priority of Payments below will, if applicable, be deposited by the Cash Manager and, in each case be credited to the appropriate ledger in the GDA Account on the Guarantor Payment Date.

Allocation and Distribution of Available Principal Receipts when no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred

At any time no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred, Available Principal Receipts will be allocated and distributed as described below.

The Guarantor or the Cash Manager on its behalf will, as of each Calculation Date, calculate the amount of Available Principal Receipts available for distribution on the immediately following Guarantor Payment Date.

On each Guarantor Payment Date, the Guarantor (or the Cash Manager on its behalf) will transfer Available Principal Receipts from the Principal Ledger to the Payment Ledger, and use Available Principal Receipts held by the Cash Manager for and on behalf of the Guarantor and, as necessary, transfer Available Principal Receipts from the GDA Account to the Transaction Account (to the extent maintained), in an amount equal to the lower of (a) the amount required to make the payments or credits described below (taking into account any Available Principal Receipts held by the Cash Manager for or on behalf of the Guarantor and/or standing to the credit of the Transaction Account), and (b) the amount of Available Principal Receipts.

If a Guarantor Payment Date is the same as an Interest Payment Date, then the distribution of Available Principal Receipts under the Pre-Acceleration Principal Priority of Payments will be delayed until the Issuer has made Scheduled Interest and/or principal payments on that Interest Payment Date unless payment is made by the Guarantor directly to the Bond Trustee (or the Issuing and Paying Agent at the direction of the Bond Trustee).

Pre-Acceleration Principal Priority of Payments

At any time no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred, Available Principal Receipts (other than Cash Capital Contributions made from time to time by the Seller in its capacity as a Limited Partner) will be applied by or on behalf of the Guarantor on each Guarantor Payment Date in making the following payments and provisions (the "**Pre-Acceleration Principal Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, if the Pre-Maturity Test has been breached by the Issuer in respect of any Series of Hard Bullet Covered Bonds, towards a credit to the Pre-Maturity Liquidity Ledger in an amount up to but not exceeding the difference between:

(i) the Pre-Maturity Liquidity Required Amount calculated on the immediately preceding Calculation Date; and

(ii) any amounts standing to the credit of the Pre-Maturity Liquidity Ledger on the immediately preceding Calculation Date;

(b) *second*, to pay amounts in respect of principal outstanding on the Demand Loan pursuant to the terms of the Intercompany Loan Agreement;

(c) *third*, to acquire New Loans and their Related Security offered to the Guarantor, if necessary or prudent to ensure that, taking into account the other resources

available to the Guarantor, the Asset Coverage Test is met and thereafter to acquire (in the discretion of the Guarantor or the Cash Manager on its behalf) Substitute Assets up to the prescribed limit under the CMHC Guide;

(d) *fourth*, to deposit the remaining Available Principal Receipts in the GDA Account (with a corresponding credit to the Principal Ledger) in an amount sufficient to ensure that taking into account the other resources available to the Guarantor, the Asset Coverage Test is met;

(e) *fifth*, in or towards repayment on the Guarantor Payment Date (or to provide for repayment on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine) of amounts (in respect of principal) due or to become due and payable to the Issuer in respect of the Guarantee Loan;

(f) *sixth*, in or towards a credit to the GDA Account (with a corresponding credit to the Reserve Ledger) of an amount up to but not exceeding the amount by which the Reserve Fund Required Amount (if applicable) exceeds the existing balance on the Reserve Ledger as calculated on the immediately preceding Calculation Date; and

(g) *seventh*, subject to complying with the Asset Coverage Test, to make Capital Distributions in accordance with the terms of the Guarantor Agreement.

Allocation and distribution of Available Revenue Receipts and Available Principal Receipts when an Asset Coverage Test Breach Notice is outstanding but no Covered Bond Guarantee Activation Event has occurred

At any time an Asset Coverage Test Breach Notice is outstanding but no Covered Bond Guarantee Activation Event has occurred, all Available Revenue Receipts and Available Principal Receipts will continue to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments save that, while any Covered Bonds remain outstanding, no moneys will be applied under paragraphs (b), (e), (j) (to the extent only that such indemnity amounts are payable to a Partner), (k) or (l) of the Pre-Acceleration Revenue Priority of Payments or paragraphs (b), (c), (e) or (g) of the Pre-Acceleration Principal Priority of Payments.

Allocation and distribution of Available Revenue Receipts and Available Principal Receipts following service of a Notice to Pay on the Guarantor

At any time after service of a Notice to Pay on the Guarantor, but prior to service of a Guarantor Acceleration Notice, all Available Revenue Receipts and Available Principal Receipts (other than Third Party Amounts) will be applied as described below under "*Guarantee Priority of Payments*".

On each Guarantor Payment Date, the Guarantor or the Cash Manager on its behalf will transfer Available Revenue Receipts and Available Principal Receipts from the Revenue Ledger, the Reserve Ledger, the Principal Ledger or the Capital Account Ledger, as the case may be, to the Payment Ledger, in an amount equal to the lower of (a) the amount required to make the payments set out in the Guarantee Priority of Payments and (b) the amount of all Available Revenue Receipts and Available Principal Receipts standing to the credit of such Ledgers.

The Guarantor will create and maintain ledgers for each Series of Covered Bonds and record amounts allocated to such Series of Covered Bonds in accordance with paragraph (g) of the Guarantee Priority of Payments below, and such amounts, once allocated, will only be available to pay amounts due under the Covered Bond Guarantee and amounts due in respect of the relevant Series of Covered Bonds under the Covered Bond Swap Agreement on the scheduled repayment dates thereof.

Guarantee Priority of Payments

If a Notice to Pay is served on the Guarantor, the Guarantor will, on the Final Maturity Date for any Series of Hard Bullet Covered Bonds, apply all funds standing to the credit of the Pre-Maturity Liquidity Ledger (and transferred to the Transaction Account on the relevant Guarantor Payment Date) to repay such Series of Hard Bullet Covered Bonds. Subject thereto, on each Guarantor Payment Date after the service of a Notice to Pay on the Guarantor (but prior to service of a Guarantor Acceleration Notice), the Guarantor or the Cash Manager on its behalf will apply Available Revenue Receipts and Available Principal Receipts to make the following payments, provisions or credits in the following order of priority (the "**Guarantee Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, to pay any amounts in respect of principal and interest due to the Bank in respect of the Demand Loan pursuant to the terms of the Intercompany Loan Agreement;

(b) *second*, in or towards payment of all amounts due and payable or to become due and payable to the Bond Trustee in the immediately succeeding Guarantor Payment Period under the provisions of the Trust Deed together with interest and applicable GST (or other similar taxes) thereon as provided therein;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Agents under the provisions of the Agency Agreement together with applicable GST (or other similar taxes) thereon as provided therein; and

(ii) any amounts then due and payable by the Guarantor to third parties and incurred without breach by the Guarantor of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and to provide for any such amounts expected to become due and payable by the Guarantor in the immediately succeeding Guarantor Payment Period and to pay or discharge any liability of the Guarantor for taxes;

(d) *fourth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer in the immediately succeeding Guarantor Payment Period

under the provisions of the Servicing Agreement together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(ii) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager in the immediately succeeding Guarantor Payment Period under the provisions of the Cash Management Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(iii) amounts (if any) due and payable to the Account Bank (or, as applicable, the Standby Account Bank) (including costs) pursuant to the terms of the Bank Account Agreement (or, as applicable, the Standby Bank Account Agreement), together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(iv) amounts due and payable to the Asset Monitor (other than the amounts referred to in paragraph (k) below) pursuant to the terms of the Asset Monitor Agreement, together with applicable GST (or other similar taxes) thereon as provided therein; and

(v) amounts due and payable to the Custodian pursuant to the terms of the Custodial Agreement, together with applicable GST (or other similar taxes) thereon as provided therein;

(e) *fifth*, if the Guarantor is Independently Controlled and Governed and has agreed to afford the Interest Rate Swap Provider priority over the holders of Covered Bonds in respect of amounts payable under the Covered Bonds, amounts due and payable to the Interest Rate Swap Provider (including any termination payment (but excluding any Excluded Swap Termination Payment)) in accordance with the terms of the Interest Rate Swap Agreement;

(f) *sixth*, to pay *pro rata* and *pari passu* according to the respective amounts thereof:

(i) if (e) above does not apply, the amounts due and payable to the Interest Rate Swap Provider *pro rata* and *pari passu* according to the respective amounts thereof (including any termination payment due and payable by the Guarantor under the Interest Rate Swap Agreement but excluding any Excluded Swap Termination Amount) in accordance with the terms of the Interest Rate Swap Agreement;

(ii) the amounts due and payable to the Covered Bond Swap Provider (other than in respect of principal) *pro rata* and *pari passu* in respect of each relevant Series of Covered Bonds (including any termination payment (other than in respect of principal) due and payable by the Guarantor to the Covered Bond Swap Provider but excluding any Excluded Swap Termination Amount) in accordance with the terms of the Covered Bond Swap Agreement; and

(iii) to the Bond Trustee or (if so directed by the Bond Trustee) the Issuing and Paying Agent on behalf of the holders of the Covered Bonds *pro rata* and

pari passu Scheduled Interest that is Due for Payment (or will become Due for Payment in the immediately succeeding Guarantor Payment Period) under the Covered Bond Guarantee in respect of each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (f) (excluding any amounts received from the Covered Bond Swap Provider) would be insufficient to pay the Canadian Dollar Equivalent of the Scheduled Interest that is Due for Payment in respect of each Series of Covered Bonds under (f)(iii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the Guarantor in respect of each relevant Series of Covered Bonds to the Covered Bond Swap Provider under (f)(ii) above will be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(g) *seventh*, to pay or provide for *pro rata* and *pari passu* according to the respective amounts thereof, of:

(i) the amounts (in respect of principal) due and payable *pro rata* and *pari passu* in respect of each relevant Series of Covered Bonds (including any termination payment (relating solely to principal) due and payable by the Guarantor under the Covered Bond Swap Agreement but excluding any Excluded Swap Termination Amount) to the Covered Bond Swap Provider in accordance with the terms of the relevant Covered Bond Swap Agreement; and

(ii) to the Bond Trustee or (if so directed by the Bond Trustee) the Issuing and Paying Agent on behalf of the holders of the Covered Bonds *pro rata*, and *pari passu* Scheduled Principal that is Due for Payment (or will become Due for Payment in the immediately succeeding Guarantor Payment Period) under the Covered Bond Guarantee in respect of each Series of Covered Bonds, provided that if the amount available for distribution under this paragraph (g) (excluding any amounts received from the Covered Bond Swap Provider) in respect of the amounts referred to in (g)(i) above would be insufficient to pay the Canadian Dollar Equivalent of the Scheduled Principal that is Due for Payment in respect of the relevant Series of Covered Bonds under this (g)(ii), the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the Guarantor in respect of each relevant Series of Covered Bonds under (g)(i) to the Covered Bond Swap Provider above will be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(h) *eighth*, to deposit the remaining moneys into the GDA Account for application on the next following Guarantor Payment Date in accordance with the Priorities of Payments described in paragraphs (a) to (g) (inclusive) above, until the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series of Covered Bonds);

(i) *ninth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any Excluded Swap Termination Amount due and payable by the Guarantor to the relevant Swap Provider under the relevant Swap Agreement;

(j) *tenth*, after the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series of Covered Bonds), any remaining moneys will be applied in and towards repayment in full of amounts outstanding under the Intercompany Loan Agreement;

(k) *eleventh*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any indemnity amount due to the Partners pursuant to the Guarantor Agreement and certain costs, expenses and indemnity amounts due by the Guarantor to the Asset Monitor pursuant to the Asset Monitor Agreement; and

(l) *twelfth*, thereafter any remaining moneys will be applied in accordance with the Guarantor Agreement.

Payments received in respect of the Swap Agreements, premiums received in respect of replacement Swap Agreements

If the Guarantor receives any termination payment from a Swap Provider in respect of a Swap Agreement, such termination payment will first be used, to the extent necessary (prior to the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice) to pay a replacement Swap Provider to enter into a replacement Swap Agreement with the Guarantor, unless a replacement Swap Agreement has already been entered into on behalf of the Guarantor. If the Guarantor receives any premium from a replacement Swap Provider in respect of a replacement Swap Agreement, such premium will first be used to make any termination payment due and payable by the Guarantor with respect to the previous Swap Agreement, unless such termination payment has already been made on behalf of the Guarantor.

Any amounts received by the Guarantor from a Swap Provider in respect of a Swap Agreement and which are not applied to pay a replacement Swap Provider to enter into a replacement Swap Agreement will be credited to the Revenue Ledger and applied as Available Revenue Receipts on the next succeeding Guarantor Payment Date.

Application of moneys received by the Bond Trustee following service of a Guarantor Acceleration Notice and enforcement of the Security

Following service of a Guarantor Acceleration Notice and enforcement of the Security granted under the terms of the Security Agreement, all moneys received or recovered by the Bond Trustee (or a receiver appointed on its behalf) (excluding all amounts due or to become due in respect of any Third Party Amounts) will be applied in the following order of priority (the "**Post-Enforcement Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, in or towards satisfaction of all amounts due and payable or to become due and payable to the Bond Trustee under the provisions of the Trust Deed together with interest and applicable GST (or other similar taxes) thereon as provided therein;

(b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to respective amounts thereof of any remuneration then due and payable to the Agents under or pursuant to the Agency Agreement together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(ii) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager under the provisions of the Cash Management Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(iii) amounts due to the Account Bank or, as applicable, the Standby Account Bank (including costs) pursuant to the terms of the Bank Account Agreement or, as applicable, the Standby Bank Account Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein; and

(iv) amounts due to the Custodian pursuant to the terms of the Custodial Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(d) *fourth*, if the Guarantor is Independently Controlled and Governed and has agreed to afford the Interest Rate Swap Provider priority over the holders of Covered Bonds in respect of amounts payable under the Covered Bonds, amounts due and payable to the Interest Rate Swap Provider (including any termination payment (but excluding any Excluded Swap Termination Payment)) in accordance with the terms of the Interest Rate Swap Agreement;

(e) *fifth*, to pay *pro rata* and *pari passu* according to the respective amounts thereof, of:

(i) if (d) above does not apply, any amounts due and payable to the Interest Rate Swap Provider *pro rata* and *pari passu* according to the respective amounts thereof (including any termination payment (but excluding any Excluded Swap Termination Amounts)) pursuant to the terms of the Interest Rate Swap Agreement;

(ii) the amounts due and payable to the Covered Bond Swap Provider *pro rata* and *pari passu* in respect of each relevant Series of Covered Bonds to the Covered Bond Swap Agreement (including any termination payment due and payable by the Guarantor under the Covered Bond Swap Agreement

(but excluding any Excluded Swap Termination Amount)) in accordance with the terms of the Covered Bond Swap Agreement; and

(iii) the amounts due and payable under the Covered Bond Guarantee, to the Bond Trustee on behalf of the holders of the Covered Bonds *pro rata* and *pari passu* in respect of interest and principal due and payable on each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (e) (excluding any amounts received from the Covered Bond Swap Provider in respect of amounts referred to in (e)(ii) above) would be insufficient to pay the Canadian Dollar Equivalent of the amounts due and payable under the Covered Bond Guarantee in respect of each Series of Covered Bonds under (e)(iii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the Guarantor in respect of each relevant Series of Covered Bonds under (e)(ii) above to the Covered Bond Swap Provider will be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(f) *sixth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any Excluded Swap Termination Amounts due and payable by the Guarantor to the relevant Swap Provider under the relevant Swap Agreement;

(g) *seventh*, after the Covered Bonds have been fully repaid, any remaining moneys shall be applied in or towards repayment in full of all amounts outstanding under the Intercompany Loan Agreement;

(h) *eighth*, towards payment of any indemnity amount due to the Partners pursuant to the Guarantor Agreement;

(i) *ninth*, in or towards payment of the fee due to the Corporate Services Provider; and

(j) *tenth*, thereafter any remaining moneys will be applied in or towards payment to the Partners pursuant to the Guarantor Agreement.

DESCRIPTION OF THE CANADIAN REGISTERED COVERED BOND PROGRAMS FRAMEWORK

On 17 December 2012, CMHC published the first version of the CMHC Guide implementing the legislative framework established by Part I.1 of the *National Housing Act* (Canada) (the "**Covered Bond Legislative Framework**"). As of the date of this Prospectus, the most recent version of the CMHC Guide was published on 23 June 2017. On 13 November 2019, CMHC advised that further changes would be made to the CMHC Guide effective 1 January 2020, which amendments included the following: (i) covered bonds must be rated by at least one rating agency (as opposed to the current requirement of at least two rating agencies), (ii) swap counterparties must maintain applicable credit ratings from no less than two rating agencies and (iii) a reduction in the credit ratings thresholds for delivery of registrable mortgage assignments in the Province of Quebec. The CMHC Guide is updated from time to time and may result in amendments to the Transaction Documents, which changes will be made in accordance with the respective terms of those documents. The CMHC Guide elaborates on the role and powers of CMHC as administrator of the Covered Bond Legislative Framework and sets out the conditions and restrictions applicable to registered covered bond issuers and registered covered bond programs.

Eligible Issuers

The Covered Bond Legislative Framework provides that in order to apply for registration as a registered issuer, a proposed issuer of covered bonds must be a "federal financial institution", as defined in section 2 of the Bank Act or a cooperative credit society that is incorporated and regulated by or under an act of the legislature of a province of Canada.

Eligible Covered Bond Collateral and Coverage Tests

Assets held by a guarantor as collateral for covered bonds issued under a registered program may not include mortgages or other secured residential loans that (i) are insured by CMHC or other Prohibited Insurers, or (ii) have a LTV ratio that exceeds 80% at the time of the loan. A guarantor may hold substitute assets consisting of Government of Canada securities and repos of such securities, provided that the value of such substitute assets may not exceed 10% of the total value of the assets of the guarantor held as covered bond collateral. The Covered Bond Legislative Framework, as further described in the CMHC Guide, further restricts assets comprising covered bond collateral by limiting cash held by the guarantor at any time to the amount necessary to meet the guarantor's payment obligations for the next six months, subject to certain exceptions.

In addition to the requirement that the Guarantor confirm that the Level of Overcollateralization is greater than the Guide OC Minimum, the CMHC Guide requires registered issuers to establish a minimum and maximum level of overcollateralization by adopting a minimum and maximum value for the Asset Percentage to be used to perform the Asset Coverage Test and disclose such Asset Percentages in the issuer's offering documents and in the Registry. Methodology to be employed for the asset coverage and amortization tests is specified in the CMHC Guide. Commencing 1 July 2014, in performing such tests registered issuers are required to adjust the market values of the residential properties securing the mortgages or other residential loans comprising covered bond collateral to account for subsequent price adjustments.

The CMHC Guide also requires that the guarantor engage in certain risk-monitoring and risk-mitigation practices, including (i) measurement of the present value of the assets comprising

covered bond collateral as compared to the outstanding covered bonds (the "**Valuation Calculation**"), and (ii) hedging of its interest rate and currency exchange risks.

Bankruptcy and Insolvency

The Covered Bond Legislative Framework contains provisions that will limit the application of the laws of Canada and the provinces and territories relating to bankruptcy, insolvency and fraudulent conveyance to the assignments of loans and other assets to be held by a guarantor as covered bond collateral under a registered covered bond program. Such provisions will not be applicable to any covered bonds that are issued under a registered program at a time that the registered issuer has been suspended by CMHC in accordance with the powers afforded to it under the Covered Bond Legislative Framework and the CMHC Guide.

Qualifications of Counterparties

The CMHC Guide prescribes certain qualifications for each of the counterparties to a registered covered bond program, including that such counterparty (i) possess the necessary experience, qualifications and facilities to perform its obligations under the program, (ii) meet or exceed any minimum standards prescribed by an applicable rating agency, (iii) if regulated, be in regulatory good standing, (iv) be in material compliance with any internal policies and procedures relevant to its role as a counterparty, and (v) be in material compliance with all laws, regulations and rules applicable to that aspect of its business relevant to its role as a counterparty (collectively, the "**Counterparty Qualifications**"). In connection with the Programme, the counterparties are the Swap Providers, the Servicer, the Cash Manager, the Asset Monitor, the Custodian, the Bond Trustee, the Account Bank, the Standby Account Bank, the GDA Provider and the Standby GDA Provider (collectively, the "**Counterparties**"). Each of the Counterparties has represented and warranted in the Transaction Documents that it meets the Counterparty Qualifications.

Asset Monitor

The role of the asset monitor and the specified procedures to be carried out by the asset monitor are also detailed in the CMHC Guide. The asset monitor's responsibilities include confirmation of the arithmetical accuracy of the tests required by the CMHC Guide to be carried out under the registered covered bond program and the preparation and delivery of an annual report detailing the results of the specified procedures undertaken in respect of the covered bond collateral and the program. In addition to the Counterparty Qualifications, the asset monitor must be either (i) a firm engaged in the practice of accounting that is qualified to be an auditor of the registered issuer under the Bank Act and Canadian auditing standards, or (ii) otherwise approved by CMHC (the "**Asset Monitor Qualifications**"). The Asset Monitor has represented and warranted in the Transaction Documents that it meets the Asset Monitor Qualifications.

Custodian

The CMHC Guide requires that a registered issuer appoint a custodian for each of its registered covered bond programs. The custodian's responsibilities include holding on behalf of the Guarantor applicable powers of attorney granted by the Bank to the Guarantor and details of the Portfolio Assets and Substitute Assets. In addition to the Counterparty Qualifications, the custodian must satisfy certain other qualifications, including that it (i) be a federally or provincially chartered institution authorized to act in a fiduciary capacity with respect to valuable documents, or a chartered bank as described in Schedule I to the Bank Act, (ii) be equipped with secure, fireproof storage facilities, with adequate controls on access to assure the safety, confidentiality

and security of the documents in accordance with customary standards for such facilities, (iii) use employees who are knowledgeable in the handling of mortgage and security documents and in the duties of a mortgage and security custodian, (iv) have computer systems that can accept electronic versions of asset details and be able to transmit that data as required by the CMHC Guide, and (v) be at arm's length from (and otherwise independent and not an affiliate of) the registered issuer (collectively, the "**Custodian Qualifications**"). The Custodian has represented and warranted in the Transaction Documents that it meets the Custodian Qualifications.

Bond Trustee

A registered issuer is required to appoint a bond trustee to represent the views and interests, and to enforce the rights, of the covered bondholders. In addition to the Counterparty Qualifications, a bond trustee must be at arm's length from (and otherwise independent and not an affiliate of) the registered issuer (the "**Bond Trustee Qualifications**"). The Bond Trustee has represented and warranted in the Transaction Documents that it meets the Bond Trustee Qualifications.

Ratings

If there are covered bonds outstanding under a registered covered bond program, at least one rating agency must at all times have current ratings assigned to at least one series or tranche of covered bonds outstanding, and swap counterparties must maintain applicable credit ratings from no less than two ratings agencies.

Disclosure and Reporting

The CMHC Guide sets out a number of disclosure and reporting obligations for registered covered bond issuers. Underlying these obligations is the principle that investors should have access to all material information with respect to the registered issuer and the relevant series of covered bonds in order to make an informed investment decision with respect to buying, selling or holding such covered bonds. Registered covered bond issuers are required to maintain a website where investors can access, among other things, material transaction documents, monthly reports on the covered bond collateral and static covered bond collateral portfolio data that users may download and analyze. The provisions of the CMHC Guide permit registered issuers to restrict access to such website (for example, through the use of a password) in order to comply with securities laws or otherwise. The Issuer's website can be found at https://www.cibc.com/en/about-cibc/investor-relations/debt-information/legislative-covered-bond.html.

Status of the Issuer and the Programme

The Issuer and the Programme were registered in the Registry in accordance with the Covered Bond Legislative Framework and the CMHC Guide on 3 July 2013.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantor believe to be reliable, but none of the Issuer, the Guarantor, the Bond Trustee or any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantor nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the Covered Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing corporation" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This, eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for, DTC, National Securities Clearing Corporation and Fixed Income Corporation, MBS Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating: AA+.. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of DTC Covered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Covered Bonds on DTC's records. The ownership interest of each actual purchaser of each Covered Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Covered Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Covered Bonds, except in the event that use of the book-entry system for the DTC Covered Bonds is discontinued.

To facilitate subsequent transfers, all DTC Covered Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. The deposit of DTC Covered Bonds with DTC and their registration in the name of Cede &. Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Covered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Covered Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communication by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Covered Bonds within a Tranche are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Tranche to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Covered Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Covered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Covered Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Issuing and Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or its nominee, the Issuing and Paying Agent, the Issuer, the Guarantor, the Bond Trustee or the Dealers, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Under certain circumstances, DTC will exchange the DTC Covered Bonds for Registered Definitive Covered Bonds, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Covered Bond, will be legended as set forth under "*Subscription and Sale*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Covered Bonds to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Covered Bonds, will be required to withdraw its Registered Covered Bonds from DTC as described below.

DTC may discontinue providing its services as depository with respect to Registered Covered Bonds at any time by giving reasonable notice to the Issuer and the Issuing and Paying Agent. Under such circumstances, in the event that a successor depository is not appointed, Registered Definitive Covered Bonds, will be distributed to DTC's Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Covered Bond, will be legended as set forth under "*Subscription and Sale."* The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Registered Definitive Covered Bonds, will be distributed as provided in the preceding sentence.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, the but Issuer takes no responsibility for the accuracy thereof.

CDS

CDS is the exclusive clearing agency for equity trading on the TSX and also clears a substantial volume of "over the counter" trading in equities and bonds. Its parent company, The Canadian Depository for Securities Limited, was incorporated in 1970 and is a private corporation owned by TMX Group Limited. CDS provides a variety of services for financial institutions and investment dealers active in domestic and international capital markets. CDS participants include banks, trust companies and investment dealers. Indirect access to CDS is available to other organizations that clear through or maintain a custodial relationship with a CDS participant. Transfers of ownership and other interests, including cash distributions, in Covered Bonds in CDS may only be processed through CDS participants and will be completed in accordance with existing CDS rules and procedures. CDS is headquartered in Toronto and has offices in Montréal, Vancouver and Calgary to centralize securities clearing functions through a central securities depositary.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of Covered Bonds registered with DTC or CDS

The Issuer may apply to DTC or CDS, as the case may be, in order to have any Tranche of Covered Bonds represented by a Registered Global Covered Bond accepted in its book-entry settlement system. Upon the issue of any such Registered Global Covered Bond, DTC or its custodian or CDS or its custodian, as the case may be, will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Covered Bond to the accounts of persons who have accounts with DTC or CDS, as the case may be. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Covered Bond will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Covered Bond, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Covered Bond accepted by DTC or CDS, as the case may be, will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee or CDS or its nominee, as the case may be (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Covered Bond accepted by DTC or CDS, as the case may be, will be made to the order of DTC or its nominee or CDS or its nominee, as the case may be, as the registered holder of such Covered Bond. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee or CDS or its nominee, as the case may be, and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Covered Bond in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC or CDS, as the case may be, to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC or CDS, as the case may be, unless there is reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Covered Bonds will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC or CDS, as the case may be, the Bond Trustee, the Issuing and Paying Agent, the Registrar, the Issuer, the Guarantor or the Dealers. Payment of principal, premium, if any, and interest, if any, on Covered Bonds to DTC or CDS is the responsibility of the Issuer and after a Covered Bond Guarantee Activation Event the Guaranteed Amounts in respect thereof are obligations of the Guarantor under the Covered Bond Guarantee.

Transfers of Covered Bonds Represented by Registered Global Covered Bonds

Transfers of any interests in Covered Bonds represented by a Registered Global Covered Bond within DTC, CDS, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered

Bonds for Covered Bonds in definitive form. Similarly, because DTC and CDS can only act on behalf of Direct Participants in the DTC system or the CDS system, as the case may be, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Covered Bonds represented by a Registered Global Covered Bond accepted by DTC or CDS to pledge such Covered Bonds to persons or entities that do not participate in the DTC system or the CDS system, as the case may be, or otherwise to take action in respect of such Covered Bonds may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. The ability of any holder of Covered Bonds represented by a Registered Global Covered Bond accepted by DTC or CDS to resell, pledge or otherwise transfer such Covered Bonds may be impaired if the proposed transferee of such Covered Bonds is not eligible to hold such Covered Bonds through a direct or indirect participant in such system.

Subject to compliance with the transfer restrictions applicable to the Registered Covered Bonds described under "*Subscription and Sale*", cross-market transfers between DTC or CDS, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Issuing and Paying Agent, any agent appointed pursuant to the Agency Agreement with respect to Covered Bonds settled through CDS, and any custodian with whom the relevant Registered Global Covered Bonds have been deposited.

On or after the Issue Date for any Series, transfers of Covered Bonds of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Covered Bonds of such Series between participants in DTC or CDS will generally have a settlement date one business day after the trade date (T+1). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC and CDS participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC or CDS, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Covered Bonds will be effected through the Registrar, the Issuing and Paying Agent and the custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC or CDS participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, CDS, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Covered Bonds among participants and accountholders of DTC, CDS, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Bond Trustee, the Issuer, the Guarantor, the Agents or any Dealer will be responsible for any performance by DTC, CDS, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Covered Bonds represented by Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

Canada

The following overview describes the principal Canadian federal income tax considerations as of the date hereof under the *Income Tax Act* (Canada) (the "**Act**") and Income Tax Regulations (the "**Regulations**") generally applicable to a holder of Covered Bonds who acquires, as a beneficial owner, Covered Bonds, including entitlement to all payments thereunder, pursuant to this Prospectus, and who, for purposes of the Act, at all relevant times, (a) is not resident and is not deemed to be resident in Canada, (b) deals at arm's length and is not affiliated with the Issuer or the Guarantor (and each of its partners), and deals at arm's length with any Canadian resident (or deemed Canadian resident) to whom the holder disposes of the Covered Bonds, (c) is not a, and deals at arm's length with every, "specified shareholder" (as defined in subsection 18(5) of the Act for the purposes of the "thin capitalization" rules) of the Issuer and each Partner of the Guarantor, (d) does not use or hold and is not deemed to use or hold Covered Bonds in, or in the course of, carrying on a business in Canada and (e) is not an insurer carrying on an insurance business in Canada and elsewhere (a "**Non-resident Holder**").

This overview does not apply to a Non-resident Holder in respect of which the Issuer or any transferee resident (or deemed to be resident) in Canada to whom such Non-resident Holder disposes of, loans or otherwise transfers Covered Bonds is a "specified entity" (as defined in subsection 18.4(1) of the Act), or a Non-resident Holder that is a "specified entity" in respect of such a transferee. This overview also assumes that no amount paid or payable in respect of the Covered Bonds will be the deduction component of a "hybrid mismatch arrangement" under which the payment arises (within the meaning of paragraph 18.4(3)(b) of the Act).

This overview is based upon the provisions of the Act and the Regulations in force on the date hereof, proposed amendments to the Act and the Regulations in the form publicly announced prior to the date hereof by or on behalf of the Minister of Finance (Canada) ("**Proposed Amendments**") and the current administrative policies of the Canada Revenue Agency published in writing by it prior to the date hereof. No assurance can be given that the Proposed Amendments will be enacted in the form proposed or at all. This overview is not exhaustive of all Canadian federal income tax considerations relevant to an investment in Covered Bonds and does not take into account or anticipate any other changes in law or any changes in the Canada Revenue Agency's administrative policies, whether by legislative, governmental or judicial decision, action or interpretation, nor does it take into account any other federal or any provincial, territorial or foreign income tax legislation. Subsequent developments could have a material effect on the following description.

The following summary of certain Canadian federal income tax considerations which may affect a Non-resident Holder is of a general nature only. This summary is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Non-resident Holder and no representation with respect to the income tax consequences to any particular Non-resident Holder is made. Persons considering investing in Covered Bonds should consult their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of Covered Bonds having regard to their own particular circumstances.

Material Canadian federal income tax considerations applicable to Covered Bonds may be described particularly when such Covered Bonds are offered in the Final Terms related thereto if

they are not otherwise addressed herein. In that event, the following will be superseded to the extent indicated therein.

Interest (including amounts on account or in lieu of payment of, or in satisfaction of, interest) paid or credited or deemed for purposes of the Act to be paid or credited on a Covered Bond (including accrued interest, any amount paid at maturity in excess of the principal amount that is deemed to be interest and interest deemed to be paid on a Covered Bond in certain cases involving the assignment or other transfer of a Covered Bond to a person resident or deemed to be resident of Canada) to a Non-resident Holder will not be subject to Canadian non-resident withholding tax unless all or any portion of such interest (other than interest that is paid or payable on a "prescribed obligation", described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation ("**Participating Debt Interest**"). A "prescribed obligation" is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money and no amount payable in respect thereof, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent upon the use of or production from property in Canada or is computed by reference to any of the criteria described in the Participating Debt Interest definition above.

In the event that a Covered Bond, the interest on which is not exempt from Canadian withholding tax upon its terms, is redeemed, cancelled, repurchased or exchanged pursuant to Condition 6 or 7, as applicable, or purchased by the Issuer or any other person resident or deemed to be resident in Canada from a Non-resident Holder or is otherwise assigned or transferred by a Non-resident Holder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof, the excess may be deemed to be interest and may, together with any interest that has accrued or is deemed to have accrued on the Covered Bond to that time, be subject to non-resident withholding tax. Such withholding tax will apply if all or any portion of such interest or deemed interest is Participating Debt Interest unless, in certain circumstances, the Covered Bond is considered to be an "excluded obligation" for purposes of the Act. A Covered Bond that is not an "indexed debt obligation" (described below) will be an "excluded obligation" for this purpose if it was issued for an amount not less than 97% of its principal amount (as defined in the Act), and the yield from which, expressed in terms of an annual rate (determined in accordance with the Act) on the amount for which the Covered Bond was issued, does not exceed 4/3 of the interest stipulated to be payable on the Covered Bond, expressed in terms of an annual rate on the outstanding principal amount from time to time. An "indexed debt obligation" is a debt obligation the terms and conditions of which provide for an adjustment to an amount payable in respect of the obligation, for a period during which the obligation was outstanding, that is determined by reference to a change in the purchasing power of money.

Generally, for purposes of the Act, all amounts must be converted into Canadian dollars based on exchange rates determined in accordance with the Act.

If interest is subject to non-resident withholding tax, the applicable rate is 25 per cent, subject to reduction under the terms of an applicable income tax treaty or convention.

Amounts paid or credited or deemed to be paid or credited on a Covered Bond by the Guarantor to a Non-resident Holder pursuant to the Covered Bond Guarantee will be exempt from Canadian

withholding tax to the extent such amounts, if paid or credited by the Issuer to such Non-resident Holder on such Covered Bond, would have been exempt.

Generally, there are no other taxes on income (including taxable capital gains) payable by a Non-resident Holder on interest, discount or premium in respect of a Covered Bond or on the proceeds received by a Non-resident Holder on the disposition of a Covered Bond (including on a redemption, cancellation, purchase or repurchase).

The foregoing overview is of a general nature only, and is not intended to be, nor should it be considered to be, legal or tax advice to any particular Non-resident Holder. Non-resident Holders should therefore consult their own tax advisors with respect to their particular circumstances.

United Kingdom Taxation

The following comments relate only to UK withholding tax. They do not deal with any other aspect of the UK taxation treatment that may be applicable to holders of Covered Bonds (including, for instance, income tax, capital gains tax and corporation tax). The comments are of a general nature and are based on current UK law and the current practice of HM Revenue & Customs, which may be subject to change, sometimes with retrospective effect. They relate only to the position of persons who are the absolute beneficial owners of their Covered Bonds and all payments made thereon. Prospective Covered Bondholders should be aware that the particular terms of issue of any series of Covered Bonds as specified in the relevant Final Terms may affect the tax treatment of that and other series of Covered Bonds. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective Covered Bondholder.

Any holders of Covered Bonds who are in doubt as to their tax position should consult their professional advisers. Holders of Covered Bonds who may be liable to taxation in jurisdictions other than the UK in respect of their acquisition, holding or disposal of Covered Bonds are particularly advised to consult their professional advisers as to whether they are so liable (and, if so, under the laws of which jurisdictions), since the following comments relate only to certain UK taxation aspects of payments in respect of the Covered Bonds. In particular, Covered Bondholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Covered Bonds even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the UK.

Covered Bonds issued by the Issuer's London branch

The Issuer, provided that it continues to be a bank within the meaning of section 991 of the UK Income Tax Act 2007 (the "**UK Act**"), and provided that interest on the Covered Bonds is paid in the ordinary course of its business within section 878 of the UK Act, will be entitled to make payments of interest without withholding or deduction on account of UK income tax.

Payments of interest on the Covered Bonds may also under section 882 of the UK Act be made without deduction of or withholding on account of UK income tax provided that the Covered Bonds constitute quoted Eurobonds under section 987 of the UK Act and are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the UK Act. The Luxembourg Stock Exchange is a recognised stock exchange. Section 1005 of the UK Act provides that securities will be treated as listed on a recognised stock exchange if (and only if)

they are admitted to trading on that exchange and either they are included in the UK official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in the EEA, in a country outside the UK in which there is a recognised stock exchange.

Interest on the Covered Bonds may also be paid without withholding or deduction on account of UK tax, under the exception in section 930 of the UK Act. This will be the case where interest on the Covered Bonds is paid by the Issuer and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Covered Bonds is paid reasonably believes) that the payment is an "excepted payment" which will be the case where the beneficial owner is a UK resident company as set out in section 933 of the UK Act or the recipient of the payment otherwise falls under the categories of "excepted payments" set out in Sections 934 to 937 of the UK Act, provided that HM Revenue & Customs has not given a direction under section 931 of the UK Act (where it has reasonable grounds to believe that the payment will not be an "excepted payment" at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Covered Bonds may also be paid without withholding or deduction on account of UK tax where the maturity date of the Covered Bonds is less than one year from the date of issue, and the Issuer and the holder of the Covered Bonds in question do not contemplate or intend that the indebtedness under the Covered Bonds will continue, through a succession of subsequent redemptions and subscriptions of further Covered Bonds or otherwise, for a period of one year or more.

Interest on Covered Bonds issued by the Issuer's London branch may be paid without deduction on account of UK income tax if the conditions set out in section 888A of the UK Act for qualifying private placements are met. Under Section 888A of the UK Act and the Qualifying Private Placement Regulations 2015 (S.I. 2015/2002), these conditions are that the Covered Bonds should not be listed on a recognised stock exchange, that they represent a debtor loan relationship of a company, that their term should not exceed 50 years, that their value equal or exceed £10m, that they be entered into for genuine commercial reasons (by both the Issuer and Covered Bondholders), that the Issuer should reasonably believe that it is not connected to the Covered Bondholders and vice versa, and that the Issuer should hold a 'creditor certificate' for each relevant Covered Bondholder (which, in turn, requires that each relevant Covered Bondholder be beneficially entitled to interest payments on the Covered Bonds and resident in a jurisdiction which has a double taxation treaty with the UK containing a non-discrimination article).

In other cases, on the basis that interest on Covered Bonds issued by the Issuer's London branch has a UK source, an amount generally must be withheld from payments of interest on the Covered Bonds on account of UK income tax at the basic rate (currently 20 per cent) subject to such relief as may be available, for example under the provisions of any applicable double taxation treaty, or in certain other circumstances.

Where interest has been paid under deduction of UK income tax, Covered Bondholders who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The above description of the UK withholding tax position assumes that there will be no substitution of an issuer of the Covered Bonds and does not consider the tax consequences of any such substitution.

Payments by the Guarantor

If the Guarantor makes any payment in respect of interest on Covered Bonds issued by the Issuer's London branch (or any other amounts due under such Covered Bonds other than the repayment of amounts subscribed for under the Covered Bonds) such payment may be subject to UK withholding tax at the basic rate (currently 20 per cent), whether or not the Covered Bonds are listed on a "recognised stock exchange" within the meaning of section 1005 of the UK Act, and may not be eligible for the exemptions from UK withholding tax described above.

Issue at a Discount and/or Redemption at a Premium

If Covered Bonds are issued at a price which is a discount to their nominal amount, any discount element of the redemption amount should not be subject to withholding or deduction on account of UK income tax. If Covered Bonds are issued with a premium payable on redemption (as opposed to being issued at a discount), the payment of such a redemption premium may be treated as a payment of interest for UK tax purposes and may be subject to withholding or deduction on account of UK income tax (unless it falls within one of the exemptions from withholding or deduction described above).

The references to "interest" above mean "interest" as understood in UK tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Conditions or any related documentation.

Covered Bondholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Covered Bonds which does not constitute "interest" or "principal" as those terms are understood in UK tax law.

For completeness, where a payment on a Covered Bond does not constitute (or is not treated as) interest for UK tax purposes, and the payment has a UK source, it would potentially be subject to UK withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for UK tax purposes (which will be determined by, amongst other things, the terms and conditions specified in the Final Terms of the Covered Bond). Although this may be unlikely to apply in practice, in such a case the payment may fall to be made under deduction of UK tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HM Revenue and Customs pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

Luxembourg Taxation

The following information is of a general nature only. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues. Prospective investors in the Covered Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a familiar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

Under Luxembourg tax law currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Covered Bonds.

In accordance with the law of 23 December 2005, as amended, interest payments made or ascribed by Luxembourg paying agents to Luxembourg individual residents are subject to a 20 per cent withholding tax. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Exchange of Information and Information Gathering Powers

Under the Organisation for Economic Co-operation and Development's ("**OECD**") initiative for the automatic exchange of information, many countries have committed to automatic exchange of information relating to accounts held by tax residents of signatory countries, using a common reporting standard.

Canada and the United Kingdom have implemented the OECD's Multilateral Competent Authority Agreement and Common Reporting Standard ("**Common Reporting Standard**"), which provides for the automatic exchange of tax information. Canadian and United Kingdom financial institutions (and their branches in other jurisdictions) are required to report certain information concerning certain investors resident in participating countries to their relevant tax authority (or the relevant tax authority in the branch jurisdiction, as appropriate) and to follow certain due diligence procedures. The Canada Revenue Agency and HM Revenue and Customs (or other relevant tax authority) will provide such information on a bilateral, reciprocal basis to the tax authorities in the applicable investors' countries of residence, where such countries have enacted the Common Reporting Standard or otherwise as required under the Common Reporting Standard.

In addition, domestic tax reporting obligations may, subject to any relevant exceptions or concessions, require a person (including a Paying Agent) making payments to a Covered Bondholder to report certain information (which may include the name and address of the Covered Bondholder) to the relevant tax authority in the jurisdiction in which the payer operates. Any information obtained may, in certain circumstances, be exchanged by that tax authority with the tax authority of the jurisdiction in which the Covered Bondholder is resident for tax purposes.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Covered Bonds (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Covered Bonds where at least one party is a financial institution, and at least one party

is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Covered Bonds are advised to seek their own professional advice in relation to the FTT.

U.S. Federal Income Taxation

The following overview discusses certain material U.S. federal income tax considerations of the ownership and disposition of the Covered Bonds. Except as specifically noted below, this discussion applies only to:

- Covered Bonds purchased on original issuance at their "issue price" (as defined below); and

- Covered Bonds held as capital assets within the meaning of Section 1221 of the Code.

This discussion does not describe all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Covered Bonds by particular investors, and does not address state, local, non-U.S. or other tax laws. This summary also does not address the U.S. federal estate and gift tax, alternative minimum tax, or Medicare tax consequences of the acquisition, ownership or disposition of the Covered Bonds. This summary does not discuss all of the tax considerations that may be relevant in light of a holder's particular circumstances or to holders subject to special rules, such as:

- financial institutions;

- insurance companies;

- real estate investment trusts;

- regulated investment companies;

- grantor trusts;

- dealers in securities or foreign currencies;

- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;

- persons holding Covered Bonds as part of a hedging transaction, "straddle," conversion transaction or other integrated transaction;

- accrual basis taxpayers that file applicable financial statements (as described in Section 451(b) of the Code);

- U.S. holders whose functional currency is not the U.S. dollar;

- certain former citizens or long-term residents of the United States;

- individual retirement accounts and other tax deferred accounts;

- tax-exempt entities;

- persons that own, or are deemed to own, 10% or more of any class of the Issuer's stock; or

- partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes, and persons holding Covered Bonds through such partnerships.

This overview is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury regulations, changes to any of which subsequent to the date of this Prospectus may affect the tax consequences described below. Persons considering the purchase of the Covered Bonds should consult the applicable Final Terms for any additional discussion regarding U.S. federal income taxation and should consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

As used herein, the term "**U.S. holder**" means a beneficial owner of a Covered Bond that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;

- corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

- an estate the income of which is subject to U.S. federal income taxation regardless of its source;

- a trust (1)(a) the administration over which a U.S. court can exercise primary supervision and (b) all of the substantial decisions of which one or more U.S. persons have the authority to control, or (2) that validly elects to be treated as a U.S. person for U.S. federal income tax purposes.

A "**Non-U.S. holder**" is a beneficial owner of Covered Bonds that is not a U.S. holder and that is not an entity or arrangement classified as a partnership for U.S. federal income tax purposes.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Covered Bonds, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners of such partnerships holding Covered Bonds should consult with their tax advisors.

This overview does not discuss Bearer Covered Bonds. In general, U.S. federal income tax law imposes significant limitations on U.S. holders of Bearer Covered Bonds. U.S. holders should

consult their tax advisors regarding the U.S. federal income and other tax consequences of the acquisition, ownership and disposition of Bearer Covered Bonds.

Taxation of U.S. Holders

Payments of Stated Interest

Interest paid on a Covered Bond will be taxable to a U.S. holder as ordinary interest income at the time it accrues or is received in accordance with the holder's method of accounting for U.S. federal income tax purposes, provided that the interest is "qualified stated interest" (as defined below). Interest income earned by a U.S. holder with respect to a Covered Bond will constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the holder's foreign tax credit limitation. The rules regarding foreign tax credits are complex and prospective investors should consult their tax advisors about the application of such rules to them in their particular circumstances. Special rules governing the treatment of interest paid with respect to original issue discount Covered Bonds, exchangeable Covered Bonds and foreign currency Covered Bonds are described under "*Taxation – U.S. Federal Income Taxation – Original Issue Discount,*" "***– Contingent Payment Debt Instruments", and "– Foreign Currency Covered Bonds***".

Original Issue Discount

A Covered Bond that has an "issue price" that is less than its "stated redemption price at maturity" will be considered to have been issued at an original issue discount for U.S. federal income tax purposes (and will be referred to as an "**original issue discount Covered Bond**") unless the Covered Bond satisfies a *de minimis* threshold (as described below) or is a short-term Covered Bond (as defined below). The "**issue price**" of a Covered Bond generally will be the first price at which a substantial amount of the Covered Bonds are sold to persons (which does not include sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The "**stated redemption price at maturity**" of a Covered Bond generally will equal the sum of all payments required to be made under the Covered Bond other than payments of "qualified stated interest". "**Qualified stated interest**" is stated interest unconditionally payable (other than in debt instruments of the issuer) at least annually during the entire term of the Covered Bond and equal to the outstanding principal balance of the Covered Bond multiplied by a single fixed rate of interest. In addition, qualified stated interest includes, among other things, stated interest on a "variable rate debt instrument" that is unconditionally payable (other than in debt instruments of the issuer) at least annually at a single qualified floating rate of interest or at a rate that is determined at a single fixed formula that is based on objective financial or economic information. A rate is a qualified floating rate if variations in the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Covered Bond is denominated.

If the difference between a Covered Bond's stated redemption price at maturity and its issue price is less than a *de minimis* amount, i.e., 1/4 of 1 per cent of the stated redemption price at maturity multiplied by the number of complete years to maturity, the Covered Bond will not be considered to have original issue discount. U.S. holders of Covered Bonds with a *de minimis* amount of original issue discount will include this original issue discount in income, as capital gain, on a *pro rata* basis as principal payments are made on the Covered Bond.

A U.S. holder of original issue discount Covered Bonds will be required to include any qualified stated interest payments in income in accordance with the holder's method of accounting for U.S.

federal income tax purposes. U.S. holders of original issue discount Covered Bonds that mature more than one year from their date of issuance will be required to include original issue discount in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received.

A U.S. holder may make an election to include in gross income all interest that accrues on any Covered Bond (including stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest (a "**constant yield election**"), and may revoke such election only with the permission of the U.S. Internal Revenue Service (the "**IRS**").

A Covered Bond that matures one year or less from its date of issuance (a "**short-term Covered Bond**") will be treated as being issued at a discount and none of the interest paid on the Covered Bond will be treated as qualified stated interest. In general, a cash method U.S. holder of a short-term Covered Bond is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so. U.S. holders who so elect and certain other U.S. holders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. holder who is not required and who does not elect to include the discount in income currently, any gain realized on the sale, exchange, or retirement of the short-term Covered Bond will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Covered Bonds in an amount not exceeding the accrued discount until the accrued discount is included in income.

The Issuer may have an unconditional option to redeem, or U.S. holders may have an unconditional option to require the Issuer to redeem, a Covered Bond prior to its stated maturity date. Under applicable regulations, if the Issuer has an unconditional option to redeem a Covered Bond prior to its stated maturity date, this option will be presumed to be exercised if, by utilizing any date on which the Covered Bond may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Covered Bond as the stated redemption price at maturity, the yield on the Covered Bond would be lower than its yield to maturity. If the U.S. holders have an unconditional option to require the Issuer to redeem a Covered Bond prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Covered Bond would be higher than its yield to maturity. If this option is not in fact exercised, the Covered Bond would be treated solely for purposes of calculating original issue discount as if it were redeemed, and a new Covered Bond were issued, on the presumed exercise date for an amount equal to the Covered Bond's adjusted issue price on that date. The adjusted issue price of an original issue discount Covered Bond is defined as the sum of the issue price of the Covered Bond and the aggregate amount of previously accrued original issue discount, less any prior payments other than payments of qualified stated interest.

Market Discount

If a U.S. holder purchases a Covered Bond (other than a short-term Covered Bond) for an amount that is less than its stated redemption price at maturity or, in the case of an original issue discount Covered Bond, its adjusted issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A U.S. holder will be required to treat any principal payment (or, in the case of an original issue discount Covered Bond, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Covered Bond, including disposition in certain nonrecognition transactions, as ordinary income to the extent of the market discount accrued on the Covered Bond at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. holder pursuant to an election by the holder to include market discount in income as it accrues, or pursuant to a constant yield election by the holder as described under "*Taxation – U.S. Federal Income Taxation – Original Issue Discount*" above. In addition, the U.S. holder may be required to defer, until the maturity of the Covered Bond or its earlier disposition (including certain nontaxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Covered Bond.

If a U.S. holder makes a constant yield election (as described under "*Taxation – U.S. Federal Income Taxation – Original Issue Discount*") for a Covered Bond with market discount, such election will result in a deemed election for all market discount bonds acquired by the holder on or after the first day of the first taxable year to which such election applies.

Acquisition Premium and Amortizable Bond Premium

A U.S. holder who purchases a Covered Bond for an amount that is greater than the Covered Bond's adjusted issue price but less than or equal to the sum of all amounts payable on the Covered Bond after the purchase date other than payments of qualified stated interest will be considered to have purchased the Covered Bond at an acquisition premium. Under the acquisition premium rules, the amount of original issue discount that the U.S. holder must include in its gross income with respect to the Covered Bond for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If a U.S. holder purchases a Covered Bond for an amount in excess of the sum of all amounts payable on the Covered Bonds after the purchase date, other than qualified stated interest, the U.S. holder will be considered to have purchased the Covered Bond with amortizable bond premium equal in amount to the excess of the purchase price over the amount payable at maturity. The U.S. holder may elect to amortize this premium, using a constant yield method, over the remaining term of the Covered Bond (where the Covered Bond is not optionally redeemable prior to its maturity date). If the Covered Bond may be optionally redeemed prior to maturity after the holder has acquired it, the amount of amortizable bond premium is determined by substituting the call date for the maturity date and the call price for the amount payable at maturity only if the substitution results in a smaller amount of premium attributable to the period before the redemption date. A U.S. holder who elects to amortize bond premium must reduce the U.S. holder's tax basis in the Covered Bond by the amount of the premium amortized in any year. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. holder and may be revoked only with the consent of the IRS.

If a U.S. holder makes a constant yield election (as described under "*Taxation – U.S. Federal Income Taxation – Original Issue Discount*") for a Covered Bond with amortizable bond premium, such election will result in a deemed election to amortize bond premium for all of the holder's debt instruments with amortizable bond premium.

Sale, Exchange, Retirement or other Taxable Disposition of the Covered Bonds

Upon the sale, exchange, retirement or other taxable disposition of a Covered Bond, a U.S. holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, retirement or other taxable disposition and the holder's adjusted tax basis in the Covered Bond. A U.S. holder's adjusted tax basis in a Covered Bond generally will equal the acquisition cost of the Covered Bond increased by the amount of original issue discount and market discount included in the U.S. holder's gross income and decreased by the amount of any premium previously amortized to reduce interest on the Covered Bond and of any payment received from the Issuer other than a payment of qualified stated interest. Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. holder's foreign tax credit limitation. For these purposes, the amount realized does not include any amount attributable to accrued interest on the Covered Bond. Amounts attributable to accrued interest are treated as interest as described under "*Taxation – U.S. Federal Income Taxation – Payments of Stated Interest*".

Except as described below, gain or loss realized on the sale, exchange, retirement or other taxable disposition of a Covered Bond will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement or other taxable disposition the Covered Bond has been held for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount or, in the case of a short-term Covered Bond, to the extent of any accrued discount not previously included in the U.S. holder's taxable income. See "*Taxation– U.S. Federal Income Taxation – Original Issue Discount*" and "*– Market Discount*". In addition, other exceptions to this general rule apply in the case of foreign currency Covered Bonds, and contingent payment debt instruments. See "*Taxation – U.S. Federal Income Taxation – Foreign Currency Covered Bonds*" and "*– Contingent Payment Debt Instruments"*.

Contingent Payment Debt Instruments

If the terms of the Covered Bonds provide for certain contingencies that affect the timing and amount of payments (including Covered Bonds with a variable rate or rates that do not qualify as "variable rate debt instruments" for purposes of the original issue discount rules) they will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Covered Bonds qualifies as qualified stated interest. Rather, a U.S. holder must account for interest for U.S. federal income tax purposes based on a "comparable yield" and the differences between actual payments on the Covered Bond and the Covered Bond's "projected payment schedule" as described below. The comparable yield is determined by the Issuer at the time of issuance of the Covered Bonds. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Covered Bonds. Solely for the purpose of determining the amount of interest income that a U.S. holder will be required to accrue on a contingent payment debt instrument, the Issuer will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield.

Neither the comparable yield nor the projected payment schedule constitutes a representation by the Issuer regarding the actual amount, if any, that the contingent payment debt instrument will pay.

For U.S. federal income tax purposes, a U.S. holder will be required to use the comparable yield and the projected payment schedule established by the Issuer in determining interest accruals and adjustments in respect of a Covered Bond treated as a contingent payment debt instrument, unless the holder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. holder, regardless of the holder's method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment instrument (as set forth below).

A U.S. holder will be required to recognize interest income equal to the amount of any net positive adjustment, i.e., the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a holder would otherwise be required to include in income in the taxable year; and

- to the extent of any excess, will give rise to an ordinary loss equal to so much of this excess as does not exceed the excess of:

- the amount of all previous interest inclusions under the contingent payment debt instrument over

- the total amount of the U.S. holder's net negative adjustments treated as ordinary loss on the contingent payment debt instrument in prior taxable years.

Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the contingent payment debt instrument or to reduce the amount realized on a sale, exchange or retirement of the contingent payment debt instrument. Where a U.S. holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange, retirement or other taxable disposition of a contingent payment debt instrument, a U.S. holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, retirement or other taxable disposition and the U.S. holder's adjusted tax basis in the contingent payment debt instrument. A U.S. holder's adjusted tax basis in a Covered Bond that is a contingent payment debt instrument generally will be the acquisition cost of the Covered Bond, increased by the interest previously accrued by the U.S. holder on the Covered Bond under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any noncontingent payments and the

projected amount of any contingent payments previously made on the Covered Bond. A U.S. holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. In addition, if a U.S. holder recognizes loss above certain thresholds, the U.S. holder may be required to file a disclosure statement with the IRS (as described under "*Taxation – U.S. Federal Income Taxation – Reportable Transactions*").

Foreign Currency Covered Bonds

The following discussion summarizes the principal U.S. federal income tax consequences to a U.S. holder of the ownership and disposition of Covered Bonds that are denominated in a specified currency other than the U.S. dollar or the payments of interest or principal on which are payable in a currency other than the U.S. dollar ("**foreign currency Covered Bonds**").

The rules applicable to foreign currency Covered Bonds could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Covered Bond to be recharacterized as ordinary income or loss. The rules applicable to foreign currency Covered Bonds are complex and may depend on the holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. holder should make any of these elections may depend on the U.S. holder's particular U.S. federal income tax situation. U.S. holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Covered Bonds.

A U.S. holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Covered Bond will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at that time, and this U.S. dollar value will be the U.S. holder's tax basis in the foreign currency. A cash method U.S. holder who receives a payment of qualified stated interest in U.S. dollars pursuant to an option available under such foreign currency Covered Bond will be required to include the amount of this payment in income upon receipt.

An accrual method U.S. holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount or market discount, but reduced by acquisition premium and amortizable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Covered Bond during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. holder will recognize ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of ordinary income or loss recognized will equal the difference between the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period (or, where a holder receives U.S. dollars, the amount of the payment in respect of the accrual period) and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method U.S. holder required to currently accrue original issue discount or market discount.

An accrual method U.S. holder may elect to translate interest income (including original issue discount) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the

case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

Original issue discount, market discount, acquisition premium and amortizable bond premium on a foreign currency Covered Bond are to be determined in the relevant foreign currency. Where the U.S. holder elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realized with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued interest described above.

If an election to amortize bond premium is made by a U.S. holder, amortizable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realized on amortized bond premium with respect to any period by treating the bond premium amortized in the period in the same manner as on the sale, exchange or retirement of the foreign currency Covered Bond. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realized on the sale, exchange or retirement of a foreign currency Covered Bond with amortizable bond premium by a U.S. holder who has not elected to amortize the premium will be a capital loss to the extent of the bond premium.

A U.S. holder's tax basis in a foreign currency Covered Bond, and the amount of any subsequent adjustment to the holder's tax basis, will be the U.S. dollar value amount of the foreign currency amount paid for such foreign currency Covered Bond, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. A U.S. holder who purchases a foreign currency Covered Bond with previously owned foreign currency will recognize ordinary income or loss in an amount equal to the difference, if any, between such U.S. holder's tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency Covered Bond on the date of purchase.

Gain or loss realized upon the sale, exchange, retirement or other taxable disposition of a foreign currency Covered Bond that is attributable to fluctuations in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between (i) the U.S. dollar value of the foreign currency principal amount of the Covered Bond, determined on the date the payment is received or the Covered Bond is disposed of, and (ii) the U.S. dollar value of the foreign currency principal amount of the Covered Bond, determined on the date the U.S. holder acquired the Covered Bond. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Covered Bonds described above. The foreign currency gain or loss will be recognized only to the extent of the total gain or loss realized by the U.S. holder on the sale, exchange, retirement or other taxable disposition of the foreign currency Covered Bond. The source of the foreign currency gain or loss will be determined by reference to the residence of the U.S. holder or the "qualified business unit" of the U.S. holder on whose books the foreign currency Covered Bond is properly reflected. Any gain or loss realized by U.S. holders in excess of the foreign currency gain or loss will be capital gain or loss except to the extent of any accrued market discount or, in the case of a short-term foreign currency Covered Bond, to the extent of any discount not previously included in the holder's income. U.S. holders should consult their tax advisor with respect to the tax

consequences of receiving payments in a currency different from the currency in which payments with respect to such foreign currency Covered Bond accrue.

A U.S. holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a foreign currency Covered Bond equal to the U.S. dollar value of the foreign currency, determined at the time of sale, exchange or retirement. A cash method U.S. holder who buys or sells a foreign currency Covered Bond is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of the purchase or sale. An accrual method U.S. holder may elect the same treatment for all purchases and sales of foreign currency obligations provided that the foreign currency Covered Bonds are traded on an established securities market. This election cannot be changed without the consent of the IRS. Any gain or loss realized by a U.S. holder on a sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase foreign currency Covered Bonds) will be ordinary income or loss.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Covered Bonds and the proceeds from a sale or other disposition of the Covered Bonds. A U.S. holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle them to a refund, provided that the required information is furnished to the IRS.

Reportable Transactions

A U.S. taxpayer that participates in a "**reportable transaction**" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. holder may be required to treat a foreign currency exchange loss from the Covered Bonds as a reportable transaction if the loss exceeds U.S. $50,000 in a single taxable year if the U.S. holder is an individual or trust, or higher amounts for other U.S. holders. In the event the acquisition, ownership or disposition of Covered Bonds constitutes participation in a "**reportable transaction**" for purposes of these rules, a U.S. holder will be required to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of Covered Bonds.

U.S. holders should consult their tax advisors regarding any reporting requirements they may have as a result of their acquisition, ownership or disposition of Covered Bonds.

Foreign Financial Asset Reporting

Certain U.S. holders that own "specified foreign financial assets" that meet certain U.S. dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Covered Bonds generally will constitute specified foreign financial assets subject to these reporting requirements unless the Covered Bonds are held in an account at certain financial institutions. U.S. holders are urged to consult their tax advisors regarding the application of these disclosure requirements to their ownership of the Covered Bonds.

Base Rate Amendments

Pursuant to Condition 13.02(c), the Issuer may in certain circumstances modify a Series of the Floating Rate Covered Bonds to change the relevant reference rate to an Alternative Base Rate (such change, a "**Base Rate Modification**"). It is possible that a Base Rate Modification will be treated as a deemed exchange of old Covered Bonds for new Covered Bonds, which may be a taxable event for U.S. holders. In addition, the potential for a Base Rate Modification may also affect the calculation of original issuer discount. U.S. holders should consult with their own tax advisors regarding the potential consequences of a Base Rate Modification.

Taxation of Non-U.S. Holders

Subject to the backup withholding and Foreign Account Tax Compliance Act rules discussed below, Non-U.S. holders generally should not be subject to U.S. federal income or withholding tax on any payments on the Covered Bonds and gain from the sale, redemption or other disposition of the Covered Bonds unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. holder of a trade or business in the United States; or (ii) in the case of any gain realized on the sale or exchange of a Covered Bond by an individual Non-U.S. holder, that holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

Non-U.S. holders should consult their tax advisors regarding the U.S. federal income and other tax consequences of owning Covered Bonds.

Backup Withholding and Information Reporting

Non U.S. holders may be required to comply with applicable certification procedures to establish that they are not U.S. holders in order to avoid the application of the information reporting requirements and backup withholding discussed above under "*U.S. Holders – Backup Withholding and Information Reporting*".

Foreign Account Tax Compliance Act

Pursuant to Sections 1471 to 1474 of the Code, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Canada and the UK) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction may be required to remit prescribed information in respect of certain investors (including U.S. residents or citizens) to applicable tax authorities (which may remit the information to the IRS), but would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Covered Bonds executed on or prior to the date that

is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional Covered Bonds (as described under "*Terms and Conditions of the Covered Bonds—Further Issues*") that are not distinguishable from previously issued Covered Bonds are executed after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds executed prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Covered Bonds.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the ownership and disposition of the Covered Bonds, including the tax consequences under state, local, non-U.S. and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

ERISA AND CERTAIN OTHER U.S. BENEFIT PLAN CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and the Code impose certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) that are subject to Part 4 of Subtitle B of Title I of ERISA, "plans" as defined in and subject to Section 4975 of the Code, and entities, such as collective investment funds and separate accounts, whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "**Benefit Plan Investors**") and on those persons who are fiduciaries with respect to Benefit Plan Investors. In addition, Title I of ERISA requires fiduciaries of Benefit Plan Investors subject to ERISA to make investments that are prudent, diversified and in accordance with the governing plan documents. Subject to the following discussion, Covered Bonds may be acquired with the assets of a Benefit Plan Investor.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Benefit Plan Investor and certain persons (referred to as "**parties in interest**" under ERISA or "**disqualified persons**" under Section 4975 of the Code) having certain relationships to such Benefit Plan Investors, unless a statutory or administrative exemption is applicable to the transaction.

Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any Covered Bonds are acquired or held by a Benefit Plan Investor with respect to which any of the Issuer, the Guarantor, the Dealers, the Arranger or the Bond Trustee or any of their respective affiliates is or becomes a party in interest or a disqualified person with respect to such Benefit Plan Investor. Certain parties in interest that participate in a non-exempt prohibited transaction may be subject to an excise tax or other penalties and liabilities under ERISA or the Code. In addition, the persons involved in the prohibited transaction may have to rescind the transaction and pay an amount to the Benefit Plan Investor for any losses realized by the Benefit Plan Investor or profits realized by such persons and certain other liabilities could result that have a significant adverse effect on such persons. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Benefit Plan Investor fiduciary making the decision to acquire Covered Bonds, the circumstances under which such decision is made and the relationship of the party in interest or disqualified person to the Benefit Plan Investor. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to certain transactions between a plan and a non-fiduciary service provider), Prohibited Transaction Class Exemption ("**PTCE**") 95-60 (relating to investments by insurance company general accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by an in-house asset manager). There can be no assurance that any exemption will be available with respect to any particular transaction involving the Covered Bonds, or that, if an exemption is available, it will cover all aspects of any particular transaction. Prospective purchasers that are Benefit Plan Investors should consult with their legal advisors regarding the applicability of any such exemption.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to non-U.S., other U.S. federal, state or local laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code

("**Similar Law**"). Fiduciaries of any such plans should consult with their counsel before purchasing any Covered Bonds.

By its acquisition of any Covered Bond (or any interest in a Covered Bond), each purchaser (whether in the case of the initial acquisition or in the case of a subsequent transferee and, if applicable, its fiduciary) will be deemed to have represented, warranted, covenanted and agreed that either (i) it is not, and for so long as it holds a Covered Bond (or any interest therein) will not be and will not be acting on behalf of, a Benefit Plan Investor or a governmental, church or non-U.S. plan which is subject to Similar Law, or (ii) in the case of a Benefit Plan Investor, an administrative or statutory exemption applies to its acquisition and holding of the Covered Bond (or interest therein) and its acquisition, holding and disposition of the Covered Bond (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of such a governmental, church or non-U.S. plan, its acquisition, holding and disposition of the Covered Bond (or interest therein) will not constitute or result in a violation of Similar Law.

In addition, a purchaser or transferee that is, or is acting on behalf of, a Benefit Plan Investor, will be further deemed to have represented, warranted and agreed that (i) none of the Issuer, the Guarantor, the Dealers, the Arranger, the Bond Trustee or any of their respective affiliates has provided any investment recommendation or investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor, or to any fiduciary or other person investing the assets of the Benefit Plan Investor ("**Plan Fiduciary**"), in connection with its decision to invest in the Covered Bonds, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Covered Bonds and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Covered Bonds.

The foregoing discussion is general in nature and not intended to be all-inclusive. Any fiduciary who proposes to cause an employee benefit plan to acquire any Covered Bonds should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA, Section 4975 of the Code, Similar Law and other applicable legal requirements to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of the applicable requirements of ERISA, the Code or Similar Law.

The sale of Covered Bonds to an employee benefit plan is in no respect a representation by the Issuer, the Guarantor, the Bond Trustee, the Arranger or the Dealers that such an investment meets all relevant requirements with respect to investments by plans generally or any particular plan, or that such an investment is appropriate for plans generally or any particular plan.

CERTAIN VOLCKER RULE CONSIDERATIONS

The Guarantor is not now and, solely after giving effect to any offering and sale of Covered Bonds and use of proceeds thereof, will not be, a "**covered fund**" as defined in the regulations codified under Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, commonly known as the "**Volcker Rule**".

In reaching this conclusion, although other statutory or regulatory exemptions or exclusions may be available, the Issuer has relied on the determinations that:

- the Guarantor may rely on the exemption from registration under the U.S. Investment Company Act of 1940, as amended ("**Investment Company Act**") provided by Section 3(c)(5)(C) thereunder, and accordingly

- the Guarantor does not rely on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act for its exemption from registration under the Investment Company Act and may rely on the exemption from the definition of a "covered fund" under the Volcker Rule made available to entities that do not rely solely on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act for their exemption from registration under the Investment Company Act.

SUBSCRIPTION AND SALE

Overview of Dealership Agreement

Subject to the terms and the conditions contained in the sixth amended and restated Dealership Agreement dated 5 August 2025 (as the same may be amended, amended and restated, supplemented or replaced from time to time, the "**Dealership Agreement**") between the Issuer, the Guarantor, the Dealers and the Arrangers, the Covered Bonds may be sold from time to time by the Issuer to any one or more of the Dealers. Covered Bonds may also be sold by the Issuer directly to institutions who are not Dealers.

The Dealership Agreement provides for the form and terms and conditions of the relevant Covered Bonds, the price at which such Covered Bonds will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase.

The Issuer and the Guarantor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Covered Bonds. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Covered Bonds. The Dealership Agreement will be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business without regard to the Issuer, the Bond Trustee, the holders of the Covered Bonds or the Guarantor.

United States

As a result of the following restrictions, purchasers of Covered Bonds in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of Covered Bonds.

Selling Restrictions

Regulation S, Category 2, TEFRA D Rules apply, unless TEFRA C Rules are specified as applicable in the applicable Final Terms or unless TEFRA Rules are not applicable. Sales to QIBs in reliance upon Rule 144A or sales to Institutional Accredited Investors, in each case subject to the restrictions on acquisition and transfer provided for herein, will be permitted, if so specified in the applicable Final Terms.

The Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or its territories or possessions or to or for the account or benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Covered Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder. Bearer Covered Bonds (other than Temporary Global Covered Bonds) and any Coupon appertaining thereto where TEFRA D is specified in the Final Terms will bear a legend substantially to the following effect:

> "Any United States person who holds this obligation will be subject to limitations under U.S. federal income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended".

The sections referred to in such legend provide that a United States person who holds a Bearer Covered Bond or Coupon generally will not be allowed to deduct any loss realized on the sale, exchange or redemption of such Bearer Covered Bond or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

In connection with any Covered Bonds which are offered or sold outside the United States in offshore transactions in reliance on Regulation S ("**Regulation S Covered Bonds**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulations S Covered Bonds (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Tranche of Covered Bonds of which such Covered Bonds are a part, and except in either case in accordance with Regulation S. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Covered Bonds during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of Covered Bonds comprising any Tranche, any offer or sale of Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

The Dealership Agreement provides that the Dealers may arrange for the resale of Covered Bonds to QIBs pursuant to Rule 144A and each such purchaser of Covered Bonds is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Covered Bonds which may be purchased by a QIB pursuant to Rule 144A will be specified in the applicable Final Terms in U.S. dollars (or the approximate equivalent in another Specified Currency). The Issuer has undertaken in the Trust Deed to furnish, upon the request of a holder of such Covered Bonds or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of request, the Issuer is neither subject to reporting under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Transfer Restrictions

Each purchaser of Registered Covered Bonds (other than a person purchasing an interest in a Registered Global Covered Bond with a view to holding it in the form of an interest in the same Global Covered Bond) or person wishing to transfer an interest from one Registered Global Covered Bond to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Covered Bond with a view to holding it in the form of an interest in the same Global Covered Bond will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either: (a) it is a QIB, purchasing (or holding) the Covered Bonds for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A, (b) it is an Institutional Accredited Investor which has delivered an IAI Investment Letter or (c) it is outside the United States and is not a U.S. person;

(b) that the Covered Bonds are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except as set forth in this section and in compliance with applicable U.S. securities laws;

(c) it agrees that neither the Issuer nor the Guarantor has any obligation to register the Covered Bonds or the Covered Bond Guarantee under the Securities Act;

(d) that, unless it holds an interest in a Regulation S Global Covered Bond and is a person located outside the United States and is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Covered Bonds or any beneficial interests in the Covered Bonds, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Covered Bonds, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

(e) it will, and will require each subsequent holder to, notify any purchaser of the Covered Bonds from it of the resale restrictions referred to in paragraph (d) above, if then applicable;

(f) that Covered Bonds initially offered in the United States to persons reasonably believed to be QIBs will be represented by one or more Rule 144A Global Covered

Bonds, that Covered Bonds offered in the United States to Institutional Accredited Investors will be in the form of Definitive IAI Registered Covered Bonds and that Covered Bonds offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Covered Bonds;

(g) that either (a) it is not, and for so long as it holds a Covered Bond (or any interest therein) will not be and will not be acting on behalf of, a Benefit Plan Investor or a governmental, church or non U.S. plan which is subject to Similar Law, or (b) in the case of a Benefit Plan Investor, an administrative or statutory exemption applies to its acquisition and holding of the Covered Bond (or interest therein) and its acquisition, holding and disposition of the Covered Bond (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of such a governmental, church or non-U.S. plan, its acquisition, holding and disposition of the Covered Bond (or interest therein) will not constitute or result in a violation of Similar Law;

(h) that, if it is, or is acting on behalf of, a Benefit Plan Investor, (i) none of the Issuer, the Guarantor, the Dealers, the Arranger, the Bond Trustee or any of their respective affiliates has provided any investment recommendation or investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor or to any Plan Fiduciary, in connection with its decision to invest in the Covered Bonds, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Covered Bonds and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Covered Bonds;

(i) that the Covered Bonds, other than the Regulation S Global Covered Bonds, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS OR (2) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR"); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "AGENCY AGREEMENT") AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES, 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 FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER 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 REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

BY ITS ACQUISITION AND HOLDING OF THIS COVERED BOND (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED, COVENANTED AND AGREED THAT EITHER (A) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS COVERED BOND (OR ANY INTEREST HEREIN) WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF, (I) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")) THAT IS SUBJECT TO PART 4 OF SUBTITLE B OF 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 "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (EACH OF THE FOREGOING, A "BENEFIT PLAN INVESTOR"), OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY NON-U.S., OTHER U.S. FEDERAL, STATE OR LOCAL LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION

PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR (B) IN THE CASE OF A BENEFIT PLAN INVESTOR, AN ADMINISTRATIVE OR STATUTORY EXEMPTION APPLIES TO ITS ACQUISITION AND HOLDING OF THE COVERED BOND (OR INTEREST THEREIN) AND ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS COVERED BOND (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF SUCH A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS COVERED BOND (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF SIMILAR LAW.

BY ITS ACQUISITION AND HOLDING OF THIS COVERED BOND (OR ANY INTEREST HEREIN), IF THE PURCHASER OR TRANSFEREE IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, IT WILL BE FURTHER DEEMED TO HAVE REPRESENTED, WARRANTED, COVENANTED AND AGREED THAT (I) NONE OF THE ISSUER, THE GUARANTOR, THE DEALERS, THE ARRANGER, THE BOND TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE WITHIN THE MEANING OF SECTION 3(21) OF ERISA TO THE BENEFIT PLAN INVESTOR OR TO ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR ("PLAN FIDUCIARY"), IN CONNECTION WITH ITS DECISION TO INVEST IN THIS COVERED BONDS, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(E)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS COVERED BONDS AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS COVERED BONDS.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISION OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.";

(j) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Covered Bonds prior to the expiration of the Distribution Compliance Period (defined as 40 days after the completion of the distribution of the Tranche of Covered Bonds of which such Covered Bonds are a part), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a person reasonably believed to be a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Covered Bonds will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER

JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "AGENCY AGREEMENT"), PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO A TRANSACTION NOT SUBJECT TO, OR AN EXEMPTION FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS. 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 COVERED BOND (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED, COVENANTED AND AGREED THAT EITHER (A) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS COVERED BOND (OR ANY INTEREST HEREIN) WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF, (I) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")) THAT IS SUBJECT TO PART 4 OF SUBTITLE B OF 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 "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (EACH OF THE FOREGOING, A "BENEFIT PLAN INVESTOR"), OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY NON-U.S., OTHER U.S. FEDERAL, STATE OR LOCAL LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW") OR (B) IN THE CASE OF A BENEFIT PLAN INVESTOR, AN ADMINISTRATIVE OR STATUTORY EXEMPTION APPLIES TO ITS ACQUISITION AND HOLDING OF THE COVERED BOND (OR INTEREST THEREIN) AND ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS COVERED BOND (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF SUCH A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS COVERED BOND (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF SIMILAR LAW.

BY ITS ACQUISITION AND HOLDING OF THIS COVERED BOND (OR ANY INTEREST HEREIN), IF THE PURCHASER OR TRANSFEREE IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, IT WILL BE FURTHER DEEMED TO HAVE REPRESENTED, WARRANTED, COVENANTED AND

AGREED THAT (I) NONE OF THE ISSUER, THE GUARANTOR, THE DEALERS, THE ARRANGER, THE BOND TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE WITHIN THE MEANING OF SECTION 3(21) OF ERISA TO THE BENEFIT PLAN INVESTOR, OR TO ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR ("PLAN FIDUCIARY"), IN CONNECTION WITH ITS DECISION TO INVEST IN THIS COVERED BONDS, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(E)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS COVERED BONDS AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS COVERED BONDS."; and

(k) that the Issuer, the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it will promptly notify the Issuer; and if it is acquiring any Covered Bonds as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Covered Bonds in definitive form offered and sold in the United States in reliance on an exemption from registration under the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Covered Bonds will be issued in definitive registered form (see "*Form of the Covered Bonds*"). The IAI Investment Letter will state, among other things, the following:

(a) that the Institutional Accredited Investor has received a copy of the Prospectus and such other information as it deems necessary in order to make its investment decision;

(b) that the Institutional Accredited Investor understands that the Covered Bonds are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Covered Bonds have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and that any subsequent transfer of the Covered Bonds is subject to certain restrictions and conditions set forth in the Prospectus and the Covered Bonds (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Covered Bonds except in compliance with, such restrictions and conditions and the Securities Act;

(c) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Covered Bonds;

(d) that the Institutional Accredited Investor is an institution that is an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under

the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Covered Bonds, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;

(e) that the Institutional Accredited Investor is acquiring the Covered Bonds purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Covered Bonds, subject, nevertheless, to the understanding that the disposition of its property will at all times be and remain within its control; and

(f) that, in the event that the Institutional Accredited Investor purchases Covered Bonds, it will acquire Covered Bonds having at least the minimum purchase price set forth in the applicable Final Terms.

No sales of Legended Covered Bonds in the United States to any one purchaser will be for less than the minimum purchase price set forth in the applicable Final Terms in respect of the relevant Legended Covered Bonds (which minimum amount may vary for Institutional Accredited Investors). If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least an amount equal to the applicable minimum purchase price set forth in the applicable Final Terms in respect of the relevant Legended Covered Bonds.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of the Covered Bonds specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available, any Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

i. a retail client as defined in point (11) of Article 4(1) of MiFID II;

ii. a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

iii. not a qualified investor as defined in the Prospectus Regulation.

If the Final Terms in respect of any Covered Bonds specified the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", then, in relation to each Relevant State, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Prospectus as

completed by the applicable Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of Covered Bonds to the public in that Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors, as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or a supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer" in relation to any Covered Bonds in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended.

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression retail investor means a person who is one (or more) of the following:

i. a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); or

ii. a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

iii. not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be

offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

If the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Covered Bonds to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an offer of Covered Bonds to the public in relation to any Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA.

Other United Kingdom Regulatory Restrictions

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Guarantor or, in the case of the Issuer, would not, if the Issuer was not an authorized person, apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the UK.

Italy

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that the offering of the Covered Bonds has not been registered pursuant to Italian securities legislation and, accordingly, the Covered Bonds may not be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Covered Bonds be distributed in the Republic of Italy, except:

(a) to qualified investors ("*investitori qualificati*") as defined pursuant to article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act") and/or *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, and Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time and the applicable Italian laws.

Furthermore, each Dealer has represented and agreed that any offer, sale or delivery of the Covered Bonds or distribution of copies of the Prospectus or any other document relating to the Covered Bonds in the Republic of Italy under (a) or (b) above must be made:

(i) by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "Banking Act");

(ii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

The following applies to Exempt Covered Bonds with a Specified Denomination of less than €100,000 (or equivalent):

Please note that in accordance with Article 100-bis of the Consolidated Financial Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the Covered Bonds on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Consolidated Financial Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Covered Bonds being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

France

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that this Prospectus is not being distributed in the context of an offer to the public of financial securities in France within the meaning of Article L.411-1 of the *Code monétaire et financier*, and has therefore not been

submitted to the *Autorité des marchés financiers* for prior approval and clearance procedure and, accordingly it has not offered or sold and will not offer or sell, directly or indirectly, Covered Bonds to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus, the relevant Final Terms or any other offering material relating to the Covered Bonds, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Article 2(e) of the Prospectus Regulation and Articles L.411-1, L.411-2 and D.411-1 of the *Code monétaire et financier*.

Canada

The Covered Bonds have not been, and will not be, qualified for sale under the securities laws of any province or territory of Canada. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or delivered, and that it will not offer, sell, distribute or deliver any Covered Bonds, directly or indirectly, in Canada or to, or for the benefit of any resident thereof in contravention of the securities laws of any province or territory of Canada. Each Dealer has also agreed, and each further Dealer appointed under the Programme may be required to agree, not to distribute or deliver this Prospectus, or any other offering material relating to the Covered Bonds, in Canada in contravention of the securities laws of any province or territory of Canada. If the Final Terms provide that the Covered Bonds may be offered, sold or distributed in Canada, the issue of the Covered Bonds will be subject to such additional selling restrictions as the Issuer and the relevant Dealer may agree, as specified in the applicable Final Terms. Each Dealer, and each further Dealer appointed under the Programme, will be required to agree that it will offer, sell and distribute such Covered Bonds only in compliance with such additional Canadian selling restrictions.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Covered Bonds in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document

being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Covered Bonds which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Covered Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Unless the Final Terms in respect of any Covered Bonds specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Covered Bonds or caused the Covered Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Covered Bonds or cause the Covered Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Covered Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Final Terms in respect of any Covered Bonds specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Covered Bonds or caused the Covered Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Covered Bonds or cause the Covered Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Covered Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Belgium

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that an offering of Covered Bonds may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, issued, sold or resold, transferred, distributed or delivered, and will not offer, issue, sell, resell, transfer, distribute or deliver, the Covered Bonds, and that it has not published or distributed, and will not publish or distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Covered Bonds, directly or indirectly, to any Belgian Consumer.

Norway

This Prospectus does not constitute a public offer in Norway and has not been filed with, approved by or notified to the Financial Supervisory Authority of Norway, the Oslo Stock Exchange or any other regulatory authority in Norway. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it (a) has not offered or sold and will not offer, sell or deliver any Covered Bonds directly or indirectly in Norway or to residents or citizens of Norway; and (b) that it has not distributed and will not distribute this Prospectus or any other offering material relating to the Covered Bonds in or from Norway, except in circumstances which will (i) not result in a requirement to prepare a prospectus pursuant to the provisions of Chapter 7 of the Norwegian Securities Trading Act (lov 29. juni 2007 nr. 75 Lov om verdipapirhandel) (the "**Securities Trading Act**") and (ii) otherwise be in compliance with the Securities Trading Act.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia ("**Corporations Act**")) in relation to the Programme or the Covered Bonds has been, or will be, lodged with the Australian Securities and Investments Commission ("ASIC"). Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it:

(a) has not (directly or indirectly) made or offered, and will not make or offer for issue or sale and has not invited and will not invite, an offer of the Covered Bonds for issue, purchase or sale in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any prospectus, offering circular or any other offering material or advertisement relating to the Covered Bonds in Australia,

unless (a) the aggregate consideration payable by each offeree or invitee in Australia (including any person who receives an offer or invitation or offering materials in Australia) is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates), or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act, (b) such action complies with all applicable laws, regulations and directives in Australia (including without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act), (c) such action

does not require any document to be lodged with ASIC, and (d) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act.

Denmark

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Covered Bonds directly or indirectly in Denmark by way of a public offering, unless in compliance with, as applicable, the Prospectus Regulation, the Danish Consolidated Act no. 198 of 26 February 2024 on Capital Markets, as amended, supplemented or replaced from time to time, and Executive Orders issued thereunder and in compliance with Executive Order No. 760 of 14 January 2024, as amended, supplemented or replaced from time to time, issued pursuant to the Danish Financial Business Act.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Covered Bonds. The Covered Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Covered Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Covered Bonds constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Covered Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell the Covered Bonds in the Netherlands other than to qualified investors (as defined in the Prospectus Regulation).

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or has in its possession or distributes the Prospectus, any other offering material or any Final Terms, and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or delivery and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Other than the approval by the CSSF of the Prospectus as a base prospectus for purposes of Article 8 of the Prospectus Regulation, no action has been taken in any country or jurisdiction that would permit a public offering or the admission to trading on a regulated market of any of the Covered Bonds, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in such country or jurisdiction where action for that purpose is required.

None of the Issuer or the Dealers represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or

pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

The selling restrictions may be modified by the agreement of the Issuer, the Guarantor, the Arrangers and the Dealers following a change in a relevant law, regulation or directive or in respect of any Series or Tranche. Any such modification may be set out in the applicable Final Terms issued in respect of the issue of Covered Bonds to which it relates. With regard to each Series, the relevant Dealer will be required to comply with such other restrictions as the Issuer, the Guarantor and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

Neither this Prospectus nor any Final Terms constitute, nor may they be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. The distribution of this Prospectus and the offering and sale of the Covered Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor, the Dealers and the Bond Trustee to inform themselves about and to observe any such restrictions.

GENERAL INFORMATION

1. The listing of the Covered Bonds on the Official List will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Covered Bonds which is to be listed on the Official List and to trading on the Regulated Market will be admitted separately upon submission of the applicable Final Terms and any other information required, subject to the issue of the relevant Covered Bonds. Prior to official listing, dealings will be permitted by the Luxembourg Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.

2. The establishment of the Programme and the issue of Covered Bonds has been authorized by the Issuer. The giving of the Covered Bond Guarantee has been duly authorized by resolution of the Managing GP on behalf of the Guarantor dated 10 April 2013. The Issuer and the Guarantor have obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of the Covered Bonds and the Covered Bond Guarantee.

3. Save as disclosed in Note 21 – "Contingent liabilities and provision" to the Audited Consolidated Financial Statements set out at pages 176-178 of the 2024 Annual Report, as updated by Note 13 – "Contingent liabilities and provision" to the Unaudited Interim Consolidated Financial Statements set out on pages 74 of the Issuer's 2024 Second Quarter Report, each incorporated herein by reference, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the twelve months preceding the date of this Prospectus, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer and its subsidiaries taken as a whole.

4. There has been no significant change in the financial performance or financial position of the Issuer and its subsidiaries, including the Guarantor, taken as a whole since 30 April 2025, the last day of the financial period in respect of which the most recent interim unaudited published consolidated financial statements of the Issuer have been prepared.

5. Since 31 October 2024, the date of its last published comparative audited consolidated financial statements, there has been no material adverse change in the prospects of the Issuer and its subsidiaries, including the Guarantor, taken as a whole.

6. The independent auditor of the Issuer is Ernst & Young LLP ("**EY**") who are Chartered Professional Accountants and Licensed Public Accountants and are subject to oversight by the Canadian Public Accountability Board and Public Company Accounting Oversight Board (United States). EY is also registered in the Register of Third Country Auditors maintained by the Financial Reporting Council in the UK in accordance with the requirements of Directive 2006/43/EC as it forms part of UK domestic law by virtue of the EUWA. EY is independent of the Issuer in the context and within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario. The address for EY is set out on the last page hereof.

7. The consolidated balance sheets of the Issuer as at 31 October 2024 and 2023 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the two-year period ended 31 October 2024, and notes to

the consolidated financial statements, including a summary of significant accounting policies were prepared in accordance with IFRS as issued by the International Accounting Standards Board, were audited in accordance with Canadian generally accepted auditing standards by EY. EY expressed an unqualified opinion thereon in their report dated 4 December 2024.

8. For so long as the Programme remains in effect or any Covered Bonds are outstanding, copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the specified offices of the Issuing and Paying Agent, the Registrar and the Issuer, namely:

   (i) the Transaction Documents (including, without limitation, the Trust Deed containing the Covered Bond Guarantee);

   (ii) the annual report of the Issuer for the most recently completed fiscal year, which includes the comparative audited annual consolidated financial statements of the Issuer and the auditor's report thereon; the Guarantor is not required to prepare any audited accounts on an annual basis pursuant to applicable Canadian law;

   (iii) the most recent quarterly report of the Issuer including the comparative unaudited interim consolidated financial statements; the Guarantor is not required to prepare any unaudited interim accounts pursuant to applicable Canadian law;

   (iv) each Final Terms for a Tranche of Covered Bonds that is admitted to trading on a regulated market in any member state of the EEA in circumstances requiring publication of a prospectus in accordance with the Prospectus Regulation; and

   (v) a copy of the Prospectus together with any supplement to the Prospectus or further Prospectus.

   The Prospectus, together with any supplement to the Prospectus or further Prospectus, all documents incorporated by reference therein, and the Transaction Documents will also be available on the Issuer's website at https://www.cibc.com/en/about-cibc/investor-relations/debt-information/legislative-covered-bond.html. The constating documents of the Issuer are available on the Issuer's website at https://www.cibc.com/en/about-cibc/corporate-governance.html. The constating documents of the Guarantor are available on the Issuer's website at https://www.cibc.com/en/about-cibc/investor-relations/debt-information/legislative-covered-bond.html. Such websites and information do not form part of this Prospectus, nor have their contents been approved or submitted to the CSSF.

9. The Prospectus and the Final Terms for Covered Bonds that are listed on the Official List and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange will be published on the Luxembourg Stock Exchange's website at https://www.luxse.com.

10. The Covered Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records in respect of the Covered Bonds. The appropriate common code and International Securities Identification Number for the relevant Covered Bonds will be contained in the Final Terms

relating thereto. In addition, the Issuer may make an application for any Registered Covered Bonds to be accepted for issuance in book-entry form by DTC and CDS. The ISIN and Common Code for each Tranche of Registered Bonds, together with the relevant CUSIP and/or CINS numbers, will be specified in the applicable Final Terms. If the Covered Bonds are to clear through an additional or alternative clearing system, the appropriate information (including address) will be specified in the applicable Final Terms. The address of Euroclear is 3 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg. The address of DTC is 570 Washington Boulevard, Jersey City, New Jersey, 07310, United States of America. The address of CDS is 100 Adelaide Street West, Toronto, Ontario, M5H 1S3.

11. The price and amount of Covered Bonds to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

12. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Issuing and Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Covered Bonds.

13. The Issuer will provide post-issuance information to Holders of the Covered Bonds in the form of Investor Reports, which will be available on the Issuer's website at https://www.cibc.com/en/about-cibc/investor-relations/debt-information/legislative-covered-bond.html (such website and information does not form part of this Prospectus, nor has its contents been approved or submitted to the CSSF). The Issuer has no intention of providing any other post-issuance information to Holders of the Covered Bonds.

14. The Issuer may, on or after the date of this Prospectus, make applications for one or more certificates of approval under Article 25 of the Prospectus Regulation, to be issued by the CSSF to the competent authority in any Member State.

15. The Trust Deed provides that the Bond Trustee may rely on reports or other information from professional advisers or other experts in accordance with the provisions of the Trust Deed. However, the Bond Trustee will have no recourse to the professional advisers in respect of such certificates or reports unless the professional advisers have agreed to have a duty of care for such certificates or reports to the Bond Trustee pursuant to the terms of the relevant document(s) between the Bond Trustee and such persons.

16. In the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Covered Bonds issued under the Programme. Any such short positions could adversely affect future trading prices of Covered Bonds issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express

independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

GLOSSARY

"**2024 Annual Information Form**" ...	The meaning given to it in "*Documents Incorporated by Reference*" on page 103;
"2024 Annual Report".....	The meaning given to it in "*Documents Incorporated by Reference*" on page 103;
"**2025 Second Quarter Report**".....	The meaning given to it in "*Documents Incorporated by Reference*" on page 103;
"**30/360**".....	The meaning given in Condition 5.09 on page 142;
"**360/360**".....	The meaning given in Condition 5.09 on page 142;
"**30E/360**"	The meaning given in Condition 5.09 on page 142;
"**30E/360 (ISDA)**"	The meaning given in Condition 5.09 on page 140;
"**$**", "**C$**", "**CAD**" or "**Canadian dollars**".....	The lawful currency for the time being of Canada;
"**€**"or "**euro**" or "**EUR**"	The lawful currency for the time being of the Partner states of the EU that have adopted or may adopt the single currency in accordance with the treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the treaty on EU;
"**€STR**"	The meaning given on page 3;
"**€STR$_{i\text{-}pTBD}$**"	The meaning given on page 135;
"**€STR Fallbacks**"	The meaning given in "*Risk Factors*" on page 77;
"**€STR Index Cessation Event**"	The meaning given on page 135;
"**€STR Index Cessation Effective Date**"	The meaning given on page 136;
"**€STR Reference Rate**"	The meaning given on page 136;
"**£**", "**Sterling**" and "**United Kingdom Pound**"	The lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;
"**U.S.$**", "**U.S. dollars**", "**USD**" or "**United States dollars**"	The lawful currency for the time being of the United States of America;
"**¥**", "**Yen**" and "**Japanese Yen**".....	The lawful currency for the time being of Japan;
"**Account Bank**".....	Canadian Imperial Bank of Commerce together with any successor Account Bank appointed under the Bank Account Agreement;
"**Account Bank Threshold Ratings**".....	The meaning given in "*Overview of the Principal Documents*" on page 265;
"**accredited investor**".....	As defined in Rule 501(a)(1), (2), (3) or (7) of the Securities Act;
"**Accrual Period**"	The meaning given in Condition 5.09 on page 141;

"**Accrued Interest**".....	In respect of a Portfolio Asset as at any relevant date the aggregate of all interest accrued but not yet due and payable on the Portfolio Asset from (and including) the Monthly Payment Date immediately preceding the relevant date to (but excluding) the relevant date;
"**Act**".....	The meaning given in "*Taxation*" on page 299;
"**Actual/360**".....	The meaning given in Condition 5.09 on page 142;
"**Actual/365**".....	The meaning given in Condition 5.09 on page 141;
"**Actual/365 (Fixed)**"	The meaning given in Condition 5.09 on page 141;
"**Actual/Actual**" or "**Actual/Actual (ISDA)**".....	The meaning given in Condition 5.09 on page 141;
"**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**"	The meaning given in Condition 5.09 on page 143;
"**Additional Loan Advance**"	A further drawing (including, but not limited to, Further Advances and any Line of Credit Drawing) in respect of Loans sold by the Seller to the Guarantor;
"**Adjusted Aggregate Asset Amount**"	The meaning given in "*Overview of the Principal Documents*" on page 244;
"**Adjusted Required Redemption Amount**"	The meaning given in "*Overview of the Principal Documents*" on page 228;
"**Agency Agreement**"	The agency agreement dated the Programme Date, as amended on 24 June 2015 and on 21 June 2016 (as may be further amended and/or supplemented and/or restated from time to time) and made between the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent and the other Paying Agents, the Exchange Agent, the Registrar and the Transfer Agents;
"**Agent**"	Each of the Paying Agents, the Registrar, the Exchange Agent and the Transfer Agent;
"**Alternative Base Rate**"	The meaning given in Condition 13.02 on page 167;
"**AML**".....	Anti-money laundering;
"**Amortization Test**".....	The test as to whether the Amortization Test Aggregate Asset Amount is at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date;
"**Amortization Test Aggregate Asset Amount**".....	The meaning given in "*Overview of the Principal Documents*" on page 248;
"**Amortization Test True Balance**" .	The meaning given in "*Overview of the Principal Documents*" on page 248;
"**Amortization Yield**"	The rate defined by the relevant Final Terms;

"**Amortized Face Amount**".....	The meaning given in Condition 6.10 on page 152;
"**applicable Final Terms**"	The meaning given on page 109;
"**Applicable Rate**".....	One of CORRA Compounded Index, CORRA, the CAD Recommended Rate or the BOC Target Rate, as applicable;
"**April 2021 letter**"	The meaning given in "*Risk Factors*" on page 87;
"**Arrangers**".....	Canadian Imperial Bank of Commerce, London Branch and HSBC;
"**Arrears of Interest**".....	As at any date in respect of any Portfolio Asset, interest (other than interest comprising Capitalized Arrears or Accrued Interest) on that Portfolio Asset which is currently due and payable and unpaid on that date;
"**Asset Coverage Test**"	The test as to whether the Adjusted Aggregate Asset Amount is at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date and from time to time;
"**Asset Coverage Test Breach Notice**".....	The notice required to be served by the Guarantor if the Asset Coverage Test has not been met on two consecutive Calculation Dates;
"**Asset Monitor**".....	Ernst & Young LLP, in its capacity as Asset Monitor under the Asset Monitor Agreement, together with any successor asset monitor appointed from time to time;
"**Asset Monitor Agreement**"	The asset monitor agreement entered into on the Programme Date and amended on 27 June 2014, on 20 June 2017 and on 22 December 2017 between the Asset Monitor, the Guarantor, the Cash Manager, the Issuer and the Bond Trustee (as the same may be further amended and/or restated and/or supplemented from time to time);
"**Asset Monitor Report**".....	The results of the tests conducted by the Asset Monitor in accordance with the Asset Monitor Agreement to be delivered to the Cash Manager, the Issuer and the Bond Trustee;
"**Asset Percentage**".....	The meaning given in "*Overview of the Principal Documents*" on page 247;
"**Asset Percentage Adjusted Loan Balance**".....	The meaning given in "*Overview of the Principal Documents*" on page 245;
"**ATF**".....	Anti-terrorist financing;
"**Authorities**".....	The meaning given in "*Risk Factors*" on page 84;
"**Authorized Underpayment**"	A Borrower making either no Monthly Payment under a Loan or a payment in an amount less than the Monthly Payment then due on the Loan, in each case, where

the Servicer has authorized such underpayment or non-payment;

"**Available Principal Receipts**" ..... On a relevant Calculation Date, an amount equal to the aggregate of (without double counting):

(a) the amount of Principal Receipts received during the immediately preceding Calculation Period and credited to the Principal Ledger (but, for the avoidance of doubt, excluding any Principal Receipts received in the Calculation Period commencing on (but excluding) the relevant Calculation Date);

(b) any other amount standing to the credit of the Principal Ledger including (i) the proceeds of any advances under the Intercompany Loan Agreement (where such proceeds have not been applied to acquire additional Covered Bond Portfolios of Portfolio Assets, refinance an advance under the Intercompany Loan or invest in Substitute Assets), (ii) any Cash Capital Contributions and (iii) the proceeds from any sale of Portfolio Assets pursuant to the terms of the Guarantor Agreement or the Mortgage Sale Agreement but excluding any amounts received under the Covered Bond Swap Agreement in respect of principal (but, for the avoidance of doubt, excluding in each case any such amounts received in the Calculation Period commencing on (but excluding) the relevant Calculation Date); and

(c) following repayment of any Hard Bullet Covered Bonds by the Issuer and the Guarantor on the Final Maturity Date thereof, any amounts standing to the credit of the Pre-Maturity Liquidity Ledger in respect of such Series of Hard Bullet Covered Bonds (except where the Guarantor has elected to or is required to retain such amounts on the Pre-Maturity Liquidity Ledger);

"**Available Revenue Receipts**"..... On a relevant Calculation Date, an amount equal to the aggregate of:

(a) the amount of Revenue Receipts received during the previous Calculation Period and credited to the Revenue Ledger;

(b) other net income of the Guarantor including all amounts of interest received on the Guarantor Accounts, the Substitute Assets and in the previous Calculation Period but excluding amounts received by the Guarantor under the Interest Rate Swap Agreement and in respect of interest

	received by the Guarantor under the Covered Bond Swap Agreement; (c) prior to the service of a Notice to Pay on the Guarantor amounts standing to the credit of the Reserve Fund in excess of the Reserve Fund Required Amount; (d) any other Revenue Receipts not referred to in paragraphs (a) to (c) (inclusive) above received during the previous Calculation Period and standing to the credit of the Revenue Ledger; and (e) following the service of a Notice to Pay on the Guarantor, amounts standing to the credit of the Reserve Fund; *less* (f) Third Party Amounts, which shall be paid on receipt in cleared funds to the Seller;
"**Bank**"	Canadian Imperial Bank of Commerce;
"**Bank Account Agreement**"	The bank account agreement entered into on the Programme Date between the Guarantor, the Account Bank, the Cash Manager and the Bond Trustee (as amended and/or restated and/or supplemented from time to time);
"**Bank Act**"	*Bank Act* (Canada);
"**Bank of Canada Business Day**"....	A day that Schedule I banks under the Bank Act (Canada) are open for business in Toronto, Ontario, Canada, other than a Saturday or a Sunday or a public holiday in Toronto (or such revised regular publication calendar for an Applicable Rate as may be adopted by the Reference Rate Administrator from time to time).
"**Bank Rate**"	The meaning given on page 129;
"**Banking Day**"	The meaning given in Condition 5.09 on page 140;
"**Base Prospectus**".....	The meaning given on page 1;
"**Base Rate Modification**".....	The meaning given in Condition 13.02 on page 167;
"**Base Rate Modification Certificate**"	The meaning given in Condition 13.02 on page 167;
"**BCBS**"	Basel Committee on Banking Supervision;
"**Bearer Covered Bonds**"	Covered Bonds in bearer form;
"**Bearer Definitive Covered Bond**" .	A Bearer Definitive Covered Bond and/or, as the context may require, a Registered Definitive Covered Bond;
"**Bearer Global Covered Bonds**"	The meaning given on page 109;
"**Benchmark**"	The meaning given on page 78;

"**Beneficial Owner**".....	The meaning given in "*Book-Entry Clearance Systems*" on page 294;
"**Benefit Plan Investor**"	A "benefit plan investor", as defined in Section 3(42) of ERISA, and includes (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Part 4 of Subtitle B of Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code, or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity;
"**BIA**"	The meaning given in "*Risk Factors*" on page 87;
"**BOC Target Rate**"	Bank of Canada's target for the overnight rate as set by the Bank of Canada and published on the Bank of Canada's website;
"**Bond Basis**"	The meaning given in Condition 5.09 on page 142;
"**Bond Trustee**".....	Computershare Trust Company of Canada, in its capacity as bond trustee under the Trust Deed together with any successor bond trustee appointed from time to time;
"**Borrower**".....	In relation to a Loan, the person or persons specified as such in the relevant Mortgage together with the person or persons (if any) from time to time assuming an obligation thereunder to repay such Loan or any part of it and in relation to a Home Power Plan Mortgage Loan or a Home Power Plan Line of Credit, the person or persons specified as such in the relevant Multiproduct Mortgage together with the person or persons (if any) from time to time assuming an obligation under such Home Power Plan Mortgage Loan or Home Power Plan Line of Credit to repay such Home Power Plan Mortgage Loan or Home Power Plan Line of Credit or any part of it;
"**Branch of Account**".....	The meaning given in Condition 18.01 on page 174;
"**BRRD**"	The meaning given in "*Risk Factors*" on page 44;
"**BRRD Firms**".....	The meaning given in "*Risk Factors*" on page 44;
"**Business Day**"	The meaning given in Condition 5.09 on page 140;
"**Business Day Convention**".....	The meaning given in Condition 5.09 on page 140;
"**business of the branch**".....	The meaning given in "*Risk Factors*" on page 85;
"**CAD Recommended Rate**".....	The rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and

	as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor;
"**Calculation Agent**"	In relation to all or any Series of the Covered Bonds, the person initially appointed as calculation agent in relation to such Covered Bonds by the Issuer and the Guarantor pursuant to the Agency Agreement or, if applicable, any successor or separately appointed calculation agent in relation to all or any Series of the Covered Bonds;
"**Calculation Amount**"	The meaning given in the applicable Final Terms;
"**Calculation Date**".....	The meaning given in Condition 7.01 on page 155;
"**Calculation Period**"	In respect of a Calculation Date for a month, the period from, but excluding, the Calculation Date of the previous month to, and including, the Calculation Date of the current month and, for greater certainty, references to the "**immediately preceding Calculation Period**" or the "**previous Calculation Period**" in respect of a Calculation Date are references to the Calculation Period ending on such Calculation Date, provided that the first Calculation Period begins on, but excludes, the Programme Date;
"**Call Option**".....	The meaning given in the applicable Final Terms;
"**Call Option Date(s)**".....	The meaning given in Condition 6.04 on page 150;
"**Call Option Period**".....	The meaning given in Condition 6.04 on page 150;
"**Canadian Dollar Equivalent**".....	In relation to a Covered Bond which is denominated in (i) a currency other than Canadian dollars, the Canadian dollar equivalent of such amount ascertained using (x) the relevant Covered Bond Swap Rate relating to such Covered Bond, or (y) for the purposes of the Amortization Test only, if the Covered Bond Swap Agreement relating to such Covered Bond is no longer in force by reason of termination or otherwise, the end of day spot foreign exchange rate determined by the Bank of Canada on the related date of determination, and (ii) Canadian dollars, the applicable amount in Canadian dollars;
"**Capital Account Ledger**".....	The ledger maintained by the Cash Manager on behalf of the Guarantor in respect of each Partner to record the balance of each Partner's Capital Contributions from time to time;
"**Capital Balance**".....	For a Loan at any date, the principal balance of that Loan to which the Servicer applies the relevant interest rate at which interest on that Loan accrues;

"**Capital Contribution**"	In relation to each Partner, the aggregate of the capital contributed by or agreed to be contributed by that Partner to the Guarantor from time to time by way of Cash Capital Contributions and Capital Contributions in Kind as determined on each Calculation Date in accordance with the formula set out in the Guarantor Agreement;
"**Capital Contribution Balance**".....	The balance of each Partner's Capital Contributions as recorded from time to time in the relevant Partner's Capital Account Ledger;
"**Capital Contributions in Kind**".....	A contribution of Loans and their Related Security on a fully-serviced basis to the Guarantor in an amount equal to (a) the aggregate of the fair market value of those Loans as at the relevant Transfer Date, minus (b) any cash payment paid by the Guarantor for such Loans and their Related Security on that Transfer Date;
"**Capital Distribution**".....	Any return on a Partner's Capital Contribution in accordance with the terms of the Guarantor Agreement;
"**Capital Requirements Directive**" ..	CRD IV comprised of Directive 2013/36/EC and Regulation (EU) No. 575/2013, in each case, of the European Parliament and the Council dated 26 June 2013 relating to access to the activity of credit institutions and the prudential supervision and requirements of credit institutions and investment firms (as the same may be varied, amended or re-enacted from time to time);
"**Capitalized Arrears**"	For any Loan at any date, interest or other amounts which are overdue in respect of that Loan and which as at that date have been added to the Capital Balance of the Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower;
"**Capitalized Expenses**"	In relation to a Loan, the amount of any expense, charge, fee, premium or payment (excluding, however, any Arrears of Interest) capitalized and added to the Capital Balance of that Loan in accordance with the relevant Mortgage Conditions;
"**CARR**"	The meaning given in "*Risk Factors*" on page 315;
"**Cash Capital Contributions**".....	A Capital Contribution made in cash;
"**Cash Management Agreement**"....	The cash management agreement entered into on the Programme Date and amended on 27 June 2014, 23 December 2014, on 22 December 2017 and on 18 June 2018 between the Guarantor, the Bank in its capacity as the Cash Manager and the Bond Trustee (as the same may be further amended and/or restated and/or supplemented from time to time);

"**Cash Management Deposit Ratings**".....	The threshold ratings P-1 (in respect of Moody's) or F1 or A (in respect of Fitch, provided that, for greater certainty, only one of the applicable ratings from Fitch is required to be at or above such threshold ratings), of the short-term deposit ratings (or, in the case of Fitch, the issuer default ratings) of the Cash Manager by the Rating Agencies;
"**Cash Manager**"	Canadian Imperial Bank of Commerce, in its capacity as cash manager under the Cash Management Agreement together with any successor cash manager appointed pursuant to the Cash Management Agreement from time to time;
"**Cash Manager Required Ratings**"	The threshold ratings P-2(cr) and F2 (in respect of Moody's and Fitch, respectively) as applicable, of, in the case of Moody's, the short-term counterparty risk assessment, and in the case of Fitch, the issuer default rating, in each case, of the Cash Manager by the Rating Agencies;
"**CBS Downgrade Trigger Event**"...	The meaning given in *Overview of the Principal Documents*" on page 262;
"**CCAA**"	The meaning given in "*Risk Factors*" on page 87;
"**CDS**"	CDS Clearing and Depository Services Inc. and its successors and assigns;
"**CFPB**".....	The U.S. Consumer Financial Protection Bureau;
"**CFTC**"	The meaning given in "*Risk Factors*" on page 91;
"**Charged Property**".....	The property charged by the Guarantor pursuant to the Security Agreement;
"**CIBC**".....	Canadian Imperial Bank of Commerce;
"**CIBC Bancorp**"	The meaning given in "*Risk Factors*" on page 39;
"**Clearing Systems**".....	DTC, Euroclear and/or Clearstream, Luxembourg;
"**Clearstream, Luxembourg**".....	Clearstream Banking S.A.;
"**CMHC**".....	Canada Mortgage and Housing Corporation, a Canadian federal crown corporation, and its successors;
"**CMHC Guide**".....	The Canadian Registered Covered Bond Programs Guide published by CMHC, as the same may be amended, restated or replaced from time to time;
"**Code**".....	United States Internal Revenue Code of 1986, as amended;
"**Common Depositary**".....	The common depositary for Euroclear and Clearstream, Luxembourg;
"**Common Reporting Standard**"	The meaning given on page 304;

"**Common Safekeeper**"	A common safekeeper for Euroclear and/or Clearstream, Luxembourg;
"**Compounded Daily Rate**".....	The meaning given on page 128;
"**Compounded Daily SOFR**"	The meaning given on page 127;
"**Compounded Daily SONIA**"	The meaning given on page 128;
"**Compounded Daily €STR**"	The meaning given on page 134;
"**Compounded Index Rate**".....	The meaning given on page 130;
"**Compounded SOFR Convention**"	The meaning given in Condition 5.03 on page 126;
"**Conditions**".....	Terms and conditions of the Covered Bonds as described under "*Terms and Conditions of the Covered Bonds*";
"**Contingent Collateral**".....	On any Business Day, in respect of the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, the Loans and Related Security and the Substitute Assets of the Guarantor in an aggregate amount equal to the Contingent Collateral Amount in respect of the related Swap Agreement, provided that (i) in determining the value of (x) the Loans and Related Security, the LTV Adjusted Loan Balance thereof is used and (y) the Substitute Assets, the Trading Value thereof is used, and (ii) such Loans, Related Security and Substitute Assets are excluded from the determination of the Asset Coverage Test and/or the Amortization Test, as applicable;
"**Contingent Collateral Amount**"	On any Business Day, in respect of the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, an amount equal to the Guarantor's "Exposure" under and as defined in the related Swap Agreement, in each case, calculated as if the confirmation thereunder was in effect on such Business Day;
"**Contingent Collateral Notice**".....	In respect of the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, an irrevocable notice delivered by the relevant Swap Provider, in its capacity as lender under the Intercompany Loan Agreement, to the Guarantor, that, as of the effective date of such notice and in respect of: (i) a Contingent Collateral Trigger Event in relation to the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, (ii) a Downgrade Trigger Event, or (iii) an event of default (other than an insolvency event of default) or an additional termination event, in each case, under the relevant Swap Agreement in

respect of which Party A is the sole defaulting party or the sole affected party, as applicable,

it elects to decrease the amount of the Demand Loan with a corresponding increase in the amount of the Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount(s);

"**Contingent Collateral Trigger Event**"	The long-term, unsecured, unsubordinated and unguaranteed debt obligations (or, in the case of Fitch, the long-term issuer default rating) of the Covered Bond Swap Provider or the Interest Rate Swap Provider, as applicable, or any credit support provider or guarantor from time to time in respect of the Covered Bond Swap Provider or the Interest Rate Swap Provider, as applicable, cease to be rated at least BBB+ by Fitch or Baa1 by Moody's;
"**Contractual Currency**"	The meaning given in Condition 16 on page 173;
"**Corporate Services Agreement**"...	The meaning given in "*Overview of the Principal Documents*" on page 270;
"**Corporate Services Provider**".....	Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada, as corporate services provider to the Liquidation GP under the Corporate Services Agreement, together with any successor corporate services provider appointed from time to time;
"**CORRA**"	The meaning given in "*Risk Factors*" on page 31;
"**CORRA Compounded Index**"	The measure of the cumulative impact of CORRA compounding over time administered and published by the Bank of Canada (or any successor Reference Rate Administrator);
"**Couponholders**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 116;
"**Coupons**"	The meaning given in "*Terms and Conditions of the Covered Bonds"* on page 116;
"**Counterparty Qualifications**".....	The meaning given in "*Description of The Canadian Registered Covered Bond Programs Framework*" on page 292;
"**Cover Pool Collateral**".....	The meaning given in "*Overview of the Principal Documents – Guarantor Agreement – OC Valuation*" on page 243;
"**Covered Bond**"	Each covered bond issued or to be issued pursuant to the Dealership Agreement and which is or is to be constituted under the Trust Deed, which covered bond may be represented by a Global Covered Bond or any Definitive Covered Bond and includes any

	replacements or a Covered Bond issued pursuant to Condition 12;
"**Covered Bond Guarantee**".....	A direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and irrevocable guarantee by the Guarantor set forth in the Trust Deed for the payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment;
"**Covered Bond Guarantee Activation Event**".....	The earlier to occur of (i) an Issuer Event of Default, together with the service of an Issuer Acceleration Notice on the Issuer and the service of a Notice to Pay on the Guarantor; and (ii) a Guarantor Event of Default, together with the service of a Guarantor Acceleration Notice on the Issuer and on the Guarantor (and each a "**Covered Bond Guarantee Activation Event**" as the context requires);
"**Covered Bond Legislative Framework**".....	The meaning given in "*Description of the Canadian Registered Covered Bond Programs Framework*" on page 291;
"**Covered Bond Portfolio**".....	The Initial Covered Bond Portfolio and each additional portfolio of Portfolio Assets acquired by the Guarantor;
"**Covered Bond Swap Activation Event Date**"	The earlier of (i) the date on which an Issuer Event of Default occurs, and (ii) the date on which a Guarantor Event of Default occurs, together with the service of a Guarantor Acceleration Notice on the Issuer and the Guarantor;
"**Covered Bond Swap Agreement**".	The agreement(s) (including any replacement agreements) entered into between the Guarantor and the Covered Bond Swap Provider(s) in the form of an ISDA Master Agreement, including a schedule and confirmations and credit support annex, if applicable, in relation to each Tranche or Series of Covered Bonds (as amended and/or restated and/or supplemented from time to time);
"**Covered Bond Swap Early Termination Event**".....	The meaning given in "*Overview of the Principal Documents*" on page 262;
"**Covered Bond Swap Effective Date**".....	The earlier of (i) the date on which a Contingent Collateral Trigger Event occurs in respect of the Covered Bond Swap Provider, and (ii) the date on which a Covered Bond Swap Activation Event occurs; provided that the Covered Bond Swap Effective Date will be such date on which a Covered Bond Swap Activation Event occurs if (a) the Covered Bond Swap Provider is the lender under the Intercompany Loan Agreement, (b) (i) a Contingent Collateral Trigger Event has occurred in respect of the Covered Bond Swap Provider, (ii) a Contingent Collateral Notice is

	delivered in respect of such Contingent Collateral Trigger Event relating to the Covered Bond Swap Provider and (iii) within 10 Business Days of the occurrence of such Contingent Collateral Trigger Event and for so long as a Contingent Collateral Trigger Event continues to exist, the Guarantor has Contingent Collateral in respect of the Covered Bond Swap Agreement, and (c) the Asset Coverage Test and/or the Amortization Test, as applicable continues to be satisfied;
"**Covered Bond Swap Provider**".....	The provider(s) of the Covered Bond Swap under the Covered Bond Swap Agreement;
"**Covered Bond Swap Rate**"	In relation to a Covered Bond or Tranche or Series of Covered Bonds, the exchange rate specified in the Covered Bond Swap Agreement relating to such Covered Bond or Series of Covered Bonds or, if the Covered Bond Swap Agreement has terminated, the applicable spot rate;
"**CRA Regulation**".....	The meaning given to it on the cover page;
"**CSDS**"	The meaning given in "*Risk Factors*" on page 33;
"**CSSB**"	The meaning given in "*Risk Factors*" on page 33;
"**CSSF**"	The meaning given to it on page 2;
"**Current Balance**"	In relation to a Loan at any relevant date, means the aggregate principal balance of the Loan at such date (but avoiding double counting) including the following: (i) the Initial Advance; (ii) Capitalized Expenses; (iii) Capitalized Arrears; and (iv) any increase in the principal amount due under that Loan due to any form of Further Advance, in each case relating to such Loan less any prepayment, repayment or payment of the foregoing made on or prior to the determination date;
"**Custodial Agreement**".....	The meaning given in "*Overview of the Principal Documents*" on page 270;
"**Custodian**"	Computershare Trust Company of Canada, as custodian for the Guarantor under the Custodial Agreement, together with any successor custodian appointed from time to time;
"**Cut-off Date**"	The second Toronto Business Day following the Calculation Date preceding a relevant Transfer Date or (in the case of a Product Switch or Further Advance) a Guarantor Payment Date, as the case may be;
"**C(WUMP)O**"	The meaning given in "*Subscription and Sale and Transfer and Selling Restrictions"* on page 332;
"**Day Count Fraction**".....	The meaning given in Condition 5.09 on page 141;

"**DBRS**"	DBRS Limited;
"**Dealers**".....	Canadian Imperial Bank of Commerce, London Branch, BNP Paribas, Commerzbank Aktiengesellschaft, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, HSBC Continental Europe, J.P. Morgan Securities plc, Merrill Lynch International, Natixis, NatWest Markets Plc and UBS AG London Branch or such other Dealer(s) as may be appointed from time to time in accordance with the Dealership Agreement, which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the relevant Dealer(s) shall, in the case of an issue of Covered Bonds being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Covered Bonds;
"**Dealership Agreement**".....	The meaning given in "*Subscription and Sale*" on page 320;
"**December 2014 letter**".....	The meaning given in "*Risk Factors*" on page 88;
"**Definitive Covered Bond**"	A Bearer Definitive Covered Bond and/or, as the context may require, a Registered Definitive Covered Bond;
"**Definitive IAI Registered Covered Bond**".....	A Registered Covered Bond in definitive form sold to an Institutional Accredited Investor;
"**Definitive Rule 144A Covered Bond**".....	A Registered Definitive Covered Bond sold to QIBs pursuant to Rule 144A;
"**Demand Loan**"	The meaning given in "*Overview of the Principal Documents*" on page 215;
"**Demand Loan Contingent Amount**"	The meaning given in "*Overview of the Principal Documents*" on page 216;
"**Demand Loan Repayment Event**"	The meaning given in "*Overview of the Principal Documents*" on page 216;
"**Designated Maturity**".....	In relation to the ISDA Determination, the meaning given in the ISDA Definitions, or, in relation to Screen Rate Determination, the meaning given in Condition 5.09 on page 138;
"**Determination Date**".....	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 144;
"**Determination Period**".....	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 144;
"**Direct Participants**"	The meaning given in "*Book-Entry Clearance Systems*" on page 294;
"**Distribution Compliance Period**"..	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 122;

"**d**"	The meanings given on pages 128, 131, 133 and 134, as applicable;
"**do**"	The meanings given on pages 128, 132 and 135, as applicable;
"**Dodd-Frank Act**"	The meaning given in "*Risk Factors*" on page 91;
"**Downgrade Trigger Event**"	The meaning given in "*Overview of the Principal Documents*" on page 263;
"**DTC**"	The Depository Trust Company;
"**DTC Covered Bonds**"	Covered Bonds accepted into DTC's book-entry settlement system;
"**DTCC**".....	The Depository Trust & Clearing Corporation;
"**Due for Payment**"	The requirement by the Guarantor to pay any Guaranteed Amounts following the service of a Notice to Pay on the Guarantor, (i) prior to the occurrence of a Guarantor Event of Default, on: (a) the date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, or, if later, the day which is two Business Days following service of a Notice to Pay on the Guarantor in respect of such Guaranteed Amounts or if the applicable Final Terms specify that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Interest Payment Date that would have applied if the Final Maturity Date of such Series of Covered Bonds had been the Extended Due for Payment Date (the "**Original Due for Payment Date**"); and (b) in relation to any Guaranteed Amounts in respect of the Final Redemption Amount payable on the Final Maturity Date for a Series of Covered Bonds only, the Extended Due for Payment Date, but only (i) if in respect of the relevant Series of Covered Bonds the Covered Bond Guarantee is subject to an Extended Due for Payment Date pursuant to the terms of the applicable Final Terms and (ii) to the extent that the Guarantor has been served a Notice to Pay no later than the date falling one Business Day prior to the Extension Determination Date and does not pay Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds by the Extension Determination Date because the Guarantor has insufficient moneys available under the Guarantee Priority of Payments to pay such Guaranteed Amounts in full on the earlier of (a) the date which

falls two Business Days after service of such Notice to Pay on the Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 7.01(a)) or (b) the Extension Determination Date,

or, if, in either case, such day is not a Business Day, the next following Business Day. For the avoidance of doubt, Due for Payment does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, acceleration of maturity, mandatory or optional redemption or otherwise save as provided in paragraph (ii) below; or

(ii) following the occurrence of a Guarantor Event of Default, the date on which a Guarantor Acceleration Notice is served on the Issuer and the Guarantor;

"**Earliest Maturing Covered Bonds**".....	At any time, the Series of the Covered Bonds (other than any Series which is fully collateralized by amounts standing to the credit of the Guarantor in the Guarantor Accounts) that has or have the earliest Final Maturity Date as specified in the applicable Final Terms (ignoring any acceleration of amounts due under the Covered Bonds prior to the occurrence of a Guarantor Event of Default);
"**Early Redemption Amount**"	The meaning given in the relevant Final Terms;
"**ECB Recommended Rate**"	The meaning given on page 136;
"**ECB Recommended Rate Index Cessation Event**"	The meaning given on page 135;
"**ECB Recommended Rate Index Cessation Effective Date**"	The meaning given on page 135;
"**ECB's Website**"	The meaning given on page 136;
"**EDFR**"	The meaning given on page 136;
"**EDFR Spread**"	The meaning given on page 136;
"**ECOFIN**"	The Economic and Financial Affairs Council of the EU;
"**EEA**"	The meaning given on page 10;
"**Eligibility Criteria**"	The meaning given in "*Overview of the Principal Documents*" on page 218;
"**EMMI**"	The meaning given on page 3;
"**Enforcement Proceeds**".....	The meaning given in "*Overview of the Principal Documents*" on page 230;
"**ESG**".....	Environment, social and governance;

"**ESMA**"	The meaning given on page 3;
"**EU**"	European Union;
"**EU Benchmarks Regulation**"	The meaning given on page 78;
"**EU CRA Regulation**".....	The meaning given on page 4;
"**EURIBOR**"	Euro-zone inter-bank offered rate;
"**Eurobond Basis**"	The meaning given in Condition 5.09 on page 142;
"**Euroclear**"	Euroclear Bank SA/NV;
"**Eurodollar Convention**"	The meaning given in Condition 5.09 on page 141;
"**European Exchange Agent**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 115;
"**European Registrar**".....	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 115;
"**Euro-zone**"	The meaning given in Condition 5.09 on page 144;
"**Eurosystem**"	The central banking system for the euro;
"**EUWA**".....	The meaning given on page 4;
"**Excess Proceeds**"	Moneys received (following the occurrence of an Issuer Event of Default and delivery of an Issuer Acceleration Notice) by the Bond Trustee from the Issuer or any administrator, administrative receiver, receiver, liquidator, trustee in sequestration or other similar official appointed in relation to the Issuer;
"**Exchange Act**".....	The U.S. Securities Exchange Act of 1934, as amended;
"**Exchange Agent**".....	Collectively, HSBC Bank USA, National Association and HSBC Bank plc in their capacity as exchange agent (which expression shall include any successor exchange agent);
"**Exchange Date**"	The meaning specified in the relevant Final Terms;
"**Exchange Event**"	The meaning given in "*Form of the Covered Bonds*" on page 110;
"**Excluded Holder**".....	The meaning given in Condition 18.03 on page 174;
"**Excluded Scheduled Interest Amounts**"	The meaning given in the definition of "Scheduled Interest" below;
"**Excluded Scheduled Principal Amounts**"	The meaning given in the definition of "Scheduled Principal" below;
"**Excluded Swap Termination Amount**"	In relation to a Swap Agreement, an amount equal to the amount of any termination payment due and payable (a) to the relevant Swap Provider as a result of a Swap Provider Default with respect to such Swap Provider or (b) to the relevant Swap Provider following

	a Swap Provider Downgrade Event with respect to such Swap Provider;
"**Exempt Covered Bonds**".....	The meaning given on page 2;
"**Extended Due for Payment Date**".	In relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date;
"**Extension Determination Date**"	In respect of a Series of Covered Bonds, the date falling two Business Days after the expiry of seven days from (and including) the Final Maturity Date of such Series of Covered Bonds;
"**Extraordinary Resolution**"	Means (a) a resolution passed at a meeting of the Holders of the Covered Bonds duly convened and held in accordance with the terms of the Trust Deed by a majority consisting of not less than three-quarters of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three quarters of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of the Holders of the Covered Bonds holding not less than 50 per cent in Principal Amount Outstanding of the Covered Bonds, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Holders of the Covered Bonds;
"**EY**".....	Ernst & Young LLP;
"**FATCA**"	The meaning given on page 159;
"**FCA**"	The meaning given on page 13;
"**FDIC**"	The U.S. Federal Deposit Insurance Corporation;
"**Federal Reserve**"	The U.S. Board of Governors of the Federal Reserve System;
"**FFI**"	Foreign financial institution;
"**FICC**"	The meaning given in "*Risk Factors*" on page 74;
"**Final Maturity Date**".....	The Interest Payment Date on which each Series of Covered Bonds will be redeemed at their Principal Amount Outstanding in accordance with the Conditions;
"**Final Redemption Amount**"	The meaning given in the relevant Final Terms;
"**Final Terms**".....	Final terms which, with respect to Covered Bonds to be admitted to the Official List and admitted to trading by the Luxembourg Stock Exchange, will be delivered to

	the CSSF and the Luxembourg Stock Exchange on or before the date of issue of the applicable Tranche of Covered Bonds;
"**Financial Centre**"	The financial centre or centres specified in the applicable Final Terms;
"**First Home Power Plan Mortgage Loan**"	The first Home Power Plan Mortgage Loan made by the Seller to a particular Borrower, which is owned by the Guarantor;
"**First Transfer Date**"	The Transfer Date in respect of the Initial Covered Bond Portfolio which occurred before the first Issue Date;
"**Fitch**"	Fitch Ratings, Inc.;
"**Fixed Amount Payer**"	The meaning given in the ISDA Definitions;
"**Fixed Amounts**"	The meaning specified in the applicable Final Terms;
"**Fixed Coupon Amount**"	The meaning specified in the applicable Final Terms;
"**Fixed Interest Period**"	The meaning given in Condition 5.02 on page 126;
"**Fixed Rate Covered Bonds**"	Covered Bonds paying a fixed rate of interest on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s);
"**Floating Rate**"	The meaning given in the ISDA Definitions;
"**Floating Rate Covered Bonds**"	Covered Bonds which bear interest at a rate determined: (a) on the same basis as the floating rate under a notional schedule and confirmations and credit support annex, if applicable, for each Tranche and/or Series of Covered Bonds in the relevant Specified Currency governed by the Interest Rate Swap Agreement incorporating the ISDA Definitions; or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service;
"**Floating Rate Option**"	The meaning given in the ISDA Definitions;
"**Following Business Day Convention**"	The meaning given in Condition 5.09 on page 141;
"**FRN Convention**"	The meaning given in Condition 5.09 on page 141;
"**FSMA**"	Financial Services and Markets Act 2000, as amended;
"**FTT**"	The meaning given in "*Taxation*" on page 304;
"**Further Advance**"	In relation to a Loan, any advance of further money to the relevant Borrower following the making of the Initial Advance, which is secured by the same Mortgage as

	the Initial Advance, excluding the amount of any retention in respect of the Initial Advance;
"**GDA Account**"	The account in the name of the Guarantor held with the Account Bank and maintained subject to the terms of the Master Definitions and Construction Agreement, the Guaranteed Deposit Account Contract, the Bank Account Agreement and the Security Agreement or such additional or replacement account(s) as may be for the time being be in place with the prior consent of the Bond Trustee;
"**GDA Provider**"	Canadian Imperial Bank of Commerce, in its capacity as GDA provider under the Guaranteed Deposit Account Contract together with any successor GDA provider appointed from time to time;
"**Global Covered Bond**"	A Bearer Global Covered Bond and/or Registered Global Covered Bond, as the context may require;
"**GMTA**"	The meaning given in "**Risk Factors**" on page 31;
"**GST**"	GST means the taxes payable under Part IX of the *Excise Tax Act* (Canada);
"**Guarantee Loan**".....	The meaning given in "*Overview of the Principal Documents*" on page 215;
"**Guarantee Priority of Payments**"..	The meaning given in Condition 6.01 on page 149;
"**Guaranteed Amounts**".....	Prior to the service of a Guarantor Acceleration Notice, with respect to any Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, the sum of Scheduled Interest and Scheduled Principal, in each case, payable on that Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, or after service of a Guarantor Acceleration Notice, an amount equal to the relevant Early Redemption Amount as specified in the Conditions plus all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the Guarantor under the Trust Deed;
"**Guaranteed Deposit Account Contract**" or "**GDA**".....	The meaning given on page 268;
"**Guarantor**"	CIBC Covered Bond (Legislative) Guarantor Limited Partnership;
"**Guarantor Acceleration Notice**" ...	The meaning given in Condition 7.02 on page 156;
"**Guarantor Accounts**"	The GDA Account, the Transaction Account (to the extent maintained) and any additional or replacement accounts opened in the name of the Guarantor,

	including the Standby GDA Account and the Standby Transaction Account;
"**Guarantor Agreement**".....	The amended and restated limited partnership agreement in respect of the Guarantor dated 18 June 2019 between the Managing GP, the Liquidation GP, the Bond Trustee and the Bank as Limited Partner and any other Parties who accede thereto in accordance with its terms (as the same may be further amended and/or restated and/or supplemented from time to time);
"**Guarantor Calculation Period**"	Each period from, but excluding, the last Toronto Business Day of each month to, and including, the last Toronto Business Day of the next succeeding month, provided that (i) the first Guarantor Calculation Period begins on, and includes, the Programme Date and ends on the last Toronto Business Day of the month in which the First Transfer Date occurs and (ii) the final Guarantor Calculation Period shall end on, but exclude, the Termination Date;
"**Guarantor Event of Default**".....	The meaning given in Condition 7.02 on page 156;
	Guarantor Observation Period
"**Guarantor Observation Period**"....	In respect of a Guarantor Calculation Period, the period from, and including, the date that is two Bank of Canada Business Days preceding the first date in such Guarantor Calculation Period to, but including, the date that is two Bank of Canada Business Days preceding the last day of such Guarantor Calculation Period;
"**Guarantor Payment Date**"	The 17th day of each month or if not a Toronto Business Day the next following Toronto Business Day;
"**Guarantor Payment Period**".....	The period from and including a Guarantor Payment Date to but excluding the next following Guarantor Payment Date;
"**Guide OC Minimum**".....	The meaning given in "*Overview of the Principal Documents – Guarantor Agreement – OC Valuation*" on page 243;
"**Guideline B-15**"	The meaning given in "*Risk Factors*" on page 34;
"**Guideline B-20**".....	The meaning given in "*Risk Factors*" on page 90;
"**Hard Bullet Covered Bonds**".....	The meaning given in "*Credit Structure*" on page 274;
"**Holder of the Covered Bonds**" or "**Holder**" or "**Covered Bondholders**".....	The holders for the time being of the Covered Bonds;
"**Home Power Plan Agreement**"	With respect to any Borrower, the revolving and/or non-revolving credit contracts, as the case may be, providing for the establishment of a home equity line of credit loan and any one or more mortgage loans,

	together with any amendments, addendums and supplements thereto (each to be governed by a separate agreement);
"**Home Power Plan Line of Credit**".	Each outstanding home equity line of credit indebtedness created under a Home Power Plan Agreement and any other indebtedness due or owing under the relevant Mortgage Conditions by a Borrower, which is not a Home Power Plan Mortgage Loan, on the security of a Multiproduct Mortgage from time to time outstanding, or, as the context may require, the Borrower's obligations in respect of the same;
"**Home Power Plan Mortgage Loan**"	Each outstanding amortizing term loan due or owing under a Home Power Plan Agreement and the relevant Mortgage Conditions by a Borrower on the security of a Multiproduct Mortgage from time to time outstanding, or, as the context may require, the Borrower's obligations in respect of the same;
"**HSBC**"	HSBC Bank plc;
"**i**"	The meanings given on pages 128, 132 and 135, as applicable;
"**IAI Investment Letter**"	A duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement;
"**IDD**"	The meaning given on page 8;
"**IFRS**"	International Financial Reporting Standards;
"**IFRS S1**"	The meaning given in "*Risk Factors*" on page 33;
"**IFRS S2**"	The meaning given in "*Risk Factors*" on page 33;
"**IGA**"	The meaning given in "*Taxation—United States Federal Income Taxation*" on page 315;
"**Independently Controlled and Governed**"	In respect of the Guarantor, (i) the general partner (having the power to carry on the business of the Guarantor) of the Guarantor is not (and cannot be) an affiliate of the Issuer and less than ten percent of its voting securities are (or can be) owned, directly or indirectly, by the Issuer or any of its affiliates, (ii) if an administrative agent or other analogous entity has been engaged by the general partner of the Guarantor to fulfil such general partner's responsibility or role to carry on, oversee, manage or otherwise administer the business, activities and assets of the Guarantor, the agent or entity is not (and cannot be) an affiliate of the Issuer and less than ten percent of its voting securities are (or can

	be) owned, directly or indirectly, by the Issuer or any of its affiliates, (iii) all members (but one) of the board of directors or other governing body of the general partner of the Guarantor, administrative agent or other entity are not (and cannot be) directors, officers, employees or other representatives of the Issuer or any of its affiliates, do not (and cannot) hold greater than ten percent of the voting or equity securities of the Issuer or any of its affiliates and are (and must be) otherwise free from any material relationship with the Issuer or any of its affiliates (hereinafter referred to as "**Independent Members**"), and (iv) the board of directors or other governing body of the general partner of the Guarantor, administrative agent or other entity is (and must be) composed of at least three members, and the non-Independent Member is not (and shall not be) entitled to vote on any resolution or question to be determined or resolved by the board (or other governing body) and shall attend meetings of the board (or other governing body) at the discretion of the remaining members thereof, provided that such board of directors or other governing body may be composed of only two Independent Members with "observer" status granted to one director, officer, employee or other representative of the Issuer or any of its affiliates;
"**Independent Resolution of UK Branch Powers" or "IRUKBPs**"	The meaning given in "*Risk Factors*" on page 85;
"**Indexation Methodology**".....	The meaning given in "*Risk Factors*" on page 56;
"**Indirect Participants**"	The meaning given in "*Book-Entry Clearance Systems*" on page 294;
"**Initial Advance**"	In respect of any Loan, the original principal amount advanced by the Seller to the relevant Borrower;
"**Initial Covered Bond Portfolio**".....	The portfolio of Loans and their Related Security, particulars of which were delivered on the First Transfer Date pursuant to the terms of the Mortgage Sale Agreement (other than any Loans and their Related Security that were redeemed in full prior to the First Transfer Date) and all right, title, interest and benefit of the Seller in and to such Loans and their Related Security, including any rights of the Seller thereunder;
"**Initial IRS Downgrade Trigger Event**".....	The meaning given in "*Overview of the Principal Documents*" on page 258;
"**Initial CBS Downgrade Trigger Event**".....	The meaning given in "*Overview of the Principal Documents*" on page 262;

"**Insolvency Event**".....	In respect of the Seller, the Servicer or the Cash Manager or any other person, any impending or actual insolvency on the part of such person, as evidenced by, but not limited to: (a) the commencement of a dissolution proceeding or a case in bankruptcy involving the relevant entity (and where such proceeding is the result of an involuntary filing, such proceeding is not dismissed within 60 days after the date of such filing); or (b) the appointment of a trustee or other similar court officer over, or the taking of control or possession by such officer, of the business of the relevant entity, in whole or in part, before the commencement of a dissolution proceeding or a case in bankruptcy; or (c) the relevant entity makes a general assignment for the benefit of any of its creditors; or (d) the general failure of, or the inability of, or the written admission of the inability of, the relevant entity to pay its debts as they become due;
"**Instalment Amount**"	The meaning given in Condition 1.07 on page 119;
"**Instalment Covered Bonds**".....	Covered Bonds which will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms;
"**Instalment Dates**"	The meaning given in the applicable Final Terms;
"**Institutional Accredited Investor**"	An institution that is an institutional "accredited investor"(as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act);
"**Intercompany Loan**".....	The meaning given in "*Overview of the Principal Documents*" on page 215;
"**Intercompany Loan Agreement**" ..	The loan agreement between the Issuer, the Guarantor and the Cash Manager dated the Programme Date, as amended 21 June 2016 and 22 December 2017 (as may be further amended and/or restated and/or supplemented from time to time);
"**Interest Accrual Period**".....	The meaning given on page 144;
"**Interest Amount**"	The amount of interest payable on the Floating Rate Covered Bonds in respect of each Specified Denomination for the relevant Interest Period;
"**Interest Basis**"	The meaning given in the applicable Final Terms;
"**Interest Commencement Date**".....	The meaning given in Condition 5.09 on page 144;
"**Interest Determination Date**"	The meaning given in Condition 5.09 on page 144;
"**Interest Payment Date**"	The meaning given in Condition 5.09 on page 145;

"**Interest Period**"	The meaning given in Condition 5.09 on page 145;
"**Interest Period End Date**"	The meaning given in Condition 5.09 on page 145;
"**Interest Rate Swap Agreement**"	The agreement (including any replacement agreement) entered into between the Guarantor and the Interest Rate Swap Provider(s) in the form of an ISDA Master Agreement, including a schedule and confirmation and credit support annex, if applicable, in relation to the Covered Bond Portfolio (as amended and/or restated and/or supplemented from time to time);
"**Interest Rate Swap Early Termination Event**"	The meaning given in "*Overview of the Principal Documents*" on page 258;
"**Interest Rate Swap Provider**"	The provider(s) of the Interest Rate Swap under the Interest Rate Swap Agreement;
"**Investor Reports**"	The monthly report made available on the Issuer's website at https://www.cibc.com/en/about-cibc/investor-relations/debt-information/legislative-covered-bond.html detailing information with respect to the Programme, each Series of Covered Bonds and the Covered Bond Portfolio, in each case as required pursuant to Annex H to the CMHC Guide;
"**Investor's Currency**"	The meaning given in "*Risk Factors*" on page 93;
"**IRS**"	The meaning given in "*Taxation*" on page 308;
"**IRS Downgrade Trigger Event**"	The meaning given in *Overview of the Principal Documents*" on page 259;
"**ISDA**"	International Swaps and Derivatives Association, Inc.;
"**ISDA Definitions**"	The meaning given in Condition 5.09 on page 145;
"**ISDA Determination**"	The meaning specified in the applicable Final Terms;
"**ISDA Master Agreement**"	The 2002 Master Agreement, as published by ISDA;
"**ISDA Rate**"	The meaning given in Condition 5.04 on page 137;
"**Issue Date**"	Each date on which the Issuer issues Covered Bonds to purchasers of such Covered Bonds;
"**Issue Price**"	The meaning specified in the applicable Final Terms;
"**Issuer**"	Canadian Imperial Bank of Commerce;
"**Issuer Acceleration Notice**"	The meaning given in Condition 7.01 on page 154;
"**Issuer Event of Default**"	The meaning given in Condition 7.01 on page 154;
"**Issuing and Paying Agent**"	HSBC Bank plc, in its capacity as issuing and paying agent and any successor as such;
"**LAR**"	The meaning given in "*Risk Factors*" on page 49;
"**Latest Valuation**"	In relation to any Property, the value given to that Property by the most recent valuation addressed to the Seller or as applicable, an Originator or obtained from

	an independently maintained risk assessment model, acceptable to reasonable and prudent institutional mortgage lenders in the Seller's or Originator's market or the purchase price of that Property or current property tax assessment, as applicable; provided that such value shall be adjusted at least quarterly to account for subsequent price adjustments using the Indexation Methodology;
"**Ledger**".....	Each of the Revenue Ledger, the Principal Ledger, the Reserve Ledger, the Payment Ledger, the Pre-Maturity Liquidity Ledger and the Capital Account Ledgers maintained by the Cash Manager in accordance with the terms of the Cash Management Agreement;
"**Legended Covered Bonds**".....	The meaning given in "*U.S. Information*" on page 5;
"**Legislative Requirements**".....	The meaning given on page 204;
"**Lending Criteria**"	The lending criteria of the Seller or an Originator from time to time, or such other criteria as would be acceptable to reasonable and prudent institutional mortgage lenders in the Seller's or Originator's market;
"**Level of Overcollateralization**"	The meaning given in "*Overview of the Principal Documents – Guarantor Agreement – OC Valuation*" on page 243;
"**LGP Trust**"	The meaning given in "*Structure Overview—Ownership Structure of the Liquidation GP*" on page 102;
"**LIBOR**"	London inter-bank offered rate;
"**Limited Partner**".....	Canadian Imperial Bank of Commerce, in its capacity as a limited partner of the Guarantor, individually and together with such other person or persons who may from time to time, become limited partner(s) of the Guarantor pursuant to the terms of the Guarantor Agreement;
"**Line of Credit**".....	A type of Loan product that typically incorporates features that give the relevant Borrower options to, among other things, make further drawings on the Loan account;
"**Line of Credit Drawing**".....	Any further drawing of monies made by a Borrower under a Line of Credit other than an Initial Advance;
"**Liquidation GP**"	8412413 Canada Inc., in its capacity as liquidation general partner of the Guarantor together with any successor liquidation general partner appointed pursuant to the terms of the Guarantor Agreement;
"**Loan**".....	Any mortgage loan, including first lien residential mortgage loans and first ranking residential hypothecary loans, and including for greater certainty, a Home Power Plan Mortgage Loan, in each case,

	referenced by its mortgage loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other moneys (including all Additional Loan Advances) due or owing with respect to that mortgage loan under the relevant Mortgage Conditions by a Borrower on the security of a Mortgage from time to time outstanding, or, as the context may require, the Borrower's obligations in respect of the same;
"**Loan Files**"	The file or files relating to each Loan and its Related Security (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing, among other things, the original fully executed copy of the document(s) evidencing the Loan and its Related Security, including the relevant loan agreement (together with the promissory note, if any, evidencing such Loan or, if applicable, a guarantor of the Borrower), and, if applicable, evidence of the registration thereof or filing of financing statements under the Personal Property Security Act, and the mortgage documentation, Mortgage Deed and other Related Security documents in respect thereof and evidence of paper or electronic registration from the applicable land registry office, land titles office or similar place of public record in which the related Mortgage is registered together with a copy of other evidence, if applicable, of any applicable insurance policies in respect thereof to which the Seller or the Guarantor, as the case may be, is entitled to any benefit, a copy of the policy of title insurance or opinion of counsel regarding title, priority of the Mortgage or other usual matters, in each case, if any, and any and all other documents (including all electronic documents) kept on file by or on behalf of the Seller relating to such Loan;
"**Loan Representations and Warranties**"	The loan representations and warranties of the Seller set out in the Mortgage Sale Agreement;
"**local banking day**".....	The meaning given in Condition 9.12 on page 164;
"**London Banking Day**"	A day on which commercial banks in London are open for general business;
"**LTV**".....	The meaning given in "*Loan Origination and Lending Criteria*" on page 209;
"**LTV Adjusted Loan Balance**".....	The meaning given in "*Overview of the Principal Documents*" on page 245;
"**Luxembourg Stock Exchange**".....	Société de la Bourse de Luxembourg S.A.;

"**Managing GP**".....	CIBC Covered Bond (Legislative) GP Inc., in its capacity as managing general partner of the Guarantor together with any successor managing general partner;
"**March 2020 letter**".....	The meaning given in "*Risk Factors*" on page 88;
"**Margin**".....	In respect of a Floating Rate Covered Bond, the percentage rate per annum (if any) specified in the applicable Final Terms;
"**Markets in Financial Instruments Directive**".....	The meaning given on the cover page;
"**Master Definitions and Construction Agreement**"	The meaning given in "Terms and Conditions of the Covered Bonds" on page 117;
"**Maximum Redemption Amount**" ..	The meaning specified in the applicable Final Terms;
"**May 2019 letter**".....	The meaning given in "*Risk Factors*" on page 88;
"**Member States**"	The countries united under and party to the treaties of the EU as at the date hereof (and each individually, a "**Member State**");
"**MiFID II**".....	The meaning given on page 2;
"**Minimum and/or Maximum Interest Rate**"	The meaning specified in the applicable Final Terms;
"**Minimum Redemption Amount**" ...	The meaning specified in the applicable Final Terms;
"**Modified Following Business Day Convention**" or "**Modified Business Day Convention**"	The meaning specified in Condition 5.09 on page 141;
"**Monthly Payment**"	The amount which the relevant Mortgage Terms require a Borrower to pay on each Monthly Payment Date in respect of that Borrower's Loan;
"**Monthly Payment Date**".....	In relation to a Loan, the date(s) in each month on which the relevant Borrower is required to make a payment of interest and, if applicable, principal for that Loan, as required by the applicable Mortgage Conditions;
"**Moody's**"	Moody's Investors Service, Inc.;
"**Mortgage**"	In respect of any Loan, each first fixed charge by way of legal mortgage or first-ranking hypothec sold, transferred and assigned by the Seller to the Guarantor pursuant to the Mortgage Sale Agreement or contributed by the Seller to the Guarantor pursuant to the Guarantor Agreement, which secures the repayment of the relevant Loan including the Mortgage Conditions applicable to it, and in respect of any Home Power Plan Mortgage Loan, the related Multiproduct Mortgage sold, transferred and assigned by the Seller to the Guarantor pursuant to the Mortgage Sale

	Agreement as part of the Related Security, which secures the repayment of the relevant Home Power Plan Mortgage Loan including the Mortgage Conditions applicable to it and "Mortgages" means more than one Mortgage;
"**Mortgage Conditions**"	All the terms and conditions applicable to a Loan, including without limitation those set out in the Seller's or the Originator's relevant mortgage conditions booklet and the Seller's or the Originator's relevant general conditions, each as varied from time to time by the relevant Loan agreement between the lender under the Loan or the Home Power Plan Agreement and the Borrower, as the same may be amended from time to time, and the relevant Mortgage Deed;
"**Mortgage Deed**"	In respect of any Mortgage, the deed creating that Mortgage;
"**Mortgage Sale Agreement**"	The mortgage sale agreement entered into on the Programme Date between the Seller, the Guarantor and the Bond Trustee, as amended on 13 July 2020 and on 28 July 2023 (as further amended and/or restated and/or supplemented from time to time);
"**Mortgage Terms**"	The terms of the applicable Mortgage;
"**Multiproduct Account**"	In respect of a Borrower, pursuant to a Home Power Plan Agreement, the Home Power Plan Line of Credit and the Home Power Plan Mortgage Loans made to such Borrower (each of which is a separate and distinct loan), all of which are secured by the same Multiproduct Mortgage;
"**Multiproduct Mortgage**"	A collateral mortgage or other security interest, which is security for any Home Power Plan Mortgage Loan or Home Power Plan Line of Credit;
"**Multiproduct Purchaser**"	Any owner of any Home Power Plan Line of Credit or Home Power Plan Mortgage Loan outstanding from time to time or any interest therein, including any person holding and/or having the benefit of a Multiproduct Mortgage, other than the Seller and the Guarantor;
"**N Covered Bond**"	The meaning given in "*Risk Factors*" on page 81;
"**Negative Carry Factor**"	The meaning given in "*Overview of the Principal Documents*" on page 247;
"**New Loan**"	A Loan, other than a Loan comprised in the Initial Covered Bond Portfolio, which the Seller may assign or transfer to the Guarantor after the First Transfer Date pursuant to the Mortgage Sale Agreement;
"**New Loan Type**"	A new type of mortgage loan, home equity line of credit or multi-loan product (including a Home Power Plan

	Line of Credit, any other Line of Credit or other multi-loan product, but not including a Home Power Plan Mortgage Loan) originated or acquired by the Seller, which the Seller intends to transfer to the Guarantor, the terms and conditions of which are materially different (in the opinion of the Seller, acting reasonably) from a conventional amortizing mortgage loan or a Home Power Plan Mortgage Loan, unless such new type of Loan (including a Home Power Plan Line of Credit, any other Line of Credit or other multi-loan product) has satisfied the conditions for sale of New Loan Types to the Guarantor set forth in section 5.1(i) of the Mortgage Sale Agreement. For the avoidance of doubt, a mortgage loan will not constitute a New Loan Type if it differs from a conventional amortizing mortgage loan or a Home Power Plan Mortgage Loan due to it having different interest rates and/or interest periods and/or time periods for which it is subject to a fixed rate, capped rate, tracker rate or any other interest rate or the benefit of any discounts, cash-backs and/or rate guarantees or due to it being originated by a new Originator;
"**New Seller**".....	Any member of the "*CIBC banking group*" that accedes to the relevant Transaction Documents and sells New Loans and their Related Security to the Guarantor in the future;
"**New York Federal Reserve**"	The meaning given on page 3;
"n_i".....	The meanings given on pages 129 and 135, as applicable;
"**NGCB**".....	The meaning given in "*Form of the Covered Bonds*" on page 109;
"**Non-Performing Loan**"	Any Loan in the Covered Bond Portfolio which is more than three months in arrears;
"**Non-Performing Loans Notice**"	A notice from the Cash Manager to the Seller identifying one or more Non-Performing Loans;
"**Non-resident Holder**"	The meaning given in "*Taxation*" on page 299;
"**Norwegian Kroner**"	The lawful currency for the time being of Norway;
"**Notice to Pay**".....	The meaning given in Condition 7.01 on page 155;
"**NSS**".....	The meaning given in "*General Description of the Programme*" on page 20;
"**Observation Look-Back Period**"...	The meaning given on page 129;
"**Observation Period**".....	The meanings given on page 129;
"**Observation Shift Convention**"	The meaning given in Condition 5.03 on page 126;

"**OC Valuation**"	The meaning given in "*Overview of the Principal Documents – Guarantor Agreement – OC Valuation*" on page 243;
"**OECD**"	The meanings given on page 304;
"**Offer Period**"	The meaning specified in the applicable Final Terms;
"**Official List**"	Official list of the Luxembourg Stock Exchange;
"**OID Regulations**"	The meaning given in "*Taxation—United States Federal Income Taxatio*n" on page 194;
"**Optional Redemption Amount**"	The meaning specified in the applicable Final Terms;
"**Optional Redemption Date**"	The meaning specified in the applicable Final Terms;
"**Original Due for Payment Date**" ...	The meaning given in paragraph (i)(a) of the definition of "*Due for Payment*";
"**Originator**"	The meaning given in "*Structure Overview*" on page 96;
"**OSFI**"	Office of the Superintendent of Financial Institutions;
"**Oslo Business Day**"	The meaning given in Condition 5.09 on page 146;
"**Outstanding Principal Amount**" ...	The meaning given in Condition 5.09 on page 146;
"**Outstanding Principal Balance**" ...	In respect of any relevant Loan or Loans, the Current Balance of such Loan or the aggregate Current Balance of such Loans, as the case may be;
"**p**"	The meanings given on pages 129 and 135, as applicable;
"**Participant**"	A Direct and/or Indirect Participant;
"**Participating Debt Interest**"	The meaning given in "*Taxation*" on page 300;
"**Partners**"	The Managing GP, the Liquidation GP and the Limited Partner and any other limited partner who may become a limited partner of the Guarantor from time to time, and the successors and assigns thereof;
"**Paying Agents**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 115;
"**Payment Day**"	The meaning given in Condition 9.12 on page 164;
"**Payment in Kind**"	The meaning given "*Overview of the Principal Documents*" on page 217;
"**Payment Ledger**"	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record payments by or on behalf of the Guarantor in accordance with the terms of the Guarantor Agreement;
"**Permanent Global Covered Bond**"	The meaning given in "*Form of the Covered Bonds*" on page 109;
"**Plan Fiduciary**"	The meaning given on page 318;

"**Portfolio Asset Offer Notice**"	A notice from the Guarantor served on the Seller offering to sell Portfolio Assets for an offer price equal to the greater of (a) the fair market value of such Portfolio Assets and (b) (i) if the sale is following a breach of the Pre-Maturity Test or the service of a Notice to Pay on the Guarantor, the Adjusted Required Redemption Amount of the relevant Series of Covered Bonds, otherwise (ii) the True Balance of such Portfolio Assets;
"**Portfolio Asset Repurchase Notice**".....	A notice from the Guarantor (or the Cash Manager on its behalf) to the Seller identifying a Portfolio Asset in the Covered Bond Portfolio which does not, as at the relevant Transfer Date, comply with the Loan Representations and Warranties set out in the Mortgage Sale Agreement and which materially and adversely affects the interest of the Guarantor in such Portfolio Asset or the value of such Portfolio Asset, or identifying Portfolio Assets otherwise subject to repurchase by the Seller;
"**Portfolio Assets**"	Loans and their Related Security in the Covered Bond Portfolio;
"**Post-Default Collections**".....	The meaning given in "*Overview of the Principal Documents*" on page 230;
"**Post-Enforcement Priority of Payments**".....	The meaning given in "*Cashflows*" on page 288;
"**Post Issuer Event of Default Yield Shortfall Test**".....	The meaning given in "*Overview of the Principal Documents*" on page 238;
"**Potential Guarantor Event of Default**".....	The meaning given in Condition 13 on page 171;
"**Potential Issuer Event of Default**"	The meaning given in Condition 13 on page 171;
"**PRA**".....	The meaning given in "*Risk Factors*" on page 84;
"**Pre-Acceleration Principal Priority of Payments**"	The meaning given in "*Cashflows*" on page 283;
"**Pre-Acceleration Revenue Priority of Payments**"	The meaning given in "*Cashflows*" on page 280;
"**Preceding Business Day Convention**"	The meaning given in Condition 5.09 on page 141;
"**Pre-Maturity Liquidity Ledger**"	The ledger on the GDA Account established to record the credits and debits of moneys available to repay any Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof if the Pre-Maturity Test has been breached;
"**Pre-Maturity Liquidity Required Amount**"	Nil, unless the Pre-Maturity Test has been breached in respect of one or more Series of Hard Bullet Covered

	Bonds, and then an amount equal to the aggregate for each affected Series (without double counting) of (i) the Required Redemption Amount for such affected Series, (ii) the Required Redemption Amount for all other Series of Hard Bullet Covered Bonds which will mature within 12 months of the date of the calculation, and (iii) the amount required to satisfy paragraphs (a) through (f) of the Guarantee Priority of Payments on the Final Maturity of the affected Series of Hard Bullet Covered Bonds and on the Final Maturity Date of all other Series of Hard Bullet Covered Bonds which will mature within 12 months of the date of the calculation;
"**Pre-Maturity Minimum Ratings**" ...	The meaning given in "*Credit Structure*" on page 274;
"**Pre-Maturity Test**".....	The meaning given in "*Credit Structure*" on page 274;
"**Pre-Maturity Test Date**".....	The meaning given in "*Credit Structure*" on page 274;
"**Prescribed Cash Limitation**".....	The meaning given in "*Overview of the Principal Documents*" on page 254;
"**Present Value**"	For any Loan, the value of the outstanding loan balance of such Loan, calculated by discounting the expected future cash flow (on a loan level basis) using current market interest rates for mortgage loans with credit risks similar to those of the Loan (using the same discounting methodology as that used as part of the fair value disclosure in the Issuer's audited financial statements), or using publicly posted mortgage rates;
"**Principal Amount Outstanding**" ...	In respect of a Covered Bond the principal amount of that Covered Bond on the relevant Issue Date thereof less all principal amounts received by the relevant holder of the Covered Bonds in respect thereof;
"**Principal Ledger**".....	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record the credits and debits of Principal Receipts held by the Cash Manager for and on behalf of the Guarantor and/or in the Guarantor Accounts;
"**Principal Receipts**".....	(a) principal repayments under the Loans in the Covered Bond Portfolio (including payments of arrears, Capitalized Expenses and Capitalized Arrears); (b) recoveries of principal from defaulting Borrowers under Loans in the Covered Bond Portfolio being enforced (including the proceeds of sale of the relevant Property); (c) any repayments of principal (including payments of arrears, Capitalized Expenses and Capitalized Arrears) received pursuant to any insurance policy (that is not a mortgage insurance policy provided

by a Prohibited Insurer) in connection with a Loan in the Covered Bond Portfolio or the related Property; and

(d) the proceeds of the purchase of any Loan in the Covered Bond Portfolio by a Purchaser from the Guarantor (excluding, for the avoidance of doubt, amounts attributable to Accrued Interest and Arrears of Interest thereon as at the relevant purchase date);

"**Priorities of Payments**" ..... The orders of priority for the allocation and distribution of amounts standing to the credit of the Guarantor in different circumstances;

"**PRIIPs Regulation**" ..... The meaning given on page 8;

"**Product Switch**" ..... A variation to the financial terms or conditions included in the Mortgage Conditions applicable to a Loan other than:

(a) any variation agreed with a Borrower to control or manage arrears on a Loan;

(b) any variation in the maturity date of a Loan;

(c) any variation imposed by statute or any variation in the frequency with which the interest payable in respect of the Loan is charged;

(d) any variation to the interest rate as a result of the Borrower switching to a different rate;

(e) any change to a Borrower under the Loan or the addition of a new Borrower under a Loan; or

(f) any change in the repayment method of the Loan;

"**Programme**" ..... CAD 60 billion Global Covered Bond Programme;

"**Programme Date**" ..... 2 July 2013;

"**Programme Resolution**" ..... The meaning given in Condition 13 on page 166;

"**Prohibited Insurer**" ..... CMHC, Canada Guaranty Mortgage Insurance Company, the Genworth Financial Mortgage Insurance Company of Canada, the PMI Mortgage Insurance Company Canada, any other private mortgage insurer recognized by CMHC for purposes of the Covered Bond Legislative Framework or otherwise identified in the Protection of Residential Mortgage or Hypothecary Insurance Act (Canada), or any successor to any of them;

"**Property**" ..... A freehold, leasehold or commonhold property (or owned immovable property in the Province of Québec) which is subject to a Mortgage;

"**Proposed Amendments**" The meaning given in "*Taxation*" on page 299;

"**Prospectus**"	The meaning given on page 1;
"**Prospectus Regulation**"	The meaning given on page 2;
"**Purchaser**"	Any third party or the Seller to whom the Guarantor offers to sell Portfolio Assets;
"**Put Notice**"	The meaning given in Condition 6.06 on page 151;
"**Put Option**"	The meaning given in the applicable Final Terms;
"**QIB**"	A "qualified institutional buyer" within the meaning of Rule 144A;
"**Randomly Selected Loans**"	Loans selected in accordance with the terms of the Guarantor Agreement on a basis that is not designed to favour the selection of any identifiable class or type or quality of Loans over all the other Loans in the Covered Bond Portfolio, except with respect to identifying such Loans as having been acquired by the Guarantor from a particular Seller, if applicable;
"**Rate Cut-Off Date**"	The meaning given in Condition 5.09 on page 146;
"**Rate of Interest**"	The meaning given in Condition 5.09 on page 146;
"**Rating Agency**" or "**Rating Agencies**"	The meaning given in Condition 6.01 on page 149;
"**Rating Agency Confirmation**"	The meaning given in Condition 20.01 on page 175;
"**Receiptholders**"	The holders of the Receipts;
"**Receipts**"	The meaning given in Condition 1.07 on page 119;
"**Record Date**"	The meaning given in Condition 9.09 on page 163;
"**Redemption Amount**"	The meaning given in Condition 6.09 on page 152;
"**Redemption/Payment Basis**"	The meaning given in the applicable Final Terms;
"**Reference Banks**"	The meaning given in Condition 5.09 on page 146;
"**Reference Rate**"	The meaning given in Condition 5.09 on page 146;
"**Reference Rate Administrator**"	The Bank of Canada or any successor administrator for CORRA and/or the CORRA Compounded Index or the administrator (or its successor) of another Applicable Rate, as applicable;
"**Register**"	The register of holders of the Registered Covered Bonds maintained by the Registrar;
"**Registered Covered Bonds**"	Covered Bonds in registered form;
"**Registered Definitive Covered Bonds**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 116;
"**Registered CRA**"	The meaning given on page 4;
"**Registered Global Covered Bonds**"	The Rule 144A Global Covered Bonds together with the Regulation S Global Covered Bonds;

"**Registrar**" or "**Registrars**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 115;
"**Registry**"	The meaning given on the cover page;
"**Regulated Market**"	The meaning given on the cover page;
"**Regulation S**"	Regulation S under the Securities Act;
"**Regulation S Covered Bonds**"	The meaning given in "*Subscription and Sale*" on page 321;
"**Regulation S Global Covered Bond**"	The meaning given in "*Form of the Covered Bonds"* on page 111;
"**Regulations**"	The meaning given in "*Taxation*" on page 299;
"**Related Loans**"	The meaning given in "*Overview of the Principal Documents*" on page 230;
"**Related Security**"	In relation to a Loan, the security for the repayment of that Loan including the relevant Mortgage, insurance (other than blanket insurance coverage maintained by a Seller or an Originator), any guarantees and any security relating to such guarantees and all other matters applicable thereto acquired as part of the Covered Bond Portfolio and all proceeds of the foregoing; provided that in relation to any such Mortgage, insurance, guarantees and security securing one or more Home Power Plan Lines of Credit or Home Power Plan Mortgage Loans, the Guarantor's ownership interest in such Mortgage, insurance, guarantees, security and the related Property shall be to the extent of the amount of indebtedness owing under all Loans secured by such Mortgage and owned by the Guarantor, and will not extend to the Seller's and/or applicable Multiproduct Purchaser's ownership interest in such Mortgage, insurance, guarantees, security and the related Property to the extent of any amounts of indebtedness owing under any Loans which are owned by such Seller or Multiproduct Purchaser and outstanding under the related Multiproduct Account from time to time, and the respective interests of the Guarantor, the Seller and any Multiproduct Purchaser in such Mortgage, insurance, guarantees, security and the related Property shall be subject, in all respects, to the terms of the Security Sharing Agreement;
"**Relevant Account Holder**"	The meaning given in Condition 1.02 on page 117;
"**Relevant Banking Day**"	The meaning given in Condition 2.08 on page 122;
"**Relevant Date**"	The meaning given in Condition 8.02 on page 159;
"**Relevant Jurisdiction**"	The meaning given in Condition 18.03 on page 174;
"**Relevant Number**"	The meaning given on page 131;

"**Relevant State**"	Any member state of the EEA;
"**Relevant Screen Page**".....	The meaning given in the applicable Final Terms;
"**Relevant SONIA$_i$**".....	The meaning given on page 129;
"**Relevant Time**"	The meaning given in the applicable Final Terms;
"**Replacement Agent**"	The meaning given in Condition 12 on page 166;
"**Requesting Party**"	The meaning given in Condition 20.04 on page 176;
"**Required Redemption Amount**" ...	The meaning given in "*Overview of the Principal Documents*" on page 228;
"**Required True Balance Amount**"..	The meaning given in "*Overview of the Principal Documents*" on page 251;
"**Reserve Fund**"	The reserve fund that the Guarantor will be required to establish in the GDA Account which may be credited with part of an advance from the proceeds of the Intercompany Loan and with Cash Capital Contributions (in each case in the Guarantor's discretion) and the proceeds of Available Revenue Receipts up to an amount equal to the Reserve Fund Required Amount;
"**Reserve Fund Required Amount**"	Nil, unless the Issuer's short-term counterparty risk assessment falls below P-1(cr) (in respect of Moody's) or if the issuer default rating of the Issuer falls below F1 or A (in respect of Fitch, provided that, for greater certainty, only one of the applicable ratings from Fitch is required to be at or above such threshold ratings), as applicable, and then an amount equal to the Canadian Dollar Equivalent of scheduled interest due on all outstanding Series of Covered Bonds over the next three months together with an amount equal to three-twelfths of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (c) and, if applicable, (d) of the Pre-Acceleration Revenue Priority of Payments;
"**Reserve Ledger**".....	The ledger on the GDA Account of such name maintained by the Cash Manager pursuant to the Cash Management Agreement, to record the crediting of Revenue Receipts to the Reserve Fund and the debiting of such Reserve Fund in accordance with the terms of the Guarantor Agreement;
"**Reset Date**"	The meaning given in the ISDA Definitions;
"**Retained Loans**"	The meaning given in "*Overview of the Principal Documents*" on page 230;
"**Reuters Screen Page**"	The meaning given in Condition 5.09 on page 146;
"**Revenue Ledger**".....	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management

	Agreement to record credits and debits of Revenue Receipts held by the Cash Manager for and on behalf of the Guarantor Accounts;
"**Revenue Receipts**".....	(a) payments of interest (including Accrued Interest and Arrears of Interest as at the relevant Transfer Date of a Loan) and fees due from time to time under the Loans in the Covered Bond Portfolio and other amounts received by the Guarantor in respect of the Loans in the Covered Bond Portfolio other than the Principal Receipts including payments pursuant to any insurance policy (that is not a mortgage insurance policy provided by a Prohibited Insurer) in respect of interest amounts; (b) recoveries of interest from defaulting Borrowers under Loans in the Covered Bond Portfolio being enforced; and (c) recoveries of interest and/or principal from defaulting Borrowers under Loans in the Covered Bond Portfolio in respect of which enforcement procedures have been completed;
"**Rule 144A**"	Rule 144A under the Securities Act;
"**Rule 144A Global Covered Bond**"	The meaning given in Condition 2.08 on page 122;
"**Scheduled Interest**".....	An amount equal to the amount in respect of interest which would have been due and payable under the Covered Bonds on each Interest Payment Date as specified in Condition 5.03 (but excluding any additional amounts relating to premiums, default interest or interest upon interest ("**Excluded Scheduled Interest Amounts**") payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Guarantor Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date and, if the Final Terms specified that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date (but taking into account any principal repaid in respect of such Covered Bonds or any Guaranteed Amounts paid in respect of such principal prior to the Extended Due for Payment Date), less any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 8.01;
"**Scheduled Payment Date**"	In relation to payments under the Covered Bond Guarantee, each Interest Payment Date or the Final

	Maturity Date as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date;
"**Scheduled Principal**".....	An amount equal to the amount in respect of principal which would have been due and repayable under the Covered Bonds on each Interest Payment Date or the Final Maturity Date (as the case may be) as specified in the applicable Final Terms (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest ("**Excluded Scheduled Principal Amounts**") payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Guarantor Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date and, if the Final Terms specify that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date;
"**Screen Rate Determination**"	The meaning specified in the applicable Final Terms;
"**SEC**"	U.S. Securities and Exchange Commission;
"**Secured Creditors**".....	The Bond Trustee (in its own capacity and on behalf of the holders of the Covered Bonds), the holders of the Covered Bonds, the Receiptholders, the Couponholders, the Issuer, the Seller, the Servicer, the Account Bank, the GDA Provider, the Standby Account Bank, the Standby GDA Provider, the Cash Manager, the Swap Providers, the Corporate Services Provider, the Paying Agents and any other person which becomes a Secured Creditor pursuant to the Security Agreement except, pursuant to the terms of the Guarantor Agreement, to the extent and for so long as such person is a Limited Partner;
"**Securities Act**".....	U.S. Securities Act of 1933, as amended;
"**Securities and Exchange Law**".....	The Securities and Exchange Law of Japan;
"**Security**"	The meaning given in "*Overview of the Principal Documents*" on page 268;
"**Security Agreement**".....	The Security Agreement dated the Programme Date and made between the Guarantor, the Bond Trustee and certain other Secured Creditors (as amended and/or restated and/or supplemented from time to time);
"**Security Sharing Agreement**".....	The Security Sharing Agreement dated 13 July 2020 and made between the Seller, the Servicer, the Guarantor, the Bond Trustee and the Custodian (as

	amended and/or restated and/or supplemented from time to time);
"**Seller**".....	Canadian Imperial Bank of Commerce, any New Seller, or other party for whom Rating Agency Confirmation has been received, who may from time to time accede to, and sell Loans and their Related Security and New Loans and their Related Security to the Guarantor;
"**Seller Arranged Policy**".....	Any property insurance policy arranged by the Seller for the purposes of the Borrower insuring the Property for an amount equal to the full rebuilding cost of the Property;
"**Series**".....	A Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
"**Series Reserved Matter**"	The meaning given to it in Condition 13 on page 172;
"**Servicer**"	Canadian Imperial Bank of Commerce, in its capacity as servicer under the Servicing Agreement together with any successor servicer appointed from time to time;
"**Servicer Deposit Threshold Ratings**".....	The threshold ratings P-1(cr) (in respect of Moody's) or F1 or A (in respect of Fitch, provided that, for greater certainty, only one of the applicable ratings from Fitch is required to be at or above such threshold ratings), of the short-term counterparty risk assessment (or, in the case of Fitch, the issuer default rating) of the Servicer by the Rating Agencies;
"**Servicer Event of Default**".....	The meaning given in "*Overview of the Principal Documents*" on page 239;
"**Servicer Replacement Threshold Ratings**".....	The meaning given in "*Overview of the Principal Documents*" on page 235;
"**Servicer Termination Event**".....	The meaning given in *Overview of the Principal Documents*" on page 239;
"**Servicing Agreement**"	The servicing agreement entered into on the Programme Date between the Bank, as Seller, Servicer and Cash Manager, the Guarantor and the Bond Trustee, as amended on 13 July 2020 (as further amended and/or restated and/or supplemented from time to time);
"**Secured Overnight Financing Rate**".....	The meaning given on page 129;
"**SFA**"	The meaning given on page 332;

"**SFO**"	The meaning given in "Subscription and Sale and Transfer and Selling Restrictions" on page 333;
"**Similar Law**".....	The meaning given on page 318;
"**SOFR**".....	The meaning given on page 3;
"***SOFR$_i$***"	The meaning given on page 129;
"**SOFR Index Convention**"	The meaning given in Condition 5.03 on page 126;
"**SOFR Index Observation Period**"	The meaning given in Condition 5.03 on page 133;
"**SOFR Index Unavailable**"	The meaning given in Condition 5.03 on page 134;
"**SONIA**"	The meaning given on page 3;
"**SONIA$_{iLBD}$**"	The meaning given on page 129;
"**SONIA$_{i\text{-}pLBD}$**"	The meaning given on page 129;
"**SONIA Compounded Index**"	The meaning given on page 130;
"**SONIA reference rate**".....	The meaning given on page 129;
"**Specified Currency**"	Subject to any applicable legal or regulatory restrictions, euro, Sterling, U.S. dollars, Canadian dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Issuing and Paying Agent and the Bond Trustee and specified in the applicable Final Terms;
"**Specified Denomination**"	In respect of a Series of Covered Bonds, the denomination or denominations of such Covered Bonds specified in the applicable Final Terms;
"**Specified Interest Payment Date**".	The meaning given in the applicable Final Terms;
"**SRR**".....	The meaning given in "*Risk Factors*" on page 84;
"**Standardised Approach**".....	Annex VI (Standardised Approach) to the Capital Requirements Directive (or, after any amendment, variation, enactment or implementation of such Directive, the corresponding Annex);
"**Standby Account Bank**".....	The Bank of Nova Scotia, in its capacity as Standby Account Bank under the Standby Bank Account Agreement, together with any successor Standby Account Bank;
"**Standby Account Bank Notice**"....	The meaning given in "*Overview of the Principal Documents*" on page 266;
"**Standby Account Bank Threshold Ratings**".....	The meaning given in "*Overview of the Principal Documents*" on page 267;
"**Standby Bank Account Agreement**"	The meaning given in "*Overview of the Principal Documents*" on page 266;
"**Standby GDA Account**".....	The meaning given in "*Overview of the Principal Documents*" on page 266;

"**Standby GDA Provider**"	The Bank of Nova Scotia, in its capacity as Standby GDA Provider under the Standby Guaranteed Deposit Account Contract, together with any successor Standby GDA Provider;
"**Standby Guaranteed Deposit Account Contract**".....	The meaning given in "*Overview of the Principal Documents*" on page 268;
"**Standby Transaction Account**"	The meaning given in "*Overview of the Principal Documents*" on page 266;
"**Subsequent IRS Downgrade Trigger Event**".....	The meaning given in "*Overview of the Principal Documents*" on page 259;
"**Subsequent CBS Downgrade Trigger Event**".....	The meaning given in "*Overview of the Principal Documents*" on page 262;
"**Subsidiary**"	Any Person which is for the time being a subsidiary (within the meaning of the Bank Act or the Canada Business Corporations Act, as applicable);
"**Substitute Assets**".....	The classes and types of assets from time to time eligible under the Covered Bond Legislative Framework and the CMHC Guide to collateralise covered bonds which, as of the date of this Prospectus, include the following: (a) securities issued by the Government of Canada, and (b) repos of Government of Canada securities having terms acceptable to CMHC; provided that the total exposure to Substitute Assets shall not exceed 10 per cent of the aggregate value of (x) the Portfolio Assets; (y) any Substitute Assets; and (z) all cash held by the Guarantor (subject to the Prescribed Cash Limitation) in each case, provided that: (i) such exposures will have certain minimum long-term and short-term ratings from the Rating Agencies, as specified by such Rating Agencies from time to time; (ii) the maximum aggregate total exposures in general to classes of assets with certain ratings by the Ratings Agencies will, if specified by the Rating Agencies, be limited to the maximum percentages specified by such Rating Agencies; and (iii) in respect of investments of Available Revenue Receipts in such classes and types of assets, the Interest Rate Swap Provider has given its consent to investments in such classes and types of assets;
"**Superintendent**".....	The meaning given in "*Risk Factors*" on page 85;
"**Swap Agreements**".....	The Covered Bond Swap Agreement together with the Interest Rate Swap Agreement, and each a "**Swap Agreement**";

"**Swap Collateral**"	At any time, any asset (including, without limitation, cash and/or securities) which is paid or transferred by a Swap Provider to the Guarantor (and not transferred back to the Swap Provider) as credit support to support the performance by such Swap Provider of its obligations under the relevant Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed;
"**Swap Collateral Excluded Amounts**"	At any time, the amount of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement at that time in satisfaction of the relevant Swap Provider's obligations to the Guarantor including Swap Collateral, which is to be returned to the relevant Swap Provider from time to time in accordance with the terms of the Swap Agreements and ultimately upon termination of the relevant Swap Agreement;
"**Swap Provider Default**"	The occurrence of an Event of Default or Termination Event (each as defined in each of the Swap Agreements) where the relevant Swap Provider is the Defaulting Party or the sole Affected Party (each as defined in relevant Swap Agreement), as applicable, other than a Swap Provider Downgrade Event;
"**Swap Provider Downgrade Event**"	The occurrence of an Additional Termination Event or an Event of Default (each as defined in the relevant Swap Agreement) following a failure by the Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the relevant Swap Agreement;
"**Swap Providers**"	Covered Bond Swap Provider and Interest Rate Swap Provider, and each a "**Swap Provider**";
"**Talon**"	The meaning given in Condition 1.06 on page 119;
"**T2**"	the real-time gross settlement system operated by the Eurosystem or any successor or replacement system;
"**T2 Business Day**"	The meaning given in Condition 5.09 on page 146;
"**taxes**"	The meaning given in Condition 18.03 on page 175;
"**Taxes**"	The meaning given in Condition 8.01 on page 157;
"**TBD**"	The meaning given in Condition 5.09 on page 146;
"**TEFRA**".....	The U.S. Tax Equity and Fiscal Responsibility Act of 1982;
"**TEFRA C Rules**".....	U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in

	connection with the United States Hiring Incentives to Restore Employment Act of 2010);
"**TEFRA D Rules**".....	U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010);
"**Temporary Global Covered Bond**"	The meaning given in "*Form of the Covered Bonds*" on page 109;
"**Termination Date**"	The maturity date of the last Series of Covered Bonds;
"**third country entity**"	The meaning given in "*Risk Factors*" on page 84;
"**third country resolution action**" ...	The meaning given in "*Risk Factors*" on page 84;
"**Third Party Amounts**"	Each of: (a) payments of insurance premiums, if any, due to the Seller in respect of any Seller Arranged Policy to the extent not paid or payable by the Seller (or to the extent such insurance premiums have been paid by the Seller in respect of any Further Advance which is not purchased by the Seller to reimburse the Seller); (b) amounts under an unpaid direct debit which are repaid by the Seller to the bank making such payment if such bank is unable to recoup that amount itself from its customer's account; (c) payments by the Borrower of any fees (including early repayment fees) and other charges which are due to the Seller; (d) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service (including giving insurance cover) to any of that Borrower or the Seller or the Guarantor; which amounts may be paid daily from moneys on deposit in the Guarantor Accounts or the proceeds of the sale of Substitute Assets;
"**Title VII**".....	The meaning given in "*Risk Factors*" on page 91;
"**Toronto Business Day**".....	The meaning given in Condition 5.09 on page 146;
"**Total Credit Commitment**"	The combined aggregate amount available to be drawn by the Guarantor under the terms of the Intercompany Loan Agreement, subject to increase and decrease in accordance with the terms of the Intercompany Loan Agreement, which amount is C$70 billion as of the date of this Prospectus;

"**Trading Value**"	The value determined with reference to one of the methods set forth in (a) through (f) below which can reasonably be considered the most accurate indicator of institutional market value in the circumstances: (a) the last selling price; (b) the average of the high and low selling price on the calculation date; (c) the average selling price over a given period of days (not exceeding 30) preceding the calculation date; (d) the close of day bid price on the calculation date (in the case of an asset); (e) the close of day ask price on the calculation date (in the case of a liability); (f) such other value as may be indicated by at least two actionable quotes obtained from appropriate market participants instructed to have regard for the nature of the asset or liability, its liquidity and the current interest rate environment, plus accrued return where applicable (with currency translations undertaken using or at the average close of day foreign exchange rates posted on the Bank of Canada website for the month in relation to which the calculation is made); provided that, in each case, the methodology selected, the reasons therefor and the determination of value pursuant to such selected methodology shall be duly documented;
"**Tranche**" or "**Tranches**".....	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 116;
"**Transaction Account**"	The account (to the extent maintained) designated as such in the name of the Guarantor held with the Account Bank and maintained subject to the terms of the Bank Account Agreement and the Security Agreement or such other account as may for the time being be in place with the prior consent of the Bond Trustee and designated as such;
"**Transaction Documents**"	(a) Mortgage Sale Agreement; (b) Custodial Agreement; (c) Servicing Agreement; (d) Asset Monitor Agreement; (e) Intercompany Loan Agreement; (f) Guarantor Agreement; (g) Cash Management Agreement;

(h) Interest Rate Swap Agreement;

(i) Covered Bond Swap Agreement;

(j) Guaranteed Deposit Account Contract;

(k) Standby Guaranteed Deposit Account Contract;

(l) Bank Account Agreement;

(m) Standby Bank Account Agreement;

(n) Corporate Services Agreement;

(o) Security Agreement (and any documents entered into pursuant to the Security Agreement);

(p) Security Sharing Agreement (and any release of security entered into pursuant to the Security Sharing Agreement);

(q) Trust Deed (including supplements thereto, applicable deed polls and supplements thereto and any N Covered Bond Assignment Agreement);

(r) Agency Agreement (including supplements thereto);

(s) Dealership Agreement;

(t) each set of Final Terms (as applicable in the case of each Tranche of listed Covered Bonds subscribed pursuant to a subscription agreement);

(u) each subscription agreement (as applicable in the case of each Tranche of listed Covered Bonds subscribed pursuant to a subscription agreement); and

(v) Master Definitions and Construction Agreement;

"**Transfer Agent**" ..... Collectively, HSBC Bank USA, National Association and HSBC Bank plc together with any successor;

"**Transfer Certificate**" ..... The meaning given in Condition 2.11 on page 123;

"**Transfer Date**" ..... Each of the First Transfer Date and the date of transfer of any New Loans and their Related Security to the Guarantor in accordance with the Mortgage Sale Agreement;

"**True Balance**" ..... With respect to any Loan as at any given date, the aggregate (but avoiding double counting) of:

(a) the original principal amount advanced to the relevant Borrower and any further amount advanced on or before the given date to the relevant Borrower secured or intended to be secured by the related Mortgage; and

(b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been properly capitalized in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent and added to the amounts secured or intended to be secured by that Loan; and

(c) any other amount (including, for the avoidance of doubt, Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalized in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent but which is secured or intended to be secured by that Loan, as at the end of the Toronto Business Day immediately preceding that given date;

minus

(d) any repayment or payment of any of the foregoing made on or before the end of the Toronto Business Day immediately preceding that given date and excluding (i) any retentions made but not released and (ii) any Additional Loan Advances committed to be made but not made by the end of the Toronto Business Day immediately preceding that given date;

"**Trust Deed**"	The meaning given in "*Terms and Conditions of the Covered Bonds*" on page 115;
"**UK**"	The meaning given on page 130;
"**UK Act**"	The meaning given in "*Taxation*" on page 301;
"**UK Banking Act**"	The meaning given in "*Risk Factors*" on page 84;
"**UK Benchmarks Regulation**"	The meaning given on page 78;
"**UK CRA Regulation**"	The meaning given on page 4;
"**UK distributor**"	The meaning given on page 9;
"**UK MiFIR**"	The meaning given on page 180;
"**UK MiFIR Product Governance Rules**"	The meaning given on page 9;
"**UK PRIIPs Regulation**"	The meaning given on page 8;
"**UK Prospectus Regulation**"	The meaning given on page 329;
"**UNEP - FI**"	The meaning given in "*Risk Factors*" on page 43;
"**U.S. Government Securities Business Day**"	The meaning given in Condition 5.09 on page 146;

"**Valuation Calculation**".....	The meaning given in "*Description of the Canadian Registered Covered Bond Programs Framework*" on page 292;
"**Voluntary Overcollateralization**" ..	The meaning given in "*Credit Structure – Voluntary Overcollateralization*" on page 277;
"**WURA**"	The meaning given in "*Risk Factors*" on page 86;
"**x**"	The meaning given on page 130;
"**y**"	The meaning given on page 130; and
"**Zero Coupon Covered Bonds**"	Covered Bonds which will be offered and sold at a discount to their nominal amount and which will not bear interest.

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