

IMPORTANT NOTICE

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

IMPORTANT: You must read the following before continuing. The following applies to the Information Memorandum following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Information Memorandum. In accessing the Information Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from The Bank of Nova Scotia as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES 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 U.S. AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. NOR TO, OR FOR THE ACCOUNT OR BENEFIT OF, "U.S. PERSONS" (AS DEFINED IN **REGULATION S** UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING INFORMATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS INFORMATION MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Information Memorandum has been delivered to you on the basis that you are a person into whose possession this Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located, and you may not, nor are you authorised to, deliver this Information Memorandum to any other person. By accepting this e-mail and accessing the Information Memorandum, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the Information Memorandum by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the e-mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (d) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments and qualifying as investment professional under Article 19 of the Financial Services and Markets Act (Financial Promotion) Order 2005 (the "**Order**") or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Order.

The information in this Information Memorandum is directed and available only to, if you are a person in Australia, (i) a person who is a sophisticated investor, (ii) a person who is a professional investor or (iii) a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act 2001 of the Commonwealth of Australia. This Information Memorandum should not be distributed to, and is not intended for, any other person.

This Information Memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of The Bank of Nova Scotia, Scotiabank Covered Bond Guarantor Limited Partnership or any Joint Lead Manager nor any person who controls any of them nor any director, officer, employee or agent of any of them nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Information Memorandum distributed to you in electronic format and the hard copy version available to you on request from The Bank of Nova Scotia, Scotiabank Covered Bond Guarantor Limited Partnership or a Joint Lead Manager.

PREMININARY INFORMATION MEMORANDUM DATED 19 OCTOBER 2022



THE BANK OF NOVA SCOTIA

(a Canadian chartered bank)

Legal Entity Identifier (LEI): L3I9ZG2KFGXZ61BMYR72

\$100,000,000,000

Global Registered Covered Bond Program

**unconditionally and irrevocably guaranteed as to payments of principal and interest by
SCOTIABANK COVERED BOND GUARANTOR LIMITED PARTNERSHIP**

(a limited partnership established under the laws of the Province of Ontario)

This Information Memorandum (the "**Information Memorandum**") relates to a prospective issue (the "**Issue**") by The Bank of Nova Scotia, acting through its main branch in Toronto (the "**Issuer**") of Australian dollar denominated Covered Bonds (the "**Australian Covered Bonds**"), except as to certain Program Terms (as defined below), governed by the law in force in New South Wales, Australia and to be issued by the Issuer in the Australian domestic wholesale capital market. The Australian Covered Bonds will be guaranteed as to payments of principal and interest by Scotiabank Covered Bond Guarantor Limited Partnership (the "**Guarantor**") pursuant to the Covered Bond Guarantee (as defined below), governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, which is secured over the Portfolio and the Guarantor's other assets. Recourse against the Guarantor under the Covered Bond Guarantee is limited to the Charged Property and is subject to the applicable Priorities of Payments.

The Australian Covered Bonds will be issued under the Issuer's Global Registered Covered Bond program (the "**Program**"). This Information Memorandum should be read with the Program prospectus dated 6 October 2022 (the "**Program Prospectus**"), which is (together with all documents incorporated by reference therein) deemed to be incorporated in, and form part of, this Information Memorandum. Terms defined in the Program Prospectus have the same meaning when used in this Information Memorandum.

An investment in Australian Covered Bonds issued under the Program involves risks. See the section entitled "Risk Factors" in the Program Prospectus for a discussion of certain risk factors to be considered in connection with an investment in the Australian Covered Bonds.

The Australian Covered Bonds will be issued in registered uncertificated form only and will be constituted by a deed poll dated [●] October 2022 executed by the Issuer (such deed poll as modified and/or supplemented and/or restated from time to time, the "**Australian Deed Poll**"). The maximum aggregate nominal amount of all Covered Bonds outstanding at any one time under the Program will not exceed \$100,000,000,000 (or its equivalent in other currencies). The Issuer and the Guarantor may increase the Program Size in accordance with the terms of the Program Agreement described in the Program Prospectus and applicable regulatory requirements.

The holders of the Australian Covered Bonds will have the benefit of, and be subject to, the fifth amended and restated trust deed dated as of 6 October 2022 (such trust deed as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") and an agency agreement dated as of 6 October 2022 (such agency agreement as modified and/or supplemented and/or restated from time to time, the "**Agency Agreement**") (as supplemented by a supplemental agency agreement dated as of 6 October 2022 under which the Issuer has appointed BTA Institutional Services Australia Limited (ABN 48 002 916 396) to act as paying agent and registrar in respect of the Australian Covered Bonds (the "**Australian Agent**") (the "**Supplemental Agency Agreement**")). The Australian Deed Poll and the Australian Terms and Conditions (defined below) must be read in conjunction with the Trust Deed (including the terms applicable to the Australian Covered Bonds under the Trust Deed), the Agency Agreement, the Supplemental Agency Agreement and the other Transaction

Documents. A summary of the Program is contained in the Program Prospectus, and a summary of supplemental arrangements applicable to the Australian Covered Bonds is contained in this Information Memorandum.

The terms and conditions of any Australian Covered Bonds (the "**Australian Terms and Conditions**") shall be as set out in the Australian Deed Poll (and reproduced in this Information Memorandum) and in the Program Terms (as defined below), each as supplemented, modified or replaced by the applicable Pricing Supplement in relation to those Australian Covered Bonds.

The Australian Covered Bonds are not expected to be listed or admitted to trading on any stock exchange.

The Australian Covered Bonds and the related Covered Bond Guarantee described herein 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 Australian Covered Bonds may not be offered or sold within the United States or to, or for the 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 Australian Covered Bonds are being offered only in offshore transactions to non-U.S. persons in reliance upon Regulation S. Australian Covered Bonds are subject to restrictions on transfer as described herein.

None of this Information Memorandum, the Program Prospectus or any other disclosure document in relation to the Australian Covered Bonds has been, and will not be, lodged with the Australian Securities and Investments Commission. No action has been taken which would permit an offering of the Australian Covered Bonds in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia (the "Corporations Act"). Neither this Information Memorandum nor the Program Prospectus is a prospectus or other disclosure document for the purposes of the Corporations Act.

Potential investors should note that (i) neither the Issuer nor the Guarantor is licenced in Australia to provide financial product advice (as that term is defined in Section 766B of the Corporations Act) in relation to the Australian Covered Bonds; (ii) the Issuer recommends that investors read this Information Memorandum in full before making a decision to acquire any Australian Covered Bonds; and there is no cooling-off regime applicable in respect of the acquisition of the Australian Covered Bonds. The offer and sale of the Australian Covered Bonds within Australia will be subject to certain restrictions set out in this Information Memorandum.

THE ISSUER IS REGISTERED IN AUSTRALIA AS A "FOREIGN COMPANY (OVERSEAS)" AND IS A FOREIGN "AUTHORISED DEPOSIT-TAKING INSTITUTION" ("FOREIGN ADI") AS THAT TERM IS DEFINED UNDER THE BANKING ACT 1959 OF THE COMMONWEALTH OF AUSTRALIA ("BANKING ACT") IN THE CATEGORY OF A "BRANCH OF A FOREIGN BANK". AS A FOREIGN ADI, THE ISSUER IS REGULATED BY THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY ("APRA") IN ACCORDANCE WITH THE BANKING ACT. HOWEVER, THE AUSTRALIAN COVERED BONDS ARE BEING ISSUED BY THE BANK OF NOVA SCOTIA ACTING THROUGH ITS MAIN TORONTO BRANCH AND NOT THROUGH ITS BRANCH IN AUSTRALIA. THE DEPOSITOR PROTECTION PROVISIONS OF DIVISION 2 OF PART II OF THE BANKING ACT DO NOT APPLY TO THE ISSUER. THE ISSUER'S INDEBTEDNESS IN RESPECT OF THE AUSTRALIAN COVERED BONDS IS AFFECTED BY APPLICABLE LAWS WHICH INCLUDE (BUT ARE NOT LIMITED TO) SECTION 11F OF THE BANKING ACT AND SECTION 86 OF THE RESERVE BANK ACT 1959 OF THE COMMONWEALTH OF AUSTRALIA ("RESERVE BANK ACT").

SECTION 11F OF THE BANKING ACT PROVIDES THAT, IN THE EVENT THAT THE ISSUER (WHETHER IN OR OUTSIDE AUSTRALIA) SUSPENDS PAYMENT OR BECOMES UNABLE TO MEET ITS OBLIGATIONS, THE ASSETS OF THE ISSUER IN AUSTRALIA ARE TO BE AVAILABLE TO MEET ITS LIABILITIES IN AUSTRALIA IN PRIORITY TO ALL OTHER LIABILITIES OF THE ISSUER. SECTION 86 OF THE RESERVE BANK ACT PROVIDES THAT, NOTWITHSTANDING ANYTHING CONTAINED IN ANY LAW RELATING TO THE WINDING-UP OF COMPANIES, BUT SUBJECT TO SUBSECTION 13A(3) OF THE BANKING ACT (WHICH DOES NOT APPLY TO THE ISSUER AS A FOREIGN ADI), DEBTS DUE TO THE RESERVE BANK OF AUSTRALIA BY AN AUTHORISED DEPOSIT-TAKING INSTITUTION ("ADI") (INCLUDING A FOREIGN ADI) SHALL, IN THE WINDING-UP OF THE ISSUER, HAVE PRIORITY OVER ALL OTHER DEBTS OF THE ISSUER.

THE AUSTRALIAN COVERED BONDS ARE NOT THE OBLIGATION OF ANY GOVERNMENT AND, IN PARTICULAR, IS NOT GUARANTEED BY THE COMMONWEALTH OF AUSTRALIA OR THE GOVERNMENT OF CANADA.

THE GUARANTOR IS NOT A BANK NOR AN ADI AUTHORISED TO CARRY ON BANKING BUSINESS UNDER THE BANKING ACT AND IT IS NOT SUPERVISED BY APRA, THE GUARANTOR IS NOT REGISTERED AS A FOREIGN COMPANY OR OTHERWISE REGISTERED, AUTHORISED OR QUALIFIED TO CARRY ON FINANCIAL SERVICES OR OTHER BUSINESS IN AUSTRALIA. THE COVERED BOND GUARANTEE IS NOT THE OBLIGATION OF ANY GOVERNMENT AND, IN PARTICULAR, IS NOT GUARANTEED BY THE COMMONWEALTH OF AUSTRALIA OR THE GOVERNMENT OF CANADA.

THE AUSTRALIAN COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION (“CMHC”) NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. THE AUSTRALIAN COVERED BONDS ARE NEITHER INSURED NOR GUARANTEED BY CMHC, OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY OR DEPOSIT REGIME THEREOF.

NONE OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN THE UNITED STATES HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED THAT THIS INFORMATION MEMORANDUM IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

AN INVESTMENT IN THE AUSTRALIAN COVERED BONDS IS NOT SUBJECT TO RESTRICTION UNDER THE U.S. VOLCKER RULE AS AN INVESTMENT IN AN OWNERSHIP INTEREST IN A COVERED FUND.

Joint Lead Managers for the Issue

Australia and New Zealand Banking Group Limited

(ABN 11 005 357 522)

Commonwealth Bank of Australia

(ABN 48 123 123 124)

Nomura International plc

Royal Bank of Canada

(ABN 86 076 940 880)

The Bank of Nova Scotia

(ABN 34 133 513 827)

Westpac Banking Corporation

(ABN 33 007 457 141)

CONTENTS

Important Notice	7
Structure Overview	11
Summary of Trust Deed and Supplemental Agency Agreement	13
Terms and Conditions of the Australian Covered Bonds.....	24
Subscription and Sale and Transfer and Selling Restrictions	69

IMPORTANT NOTICE

Terms and conditions of issue

Each issue of the Australian Covered Bonds will be made pursuant to such documentation as the Issuer may determine. An applicable pricing supplement (each a “**Pricing Supplement**”) will be issued for each Tranche or Series of Australian Covered Bonds. A Pricing Supplement will contain details of the initial aggregate principal amount, issue price, issue date, maturity date, details of interest (if any) payable together with any other terms and conditions not set out in this Information Memorandum that may be applicable to that Tranche or Series of Australian Covered Bonds.

The Issuer may also publish a supplement to the Program Prospectus or this Information Memorandum or additional Pricing Supplements which describes the issue of Australian Covered Bonds (or particular classes of Australian Covered Bonds) not otherwise described in this Information Memorandum.

Intending purchasers to make independent investment decision and obtain tax advice

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Australian Covered Bonds or any rights in respect of any Australian Covered Bonds should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of the Issuer;
- determine for themselves the relevance of the information contained in the Program Prospectus and this Information Memorandum, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

No advice is given in respect of the legal or taxation treatment of investors or purchasers in connection with an investment in any Australian Covered Bonds or rights in respect of them and each investor should consult its own professional adviser.

Selling restrictions and no disclosure

The distribution and use of this Information Memorandum, the Program Prospectus, including any Pricing Supplement, advertisement or other offering material, and the offer or sale of Australian Covered Bonds may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about such laws and observe any such restrictions. In addition, neither the Financial Conduct Authority (the “**FCA**”) nor any other securities regulatory authority has reviewed information contained in this Information Memorandum or the Program Prospectus in connection with the Australian Covered Bonds.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 (AS AMENDED, THE “EU PROSPECTUS REGULATION”) OR REGULATION (EU) 2017/1129 AS IT FORMS PART OF THE DOMESTIC LAW OF THE UK BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED, THE “EUWA”) (THE “UK PROSPECTUS REGULATION”) FOR THIS ISSUE OF AUSTRALIAN COVERED BONDS AND THE TERMS OF SUCH COVERED BONDS WHICH ARE THE SUBJECT OF THIS INFORMATION MEMORANDUM ARE EXEMPT FROM THE REQUIREMENTS OF THE EU PROSPECTUS REGULATION AND THE UK PROSPECTUS REGULATION TO PUBLISH A PROSPECTUS AND DO NOT FORM PART OF THE PROGRAM PROSPECTUS. THE FCA HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED IN THIS INFORMATION MEMORANDUM OR THE RELEVANT PRICING SUPPLEMENT.

PRIIPS / REGULATION PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Australian Covered Bonds includes a legend entitled “PROHIBITION OF

SALES TO EEA RETAIL INVESTORS”, the Australian Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of 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 EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Australian Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Australian Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UNITED KINGDOM PRIIPS REGULATION PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS - If the applicable Pricing Supplement in respect of any Australian Covered Bonds includes a legend entitled “PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS”, the Australian 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. 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 the domestic law of the United Kingdom by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the United Kingdom Financial Services and Markets Act 2000 (as amended, the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA; or (iii) not a qualified investor as defined in the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Australian Covered Bonds or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Australian Covered Bonds or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Pricing Supplement in respect of any Australian Covered Bonds may include a legend entitled “MIFID II PRODUCT GOVERNANCE” which will outline the target market assessment in respect of the Australian Covered Bonds and which channels for distribution of the Australian Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Australian 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 Australian Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

UNITED KINGDOM MIFIR PRODUCT GOVERNANCE / TARGET MARKET - The Pricing Supplement in respect of any Australian Covered Bonds, may include a legend entitled “UNITED KINGDOM MIFIR PRODUCT GOVERNANCE” which will outline the target market assessment in respect of the Australian Covered Bonds and which channels for distribution of the Australian Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Australian Covered Bonds (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Australian 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 Australian Covered Bonds is a manufacturer in respect of

such Australian Covered Bonds, but otherwise neither the Joint Lead Managers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the “SFA”) - Unless otherwise stated in the Pricing Supplement in respect of any Australian Covered Bonds, all Covered Bonds issued or to be issued under the Program 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). For a description of certain restrictions on offers, sales and deliveries of the Australian Covered Bonds, and on distribution of this Information Memorandum, the Program Prospectus, any Pricing Supplement or other offering material relating to the Australian Covered Bonds, see “*Subscription and Sale and Transfer and Selling Restrictions*” below.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Australian Covered Bonds, nor distribute or publish this Information Memorandum, the Program Prospectus or any other offering material or advertisement relating to the Australian Covered Bonds except if the offer or invitation complies with all applicable laws, regulations and directives.

References to credit ratings

There may be references in the Program Prospectus to credit ratings. The ratings of certain Series of Covered Bonds to be issued under the Program may be specified in the applicable Pricing Supplement. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant assigning organisation. Each rating should be evaluated independently of any other credit rating.

Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

Stabilisation

Stabilisation activities may only be carried on outside Australia and on a financial market operated outside Australia.

Currencies

All references in this document to “**Australian dollars**”, “**AUD**” and “**A\$**” refer to the lawful currency for the time being of the Commonwealth of Australia, to “**Canadian dollars**”, “**CAD**” and “**\$**” refer to the lawful currency of Canada, to **Sterling** are to the currency of the UK, and “**USD**”, “**U.S. dollars**” and “**U.S.\$**” refer to the lawful currency of the United States of America.

U.S. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”, a term not yet defined) 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 Australia) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Australian Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Australian 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 Australian 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 Australian 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 Australian Covered Bonds (as described under “*Terms and Conditions of the Australian Covered Bonds—Further Issues*”) that are not distinguishable from previously issued Australian Covered Bonds are executed after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Australian Covered Bonds, including the Australian 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 Australian Covered Bonds.

STRUCTURE OVERVIEW

Australian Covered Bonds will be constituted by the Australian Deed Poll. The Australian Deed Poll is executed by the Issuer in favour of the registered holders from time to time of the Australian Covered Bonds (the "**Holders**") and in favour of the Bond Trustee, who holds the benefit of the Australian Deed Poll on trust for the Holders pursuant to the Trust Deed.

Holders will also have the benefit of, and be subject to, the Trust Deed, the Agency Agreement and the other Transaction Documents. Summaries of the principal Transaction Documents are contained on pages [13] to [23] (inclusive) of this Information Memorandum and on pages 206 to 262 (inclusive) of the Program Prospectus.

The application of the Agency Agreement to the Australian Covered Bonds is modified by the Supplemental Agency Agreement, and certain provisions of the Trust Deed have been modified to the extent they would apply to the Australian Covered Bonds. In particular, the Australian Covered Bonds are constituted by the Australian Deed Poll instead of the Trust Deed and are issued on the terms and conditions set out in the Australian Deed Poll (as reproduced in this Information Memorandum) as supplemented, modified or replaced by the applicable Pricing Supplement, instead of in the form and on the terms and conditions set out in the Program Prospectus.

The Australian Covered Bonds, the Australian Deed Poll and the Australian Terms and Conditions are governed by, and shall be construed in accordance with, the law in force in New South Wales, Australia.

The Trust Deed, the Agency Agreement (which includes the Supplemental Agency Agreement), the Covered Bond Swap Agreement and the other Transaction Documents (except for the Australian Deed Poll), are governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The Australian Covered Bonds are not intended to be listed on any securities exchange and are intended to be entered in the system operated by Austraclear Ltd (ABN 94 002 060 773) for holding securities and the electronic recording and settling of transactions in those securities between members of that system (the "**Austraclear System**") instead of the clearing systems described in the Program Prospectus. Australian Covered Bonds entered into the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

Australian Covered Bonds may only be offered (directly or indirectly), and applications will only be invited for the issue of Australian Covered Bonds, if:

- (a) in the case of any offer or issue made in, or into, Australia:
 - (i) the aggregate consideration payable to the Issuer by the relevant subscriber is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the Issuer or its associates to the subscriber) or the offer or invitation (including any resulting issue) does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
 - (ii) the offer or invitation (including any resulting issue) does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act; and
- (b) the offer or invitation (including any resulting issue) complies with all other applicable laws, regulations or directives (including, without limitation, the laws of the jurisdiction in which the offer, invitation or issue takes place).

Persons (who must be outside Australia) who hold interests in respect of Australian Covered Bonds in smaller parcels through Euroclear or Clearstream, Luxembourg should note that they may be unable to receive a transfer of Australian Covered Bonds into their name.

SUMMARY OF TRUST DEED AND SUPPLEMENTAL AGENCY AGREEMENT

Trust Deed

The Trust Deed provides for the Australian Covered Bonds to be issued under and constituted by the Australian Deed Poll. Pursuant to the Trust Deed, the holders of the Australian Covered Bonds will also have the benefit of, and be subject to, certain provisions common to Covered Bonds issued under the Program and set out below (the "**Program Terms**"), as supplemented, modified or replaced in relation to any Australian Covered Bonds by the applicable Pricing Supplement. The Program Terms include summaries of, and are subject to, the provisions of the Trust Deed, the Security Agreement, the Agency Agreement and the other Transaction Documents.

As used herein, "**Tranche**" means Australian Covered Bonds which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Australian Covered Bonds together with any further Tranche or Tranches of Australian Covered Bonds which are (i) expressed to be consolidated and form a single series, and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Guarantor has, in the Trust Deed, irrevocably and unconditionally guaranteed payment of Guaranteed Amounts in respect of the Australian Covered Bonds as and when the same will become Due for Payment, but only after service of a Notice to Pay on the Guarantor following service of an Issuer Acceleration Notice on the Issuer (after the occurrence of an Issuer Event of Default) or service of a Guarantor Acceleration Notice on the Guarantor (after the occurrence of a Guarantor Event of Default) and subject to the applicable Priorities of Payments. The recourse of the Holders of Australian Covered Bonds to the Guarantor under the Covered Bond Guarantee will be limited to the Charged Property and will be subject to the applicable Priorities of Payments.

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, an amended and restated security agreement dated 24 September 2013 and made between the Guarantor, the Bond Trustee and certain other Secured Creditors (such security agreement as amended and/or supplemented and/or restated from time to time, the "**Security Agreement**"). The obligations of the Guarantor are secured against the Charged Property and recourse against the Guarantor is limited to the Charged Property and is subject to the applicable Priorities of Payments. The Program Terms include summaries of and are subject to, certain provisions of the Trust Deed, the Australian Deed Poll, the Security Agreement, the Agency Agreement and the other Transaction Documents.

Program Terms

References in these Program Terms to the Pricing Supplement are to the Pricing Supplement prepared in relation to the Australian Covered Bonds of the relevant Tranche or Series.

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

Save as provided in Program Terms 3 (Events of Default, Acceleration and Enforcement) and 4 (Meetings of Covered Bondholders, Modification, Waiver and Substitution), references in these Program Terms to "Covered Bonds" are to "Australian Covered Bonds" of the relevant Series as constituted under the Australian Deed Poll and references in these Program Terms to "Covered Bondholders" and "holders of Covered Bonds" are to the Australian Covered Bondholders and the holders of the Australian Covered Bonds.

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 Program Agreement and any subscription agreements and in redacted or other general form and subject to any exclusions

pursuant to applicable Law, including, without limitation, privacy Law, and policies of the Issuer relating to confidentiality and privacy matters) 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 Information Memorandum at 100 University Avenue, 11th Floor, Toronto, Ontario, Canada M5J 2Y1. Copies of the applicable Pricing Supplement of the Australian Covered Bonds of each Series are obtainable during normal business hours of the specified office of the Australian Agent, and any holder of the Australian Covered Bonds must produce evidence satisfactory to the Issuer and the Bond Trustee or the Australian Agent as to its holding of Australian Covered Bonds and identity. The holders of the Australian Covered Bonds are deemed to have notice of, 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 Program Agreement and any subscription agreements) and the applicable Pricing Supplement which are applicable to them and to have notice of each set of Pricing Supplement relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Program Terms shall bear the meanings given to them in the Trust Deed, the applicable Pricing Supplement and/or the sixth amended and restated Master Definitions and Construction Agreement made between the parties to the Transaction Documents on 6 October 2022 (as the same may be amended and/or supplemented and/or restated from time to time, the “**Master Definitions and Construction Agreement**”), a copy of each of which may be obtained as described above. In the event of inconsistency between the Trust Deed and the Master Definitions and Construction Agreement, the Trust Deed will prevail and in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. Status of the Covered Bond Guarantee

The payment of Guaranteed Amounts in respect of the Covered Bonds when the same will become Due for Payment has been unconditionally (save as set out below) and irrevocably guaranteed by the Guarantor in favour of the Bond Trustee for and on behalf of the Covered Bondholders pursuant to a guarantee (the “**Covered Bond Guarantee**”) in the Trust Deed. However, the Guarantor will have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts when the same will become Due for Payment under the Covered Bonds or the Trust Deed until service of a Notice to Pay by the Bond Trustee on the Guarantor (which the Bond Trustee will be required to serve following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice by the Bond Trustee on the Issuer) or, if earlier, the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice by the Bond Trustee on the Guarantor. The obligations of the Guarantor under the Covered Bond Guarantee are subject to the applicable Priorities of Payments, and subject as aforesaid, are unsubordinated obligations of the Guarantor, which are secured and subject to limitations on recourse as provided in the Security Agreement.

As security for the Guarantor's obligations under the Covered Bond Guarantee and the other Transaction Documents to which it is a party, the Guarantor has granted a security interest over all of its assets under the Security Agreement in favour of the Bond Trustee (for Covered Bondholders and on behalf of the other Secured Creditors).

2. Redemption and Purchase

2.1 Redemption due to illegality or invalidity

- (a) The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the Australian Agent (with respect to the Australian Covered Bonds) and, in accordance with Condition 13 (Notices), all Covered Bondholders (which notice will 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

Guarantee Loan made by it to the Guarantor under 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.

- (b) Australian Covered Bonds redeemed pursuant to Program Term 2.1(a) (Redemption due to illegality or invalidity) will be redeemed at their Early Redemption Amount referred to in Condition 6.7 (Early Redemption Amounts) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

3. Events of Default, Acceleration and Enforcement

3.1 Issuer Events of Default

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 referred to in this Program Term 3.1 (Issuer Events of Default) means the Covered Bonds of a Series together with the Covered Bonds of any other Series constituted by the Trust Deed and/or the Australian Deed Poll) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in Canadian Dollars converted into Canadian Dollars at the relevant Covered Bond Swap Rate) or if so directed by an Extraordinary Resolution of all the Covered Bondholders will (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 not, for the avoidance of doubt, against the Guarantor under the Covered Bond Guarantee) each Covered Bond of each Series is, and each such Covered Bond will thereupon immediately become, due and repayable at its Early Redemption Amount together with (to the extent not included in the Early Redemption Amount) accrued interest as provided in the Trust Deed if any of the following events (each, an "**Issuer Event of Default**") will occur and be continuing:

- (a) if default is made by the Issuer for a period of ten Toronto Business Days or more in the payment of any principal or 30 days or more in the payment of any interest due in respect of the Covered Bonds or any of them; or
- (b) if the Issuer fails to perform or observe any of its other obligations not otherwise specified in paragraph (a) above or paragraph (f) below under the Covered Bonds or Coupons of any Series or the Trust Deed or any other Transaction Documents to which the Issuer is a party (other than the Program Agreement and any subscription agreement), but excluding any obligation of the Issuer to comply with the Asset Coverage Test or any Loan Representations and Warranties given by the Issuer thereunder or pursuant thereto, and (except where the Bond Trustee considers such failure to be incapable of remedy when no such continuation or notice as is hereinafter referred to will be required) such failure continues for the period of 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 Issuer requiring the same to be remedied; or
- (c) if an Insolvency Event has occurred with respect to the Issuer; or
- (d) if 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 immediately succeeding Calculation Date following 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 such series of Hard Bullet Covered Bonds and the Guarantor has not taken the necessary actions to cure the breach before the earlier to occur of: (i) ten Toronto Business Days from the date that the Sellers are 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 Program Term 3.1 (Issuer Events of Default)) is breached and the prescribed remedial action is not taken within the specified time period, unless, in respect of any Ratings Trigger other than the Account Bank Required Ratings, the Standby Account Bank Required Ratings, the Servicer Deposit Threshold Ratings or the Cash Management Deposit Ratings, such breach occurs at a time that the Guarantor is Independently Controlled and Governed,

provided that the condition, event or act described in paragraphs (b) to (e) above will only constitute an Issuer Event of Default if the Bond Trustee has certified in writing to the Issuer and the Guarantor that such condition, event or act is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series.

Upon the Covered Bonds becoming immediately due and payable against the Issuer pursuant to this Program Term 3.1 (Issuer Events of Default), the Bond Trustee will forthwith serve on the Guarantor a notice to pay (the "**Notice to Pay**") pursuant to the Covered Bond Guarantee. If a Notice to Pay has been served, the Guarantor will be required to make payments of Guaranteed Amounts when the same will become Due for Payment in accordance with the terms of the Covered Bond Guarantee and the Trust Deed.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may or will take such proceedings against the Issuer in accordance with the first paragraph of Program Term 3.3 (Enforcement).

The Trust Deed provides that all funds received by the Bond Trustee from the Issuer or any liquidator or Person with similar powers appointed in relation to the Issuer following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice (the "**Excess Proceeds**"), will be deposited by the Bond Trustee on behalf of the Covered Bondholders, as soon as practicable, into the GDA Account, and following a Guarantor Event of Default and service of a Guarantor Acceleration Notice, deposited or paid in such other manner as the Bond Trustee may direct, and in either case, will be distributed in accordance with the applicable Priorities of Payments. The Excess Proceeds will thereafter form part of the Charged Property and, if deposited into the GDA Account, will be used by the Guarantor in the same manner as all other funds from time to time standing to the credit of the GDA Account and distributed in accordance with the applicable Priorities of Payments.

By subscribing for or purchasing Covered Bonds, each Covered Bondholder will be deemed to have irrevocably directed the Bond Trustee to deposit the Excess Proceeds into the GDA Account in the manner described above, or following a Guarantor Event of Default and service of a Guarantor Acceleration Notice, deposit or pay the Excess Proceeds in such other manner as the Bond Trustee may direct, *provided* that in each case, distributions thereof will be made in accordance with the applicable Priorities of Payments.

Upon deposit of any Excess Proceeds into the GDA Account, the Guarantor will be deemed to have assumed all of the obligations of the Issuer (other than the obligation to make any payments in respect of additional amounts which may become payable by the Issuer pursuant to Condition 7 (Taxation)), and be solely liable as principal obligor, and not as a guarantor, in respect of the obligation to pay to the Covered Bondholders and/or Couponholders interest and principal in respect of Covered Bonds to which the Excess Proceeds relate (to the extent distributable to Covered Bondholders under the applicable Priorities of Payments), and the Covered Bondholders and/or Couponholders will have no rights against the Issuer with respect to payment of such Excess Proceeds.

3.2 **Guarantor Events of Default**

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 Program Term 3.2 (Guarantor Events of Default) means the Covered Bonds of a Series together with the Covered Bonds of any other Series constituted by the Trust Deed and/or the Australian Deed Poll) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in Canadian Dollars converted into Canadian Dollars at the relevant Covered Bond Swap Rate) or if so directed by an Extraordinary Resolution of all the Covered Bondholders will (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 (i) each Covered Bond of each Series is, and each Covered Bond of each Series will as against the Issuer (if not already due and repayable against the Issuer following service of an Issuer Acceleration Notice), thereupon immediately become, due and repayable at its Early Redemption Amount together with (to the extent not already included in the Early Redemption Amount) accrued interest, and (ii) all amounts payable by the Guarantor under the Covered Bond Guarantee will 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 (to the extent not already included in the Early Redemption Amount) accrued interest, in each case as provided in the Trust Deed and thereafter the Security will become enforceable if any of the following events (each, a "**Guarantor Event of Default**") will occur and be continuing:

- (a) if default is made by the Guarantor for a period of seven days or more in the payment of any Guaranteed Amounts which are Due for Payment in respect of the Covered Bonds of any Series except in the case of the payments of a Guaranteed Amount which is Due for Payment under Condition 6.1 (Final Redemption) when the Guarantor will 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 or as described in paragraph (f) below) 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 within 60 days of a demand therefor or an obligation to do so pursuant to the terms of the Intercompany Loan Agreement, and (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) if an Insolvency Event has occurred with respect to the Guarantor; or
- (d) if there is a failure to satisfy the Amortisation Test (as set out in the Guarantor Agreement) on any Calculation Date following an Issuer Event of Default that is continuing; or
- (e) if 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 Terms and Conditions or the Transaction Documents (and not otherwise specifically provided for in this Program Term 3.2 (Guarantor Events of Default)) is breached and the prescribed remedial action is not taken within the specified time period, unless, in respect of any Ratings Trigger other than the Account Bank Required Ratings, the Standby Account Bank Required Ratings, the Servicer Deposit Threshold Ratings or the Cash Management Deposit Ratings, such breach occurs at a time that the Guarantor is Independently Controlled and Governed,

provided that the condition, event or act described in paragraphs (b) to (e) above will only constitute a Guarantor Event of Default if the Bond Trustee has certified in writing to the Issuer and the Guarantor that such condition, event or act is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series.

Following the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice on the Guarantor, the Bond Trustee may or will take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Program Term 3.3 (Enforcement).

Upon service of a Guarantor Acceleration Notice, the Covered Bondholders will have a 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 (to the extent not included in the Early Redemption Amount) accrued but unpaid interest and any other amount due under such Covered Bonds (other than additional amounts payable under Condition 7 (Taxation)) as provided in the Trust Deed.

3.3 Enforcement

The Bond Trustee may at any time, at its discretion and without further notice, take such proceedings against the Issuer 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 Coupons or any other Transaction Document, but it will not be bound to take any such enforcement proceedings in relation to the Trust Deed, the Covered Bonds, the Coupons or any other Transaction Document unless (i) it has been so directed by an Extraordinary Resolution of all the Covered Bondholders of all Series (with the Covered Bonds of all Series taken together as a single Series as aforesaid) 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 relevant Covered Bond Swap Rate as aforesaid), and (ii) it has been indemnified and/or secured to its satisfaction against all liabilities to which it may thereafter render itself liable or which it may incur by so doing.

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

The Bond Trustee may at any time, at its discretion and without further notice but subject to applicable Law, take such proceedings against the Guarantor and/or any other Person as it may think fit to enforce the provisions of the Security Agreement or any other Transaction Document in accordance with its terms and may, at any time after the Security has become enforceable, take such proceedings or steps as it may think fit to enforce the Security, but it will not be bound to take any such proceedings or steps unless (i) it has been so directed by an Extraordinary Resolution of all the Covered Bondholders of all Series (with the Covered Bonds of all Series taken together as a single Series as aforesaid) 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 relevant Covered Bond Swap Rate as aforesaid), and (ii) it has been indemnified and/or secured to its satisfaction against all liabilities to which it may thereafter render itself liable or which it may incur by so doing. In exercising any of its powers, trusts, authorities and discretions under this paragraph, the Bond Trustee will, subject to applicable Law, only have regard to the interests of the Covered Bondholders of all Series and will not have regard to the interests of any other Secured Creditors.

No Covered Bondholder or Couponholder will be entitled to proceed directly against the Issuer or the Guarantor or to take any action with respect to the Trust Deed, any other Transaction Document, the Covered Bonds, the Coupons, or the Security unless the Bond Trustee having become bound so to proceed, fails to do so within 30 days and such failure is continuing.

4. Meetings of Covered Bondholders, Modification, Waiver and Substitution

Covered Bondholders, Couponholders and other Secured Creditors should note that the Issuer, the Guarantor and the Principal Paying Agent may without their consent or the consent of the Bond Trustee agree to modify any provision of any Pricing Supplement which is of a formal, minor or technical nature or is made to correct a proven or manifest error or to comply with any mandatory provisions of Law.

The Trust Deed contains provisions for convening meetings of the Covered Bondholders of any Series (including at a physical location or by means of an electronic platform (such as a conference call or videoconference) or a combination thereof) to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Program Terms, the Terms and Conditions or the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor or the Bond Trustee and will be convened by the Issuer at the request in writing of Covered Bondholders holding not less than 10 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding.

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 Covered Bondholders of such Series 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, the quorum will 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 Covered Bondholders of a Series will, subject as provided below, be binding on all the Covered Bondholders of such Series, whether or not they are present at the meeting, and on all Couponholders in respect of such Series of Covered Bonds. Pursuant to the Trust Deed, the Bond Trustee may convene a single meeting of the Covered Bondholders 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 will 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 Program Term 3 (Events of Default, Acceleration and Enforcement) or to direct the Bond Trustee to take any enforcement action pursuant to Program Term 3 (Events of Default, Acceleration and Enforcement) (each a "**Program Resolution**") will only be capable of being passed at a single meeting of the holders of the Covered Bonds of all Series then outstanding. Any such meeting to consider a Program Resolution may be convened by the Issuer, the Guarantor or the Bond Trustee or by Covered Bondholders, in the case of a direction to accelerate the Covered Bonds pursuant to Program Terms 3.1 (Issuer Events of Default) and 3.2 (Guarantor Events of Default) or to take enforcement action pursuant to Program Term 3.3 (Enforcement), holding at least 25 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding. The quorum at any such meeting for passing a Program Resolution is one or more Persons holding or representing at least a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding, or at any adjourned such meeting one or more Persons holding or representing Covered Bonds whatever the nominal amount of the Covered Bonds of all Series then outstanding. A Program Resolution passed at any meeting of the Covered Bondholders of all Series will be binding on all Covered Bondholders of all Series, whether or not they are present at the meeting, and on all related Couponholders in respect of such Covered Bonds.

In connection with any meeting of the Covered Bondholders of more than one Series where such Covered Bonds are not denominated in Canadian Dollars, the nominal amount of the Covered Bonds of any Series not denominated in Canadian Dollars will be converted into Canadian Dollars at the relevant Covered Bond Swap Rate.

The Bond Trustee, the Guarantor and the Issuer may also agree, without the consent of the Covered Bondholders 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 terms and conditions applying to Covered Bonds of one or more Series (including these Program Terms), the related Coupons or any Transaction Document provided that in the sole opinion of the Bond Trustee such modification is not materially prejudicial to the interests of any of the Covered Bondholders of any Series; or
- (b) any modification of the terms and conditions applying to Covered Bonds of any one or more Series (including these Program Terms), the related Coupons or any Transaction Document which is in the sole opinion of the Bond Trustee of a formal, minor or technical nature or is to correct a manifest error or an error which is, in the sole opinion of the Bond Trustee, proven, or is to comply with mandatory provisions of Law.

Notwithstanding the above, the Issuer, the Guarantor and the Principal Paying Agent may agree, without the consent of the Bond Trustee, the Covered Bondholders or Couponholders or any of the other Secured Creditors, to any modification of any of the provisions of any Pricing Supplement which is of a formal, minor or technical nature or is made to correct a proven or manifest error or to comply with any mandatory provisions of Law.

The Bond Trustee may also agree, without the consent of the Covered Bondholders of any Series, and/or the related Couponholders, to the waiver or authorisation 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 aforesaid, that any Issuer Event of Default or Guarantor Event of Default or Potential Issuer Event of Default or Potential Guarantor Event of Default will not be treated as such, provided that, in any such case, it is not, in the sole opinion of the Bond Trustee, materially prejudicial to the interests of any of the Covered Bondholders of any Series. The Bond Trustee may also agree, without the consent of the Covered Bondholders of any Series, the related Couponholders or any other Secured Creditor, to the waiver or authorisation of any breach or proposed breach of any of the provisions of the Transaction Documents, provided that, in any such case, it is not, in the sole opinion of the Bond Trustee, materially prejudicial to the interests of any of the Covered Bondholders of any Series.

The consent or approval of the Covered Bondholders shall not be required in the case of amendments to the Conditions pursuant to Condition 4.2(f) (Benchmark Discontinuation) or Condition 4.2(h) (Benchmark Discontinuation (SARON)) to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Covered Bonds or for any other variation of these Conditions and/or the Agency Agreement and/or the Trust Deed required to be made in the circumstances described in Condition 4.2(f) (Benchmark Discontinuation) or Condition 4.2(h) (Benchmark Discontinuation (SARON)), where the Issuer has delivered to the Bond Trustee a certificate pursuant to Condition 4.2(f)(v) (Benchmark Discontinuation – Notices etc.) or Condition 4.2(h)(iii) (Benchmark Discontinuation (SARON) – Notices, etc).

Any such modification, waiver, authorisation or determination will be binding on all Covered Bondholders of all Series of Covered Bonds, the related Couponholders and the other Secured Creditors, any such modification will be notified by the Issuer to the Covered Bondholders 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, authorisation or determination), the Bond Trustee will have regard to the general interests of the Covered Bondholders of each Series as a class (but will not have regard to any interests arising from circumstances particular to individual Covered Bondholders or Couponholders (whatever their number)) and, in particular, but without limitation, will not have regard to the consequences of any such

exercise for individual Covered Bondholders or the related Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub division thereof and the Bond Trustee will not be entitled to require, nor will any Covered Bondholder 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 or stamp duty consequences of any such exercise upon individual Covered Bondholders and/or Couponholders, except to the extent already provided for in Condition 7 (Taxation) and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 7 (Taxation) pursuant to the Trust Deed.

Provided that the Bond Trustee has received a certificate signed by two authorised signatories of the Issuer and a certificate from the Guarantor stating that immediately after giving effect to the matters set out below in this paragraph, no Issuer Event of Default or Potential Issuer Event of Default (in respect of the Issuer) or Guarantor Event of Default or Potential Guarantor Event of Default (in respect of the Guarantor), respectively, has occurred and is continuing and certain other conditions as are specified in Section 21.3 of the Trust Deed are satisfied, but without the consent of the Covered Bondholders of any Series and the Coupons related thereto, or of any other Secured Creditor, another Subsidiary of the Issuer or any direct or indirect holding company of the Issuer may assume the obligations of the Issuer as principal obligor under the Trust Deed and the other Transaction Documents in respect of all Series of Covered Bonds on the same basis. The Trust Deed provides that any such assumption will be notified to the holders of all Series of Covered Bonds (in accordance with the relevant Terms and Conditions of such Covered Bonds).

For the purposes hereof:

"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; and

"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.

5. Indemnification of 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 Covered Bondholders 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 of such Covered Bondholders by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of at least 25 per cent of the aggregate 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 its relief from responsibility, including provisions relieving it from taking any action unless indemnified and/or secured to its satisfaction.

The Trust Deed and the Security Agreement also contain provisions pursuant to which the Bond Trustee is entitled, inter alia: (i) to enter into business transactions with the Issuer, the Guarantor and/or any of the Issuer's Subsidiaries 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 the Issuer's Subsidiaries; (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 Covered Bondholders or Couponholders or any other Secured Creditors; and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Loans or their Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar Persons on behalf of the Bond Trustee. The Bond Trustee will not be responsible for: (i) supervising the performance by the Issuer, the Guarantor 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 received 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, the Guarantor or any other party to the Transaction Documents under the Transaction Documents; (iii) monitoring the Portfolio, including, without limitation, whether the Portfolio is in compliance with the Asset Coverage Test or the Amortisation Test; or (iv) monitoring whether Loans and their Related Security satisfy the Eligibility Criteria. The Bond Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and inquiries which would normally be made by a prudent chargee in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.

6. Rating Agency Condition

By subscribing for or purchasing Covered Bond(s), each Covered Bondholder 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 Covered Bondholders, including, without limitation, in the case of satisfaction of the Rating Agency Condition, whether the related action or event 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 Covered Bondholders.

In being entitled to have regard to the fact that a Rating Agency Condition has been satisfied with respect to a particular Rating Agency, each of the Issuer, the Guarantor, the Bond Trustee and the Secured Creditors (including the Covered Bondholders) is deemed to have acknowledged and agreed that the satisfaction of the Rating Agency Condition does not impose or extend any actual or contingent liability on the Rating Agencies to the Issuer, the Guarantor, the Bond Trustee the Secured Creditors (including the Covered Bondholders) 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 Covered Bondholders) or any other Person whether by way of contract or otherwise.

By subscribing for or purchasing Covered Bond(s), each Covered Bondholder shall be deemed to have acknowledged and agreed that:

- (a) confirmation of the satisfaction of the Rating Agency Condition, to the extent required, 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 confirmation of the satisfaction of the Rating Agency Condition in the time available, or at all, and the Rating Agency shall not be responsible for the consequences thereof;
- (c) a confirmation of satisfaction of the Rating Agency Condition, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the Covered Bonds form a part; and
- (d) a confirmation of satisfaction of the Rating Agency Condition represents only a restatement of the opinions given, and shall not be construed as advice for the benefit of any Covered Bondholders or any other party.

If satisfaction of the Rating Agency Condition is a condition to any action or step under any Transaction Document or is otherwise required, or a written request for such a confirmation of satisfaction of the Rating Agency Condition is delivered to that Rating Agency by any of the Bank, the Guarantor, and/or the Bond Trustee, as applicable (each, a "**Requesting Party**"), and either (i) one or more of the Rating Agencies indicates that it does not consider satisfaction of the Rating Agency Condition necessary in the circumstances or (ii) no such confirmation or other response is received by one or more of the Rating Agencies within 30 days (or in the case of Moody's or Fitch, ten Business Days) of the date of actual receipt of such request by such Rating Agency (each, a "**Non-Responsive Rating Agency**"), the Requesting Party will be entitled to disregard the requirement for satisfaction of the Rating Agency Condition with respect to the Non-Responsive Rating Agency and proceed on the basis of the confirmations or other responses received by each other Rating Agency on the basis that satisfaction of the Rating Agency Condition with respect to the Non-Responsive 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 of satisfaction of the Rating Agency Condition will not be interpreted to mean that such Rating Agency has given any deemed confirmation or affirmation of rating or other response in respect of such action or step.

Australian Agent

BTA Institutional Services Australia Limited (ABN 48 022 916 396) has been appointed by the Issuer under the Supplemental Agency Agreement to act as Issuing and Paying Agent and Registrar in respect of the Australian Covered Bonds and to carry out certain other functions in accordance with the terms and subject to the conditions set out in the Supplemental Agency Agreement.

The Issuer has also appointed The Bank of Nova Scotia, acting through its Sydney Branch (ABN 34 133 513 827), as its agent to receive service of process in Australia in connection with the Australian Covered Bonds.

No other agents appointed under the Transaction Documents will act as agents in respect of the Australian Covered Bonds.

TERMS AND CONDITIONS OF THE AUSTRALIAN COVERED BONDS

*The following are the terms and conditions of the Australian Covered Bonds (the "**Terms and Conditions**" or the "**Conditions**"), which as supplemented, modified or replaced in relation to any Australian Covered Bonds by the applicable Pricing Supplement in relation to any Tranche of Australian Covered Bonds, will be applicable to each Series of Australian Covered Bonds issued under the Australian Deed Poll unless otherwise specified in the applicable Pricing Supplement. To avoid doubt these Terms and Conditions do not apply to any other Covered Bonds.*

These Terms and Conditions apply to those Covered Bonds, known as "**Australian Covered Bonds**", which are issued in registered uncertificated (or inscribed) form by The Bank of Nova Scotia (the "**Issuer**" or the "**Bank**") as part of the Issuer's Global Registered Covered Bond program (the "**Program**") and are constituted by the Deed Poll made by the Issuer dated [●] October 2022 (such deed poll as modified and/or supplemented and/or restated from time to time, the "**Australian Deed Poll**"). The Australian Covered Bonds are also issued with the benefit of, and subject to, the "**Program Terms**" set out in the Information Memorandum (as defined below).

The Australian Covered Bonds take the form of entries in a register (the "**Australian Register**") established and maintained by BTA Institutional Services Australia Limited (ABN 48 022 916 396) (or such other registrar as is specified in the applicable Pricing Supplement or appointed in accordance with the Terms and Conditions or the Agency Agreement (defined below)) (the "**Australian Agent**") in Sydney, New South Wales, Australia or such other place in Australia as is agreed between the Issuer and the Australian Agent.

The Holders of the Australian Covered Bonds (as defined below) have the benefit of and are subject to:

- (a) a fifth amended and restated trust deed dated 6 October 2022 (such trust deed as amended, supplemented or replaced, the "**Trust Deed**") made between the Issuer, Scotiabank Covered Bond 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); and
- (b) an agency agreement dated as of 6 October 2022 (such agency agreement as amended, replaced or supplemented (including as supplemented by the Supplemental Agency Agreement (as defined below)), the "**Agency Agreement**") and made between the Issuer, the Guarantor, the Bond Trustee, Citibank N.A., London Branch and the other agents named therein and supplemented in relation to the Australian Covered Bonds by a supplemental agency agreement dated as of 6 October 2022 in respect of Australian Covered Bonds (the "**Supplemental Agency Agreement**") made between the Issuer and the Australian Agent pursuant to which the Australian Agent has been appointed to act as registrar and issuing and paying agent in respect of Australian Covered Bonds and, for greater certainty, pursuant to which it is confirmed that the other registrars, issuing agents, paying agents, transfer agents, exchange agents and calculation agents named therein do not act in any capacity in relation to the Australian Covered Bonds.

The Pricing Supplement may specify any other agency agreement that applies to Australian Covered Bonds issued by the Issuer.

In respect of any Australian Covered Bonds, references herein to these "Terms and Conditions" are to these terms and conditions as supplemented or modified or (to the extent thereof) replaced by the Pricing Supplement and any reference herein to a "**Condition**" is a reference to the relevant Condition of the Terms and Conditions of the relevant Australian Covered Bonds.

The Bond Trustee acts for the benefit of the holders for the time being of the Australian Covered Bonds (the "**Holders**" or "**Holders of the Australian Covered Bonds**", which expression shall, in relation to any Australian Covered Bonds, mean the persons whose names are for the time being entered in the Australian

Register as the Holders of the Australian Covered Bonds (notwithstanding that such person may be the operator of a clearing system who holds the Australian Covered Bonds on behalf of the accountholders in that system)) and for holders of each other series of Covered Bonds in accordance with the provisions of the Trust Deed.

As used herein, "**Tranche**" means Australian Covered Bonds which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Australian Covered Bonds together with any further Tranche or Tranches of Australian Covered Bonds which are (i) expressed to be consolidated and form a single series, and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Guarantor has, in the Trust Deed, irrevocably and unconditionally guaranteed payment of Guaranteed Amounts in respect of the Australian Covered Bonds as and when the same will become Due for Payment, but only after service of a Notice to Pay on the Guarantor following service of an Issuer Acceleration Notice on the Issuer (after the occurrence of an Issuer Event of Default) or service of a Guarantor Acceleration Notice on the Guarantor (after the occurrence of a Guarantor Event of Default) and subject to the applicable Priorities of Payments. The recourse of the Holders of the Australian Covered Bonds to the Guarantor under the Covered Bond Guarantee will be limited to the Charged Property and will be subject to the applicable Priorities of Payments.

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, an amended and restated security agreement dated 24 September 2013 and made between the Guarantor, the Bond Trustee, and certain other Secured Creditors (such security agreement as amended and/or supplemented and/or restated from time to time, the "**Security Agreement**"). The obligations of the Guarantor are secured against the Charged Property and recourse against the Guarantor is limited to the Charged Property and is subject to the applicable Priorities of Payments.

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

Copies of the Trust Deed, the Australian Deed Poll, the Security Agreement, the Master Definitions and Construction Agreement (as defined below), the Agency Agreement, the Information Memorandum, the Program Prospectus and each of the other Transaction Documents (other than the Program Agreement and any subscription agreements) are available for inspection during normal business hours at the registered office for the time being of the Australian Agent. Copies of the applicable Pricing Supplement of all Australian Covered Bonds of each Series (including in relation to unlisted Australian Covered Bonds of any Series) are obtainable during normal business hours of the specified office of the Australian Agent, by any Holder of the Australian Covered Bonds or person in whose security record the Australian Covered Bonds are credited within the Austraclear System (a "**Relevant Account Holder**") subject to producing evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, the Australian Agent as to its holding of each Australian Covered Bond and identity. The Holders of the Australian Covered Bonds are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Trust Deed, the Australian Deed Poll, the Security Agreement, the Master Definitions and Construction Agreement, the Agency Agreement, each of the other Transaction Documents (other than any dealer agreements and any subscription agreements) and the applicable Pricing Supplement.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Terms and Conditions shall bear the meanings given to them in the Trust Deed, the applicable Pricing Supplement and/or the sixth amended and restated Master Definitions and Construction Agreement made between the parties to the Transaction Documents on 6 October 2022 (as the same may be amended and/or supplemented and/or restated from time to time, the "**Master Definitions and Construction Agreement**"), a copy of each of which may be obtained as described above.

*Text included in these Terms and Conditions in italics is included for information purposes only and does not form part of these Terms and Conditions. Further information in relation to the Australian Covered Bonds and the Program may be found in the Information Memorandum dated [•] October 2022 (the "**Information Memorandum**") and the Program prospectus dated 6 October 2022 (the "**Program Prospectus**"), which is annexed to and deemed to be incorporated in, and form part of, the Information Memorandum.*

1. Form, Denomination and Title

Australian Covered Bonds are issued in registered form by entry in the Australian Register and will not be serially numbered, unless otherwise agreed between the Issuer and the Australian Agent. No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to an Australian Covered Bond unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable Law or regulation.

Each entry in the Australian Register constitutes a separate and individual acknowledgement to the Bond Trustee on behalf of, and to, the relevant Holder of the indebtedness of the Issuer to the relevant Holder. The obligations of the Issuer in respect of each Australian Covered Bond constitute separate and independent obligations which the Holder to whom those obligations are owed and the Bond Trustee are entitled to enforce in accordance with (and subject to) these Conditions, the Trust Deed and the Australian Deed Poll without having to join any other Holder or any predecessor in title of a Holder.

For the purposes of the Bank Act, the main branch of the Bank located at its executive offices in Toronto shall be the branch of account for the deposits evidenced by the Australian Covered Bonds.

The Australian Covered Bond is a Fixed Rate Australian Covered Bond or a Floating Rate Australian Covered Bond, depending on the Interest Basis specified in the applicable Pricing Supplement.

Australian Covered Bonds are issued in the Specified Denominations specified in the Pricing Supplement.

The Australian Covered Bonds are denominated in Australian dollars.

Title to Australian Covered Bonds passes upon entry of the transfer in the Australian Register. The Issuer shall procure that the Australian Agent keep a register or registers in which shall be entered the names and addresses of the Holders of Australian Covered Bonds and particulars of the Australian Covered Bonds held by them, together with such other details as are required to be shown on the Australian Register by, or for the effective operation of, these Terms and Conditions, by the Agency Agreement, by Law or which the Issuer and Australian Agent determine should be shown in the Australian Register.

The Australian Covered Bonds are debt obligations of the Issuer owing under the Australian Deed Poll and take the form of entries in the Australian Register. The Holders of Australian Covered Bonds also have the benefit of, and are subject to, certain provisions set forth in the Trust Deed. Each entry in the Australian Register constitutes a separate and individual acknowledgment to the Bond Trustee on behalf of, and to, the relevant Holder of Australian Covered Bonds of the indebtedness of the Issuer to the relevant Holder of Australian Covered Bonds.

The obligations of the Issuer to the Bond Trustee and each Holder of Australian Covered Bonds constitute separate and independent obligations which the Bond Trustee (or a Holder of Australian Covered Bonds in certain circumstances set out in the Trust Deed), is entitled to enforce in accordance with (and subject to) these Terms and Conditions, the Trust Deed and the Australian Deed Poll, without having to join any other Holder or any predecessor to title of a Holder.

Entries in the Australian Register in relation to an Australian Covered Bond constitute conclusive evidence that the person so entered is the registered owner of the Australian Covered Bond subject to rectification for fraud and error. No Australian Covered Bond will be registered in the name of more than four persons or in the name

of an unincorporated association. Australian Covered Bonds registered in the name of more than one person are held by those persons as joint tenants.

Australian Covered Bonds will be registered by name only without reference to any trusteeship. The person registered in the Australian Register as a Holder of an Australian Covered Bond will be treated by the Issuer, the Bond Trustee and the Australian Agent as the absolute owner of that Australian Covered Bond and none of the Issuer, the Bond Trustee or the Australian Agent will, except as ordered by a court of competent jurisdiction or as required by Law, be obliged to take notice of any other claim to an Australian Covered Bond.

Upon a person acquiring title to any Australian Covered Bond by virtue of becoming registered as the Holder of that Australian Covered Bond, all rights and entitlements arising by virtue of the Australian Deed Poll, the Trust Deed, the Security Agreement, the Agency Agreement and each of the other Transaction Documents (except as otherwise required by applicable Law or regulatory requirement) in respect of that Australian Covered Bond vest absolutely in the registered owner of the Australian Covered Bond, such that no person who has previously been registered as the owner of the Australian Covered Bond has or is entitled to assert against the Issuer, the Bond Trustee or the Australian Agent or the registered Holder of the Australian Covered Bond for the time being and from time to time any rights, benefits or entitlements in respect of the Australian Covered Bond.

2. Transfer of Australian Covered Bonds

An Australian Covered Bond may, upon the terms and subject to these Terms and Conditions, terms and conditions set forth in the Agency Agreement and as required by Law, be transferred in whole but not in part in accordance with this Condition 2 (Transfer of Australian Covered Bonds). Unless lodged in Austraclear System, the Australian Covered Bonds will be transferable by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Agent. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Australian Agent may require to prove the title of the transferor or the transferor's right to transfer the Australian Covered Bond and be signed by both the transferor and the transferee. Any such transfer will be subject to such reasonable regulations as the Issuer and the Australian Agent may from time to time prescribe (the initial such regulations being set out in the Supplemental Agency Agreement). Interests in Australian Covered Bonds entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

The transferor of an Australian Covered Bond is deemed to remain the Holder of that Australian Covered Bond until the name of the transferee is entered in the Australian Register in respect of that Australian Covered Bond. Transfers will not be registered later than eight calendar days prior to the maturity date of the Australian Covered Bond.

Australian Covered Bonds may only be transferred if:

- (a) in the case of any offer or issue made in, or into, Australia:
 - (i) the offer or invitation giving rise to the transfer is for an aggregate consideration payable to the transferor by the relevant transferee of at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the transferor or its associates to the transferee) or the offer or invitation (including any resulting transfer) does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
 - (ii) the offer or invitation giving rise to the transfer does not constitute an offer or invitation to a "retail client" as defined for the purposes of section 761G of the Corporations Act; and
- (b) the transfer complies with all other applicable laws, regulations or directives (including, without limitation, the laws of the jurisdiction in which the transfer takes place).

A transfer to an unincorporated association is not permitted.

Transfers will be registered without charge by or on behalf of the Issuer or the Australian Agent, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer or the Australian Agent may require in respect of) any tax, duty or governmental charges (if any) which may be imposed in relation to the transfer.

A person becoming so entitled to an Australian Covered Bond as a consequence of the death or bankruptcy of a Holder of that Australian Covered Bond or a vesting order or a person administering the estate of a Holder of that Australian Covered Bond may, upon producing such evidence as to that entitlement or status as the Australian Agent considers sufficient, transfer the Australian Covered Bond or, if so entitled, become registered as the Holder of the Australian Covered Bond.

Where the transferor executes a transfer of less than all Australian Covered Bonds registered in its name, and the specific Australian Covered Bonds to be transferred are not identified, the Australian Agent may register the transfer in respect of such of the Australian Covered Bonds registered in the name of the transferor as the Australian Agent thinks fit, provided the aggregate principal amount of the Australian Covered Bonds registered as having been transferred equals the aggregate principal amount of the Australian Covered Bonds expressed to be transferred in the transfer.

3. Status of the Australian Covered Bonds and the Covered Bond Guarantee

3.1 Status of the Australian Covered Bonds

The Australian Covered Bonds constitute deposit liabilities of the Issuer for purposes of the *Bank Act* (Canada) and will rank *pari passu* with all deposit liabilities of the Issuer without any preference among themselves and (save for any obligations required to be preferred by Law) at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer from time to time outstanding (except as prescribed by Law).

The Australian Covered Bonds will not be deposits insured under the *Canada Deposit Insurance Corporation Act* or under any other government insurance scheme of any country.

The Australian Covered Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer (except as prescribed by Law).

The Issuer is registered in Australia as a “Foreign Company (Overseas)” and is a foreign “authorised deposit-taking institution” (“foreign ADI”) as that term is defined under the Banking Act 1959 of the Commonwealth of Australia (“Banking Act”) in the category of a “Branch of a Foreign Bank”. As a foreign ADI, the Issuer is regulated by the Australian Prudential Regulation Authority (“APRA”) in accordance with the Banking Act. However, the Australian Covered Bonds are being issued by The Bank of Nova Scotia acting through its main Toronto Branch and not through its branch in Australia. The depositor protection provisions of Division 2 of Part II of the Banking Act do not apply to the Issuer. The Issuer’s indebtedness in respect of the Australian Covered Bonds is affected by applicable laws which include (but are not limited to) section 11F of the Banking Act and section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia (“Reserve Bank Act”).

Section 11F of the Banking Act provides that, in the event that the Issuer (whether in or outside Australia) suspends payment or becomes unable to meet its obligations, the assets of the Issuer in Australia are to be available to meet its liabilities in Australia in priority to all other liabilities of the Issuer. Section 86 of the Reserve Bank Act provides that, notwithstanding anything contained in any law relating to the winding-up of companies, but subject to subsection 13A(3) of the Banking Act (which does not apply to the Issuer as a foreign ADI), debts due to the Reserve Bank of Australia by an authorised deposit-taking institution (“ADI”) (including a foreign ADI) shall, in the winding-up of the Issuer, have priority over all other debts of the Issuer.

The Australian Covered Bonds are not guaranteed by any government or governmental agency and in particular are not guaranteed by the Commonwealth of Australia or the government of Canada.

3.2 Status of the Covered Bond Guarantee

Pursuant to the Trust Deed, the Australian Covered Bonds have the benefit of the Covered Bond Guarantee.

For a description of the Covered Bond Guarantee see Program Term 1 on page [14] of the Information Memorandum.

The Guarantor is not a bank nor an authorised deposit-taking institution authorised to carry on banking business in Australia under the Banking Act and it is not supervised by the APRA. The Guarantor is not registered as a foreign company or otherwise registered, authorised or qualified to carry on financial services or other business in Australia. The Covered Bond Guarantee is not the obligation of any government and, in particular, is not guaranteed by the Commonwealth of Australia or the government of Canada.

4. Interest

4.1 Interest on Fixed Rate Australian Covered Bonds

Each Fixed Rate Australian Covered Bond bears interest on its Principal Amount Outstanding (as defined in Condition 4.5 (Business Day, Business Day Convention, Day Count Fractions and other adjustments)), but subject to Condition 4.4 (Accrual of interest)) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable, subject as provided in these Terms and Conditions, in arrear on the Interest Payment Date(s) in each year up to (and including) the Final Maturity Date.

Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Interest Period (as defined in Condition 4.5 (Business Day, Business Day Convention, Day Count Fractions and other adjustments)) 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 Pricing Supplement, amount to the Broken Amount so specified.

Except where a Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest will be calculated in respect of any period by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction (as defined in Condition 4.5 (Business Day, Business Day Convention, Day Count Fractions and other adjustments)), and rounding the resultant figure to the nearest sub unit (as defined in Condition 4.5 (Business Day, Business Day Convention, Day Count Fractions and other adjustments)) of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Australian Covered Bond in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Australian Covered Bond will be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

The applicable Pricing Supplement may provide that if the payment of the Final Redemption Amount of a Series of Fixed Rate Australian Covered Bonds on its Final Maturity Date is deferred until the applicable Extended Due for Payment Date in accordance with the Terms and Conditions, interest will accrue and be payable on the unpaid portion of the Final Redemption Amount up to the Extended Due for Payment Date at the Rate of Interest specified in the applicable Pricing Supplement which may provide that such Series of Fixed Rate Australian Covered Bonds will continue to bear interest at a Fixed Rate or at a Floating Rate despite the fact that interest accrued and was payable on such Australian Covered Bonds prior to the Final Maturity Date at a Fixed Rate.

4.2 Interest on Floating Rate Australian Covered Bonds

(a) Interest Payment Dates

Each Floating Rate Australian Covered Bond bears interest on its Principal Amount Outstanding (subject to Condition 4.3 (Interest following a Notice to Pay)) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period(s) in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date,

each such date, an "**Interest Payment Date**".

Such interest will be payable in respect of each Interest Period.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Australian Covered Bonds will be determined in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Australian Covered Bonds

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Floating Rate Australian Covered Bond Margin (if any). For the purposes of this subparagraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent or other Person specified in the applicable Pricing Supplement under an interest rate swap transaction if the Australian Agent or that other Person were acting as Calculation Agent for that swap transaction under the terms of an agreement and under which:

- (A) if "2006 ISDA Definitions" is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Australian Covered Bonds of such Series (as specified in the Pricing Supplement, as the case may be), as published by the International Swaps and Derivatives Association, Inc. (including any successor thereto, "**ISDA**") shall apply; or
- (B) if "2021 ISDA Definitions" is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (as defined therein)) (and any successor thereto), as published by ISDA as at the Issue Date of the first Tranche of the Australian Covered Bonds of such Series (as specified in the Pricing Supplement, as the case may be) shall apply,

(**"ISDA Definitions"**)

and, in each case, under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the applicable Pricing Supplement;

- (ii) the Designated Maturity (as defined in the ISDA Definitions), if any, shall be the period specified in the applicable Pricing Supplement;
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) shall be either:
 - (x) if the relevant Floating Rate Option is based on EURIBOR, the first day of the Interest Period; or
 - (y) in any other case, the day specified in the applicable Pricing Supplement;
- (iv) if the Floating Rate Option is an Overnight Floating Rate Option and Compounding Method is specified to apply in the applicable Pricing Supplement, the Overnight Rate Compounding Method shall be one of the following, as specified in the applicable Pricing Supplement:
 - (x) Compounding with Lookback;
 - (y) Compounding with Observation Period Shift; or
 - (z) Compounding with Lockout;
- (v) if the Floating Rate Option is an Overnight Floating Rate Option and Averaging is specified to apply in the applicable Pricing Supplement, the Overnight Averaging Method shall be one of the following, as specified in the applicable Pricing Supplement:
 - (x) Averaging with Lookback;
 - (y) Averaging with Observation Period Shift; or
 - (z) Averaging with Lockout;
- (vi) if the Floating Rate Option is a Compounded Index Floating Rate Option and Index Provisions are specified in the applicable Pricing Supplement, the Index Method will be Compounded Index Method with Observation Period Shift as specified in the applicable Pricing Supplement;
- (vii) if the 2021 ISDA Definitions apply, (i) any fallbacks that would otherwise be required to be determined in accordance with Section 8.6 (Generic Fallback Provisions) of the 2021 ISDA Definitions shall not be so determined, but shall instead be determined in accordance with Condition 4.2(h) and (ii) if Administrator/Benchmark Event is specified in the Floating Rate Matrix in respect of the relevant Floating Rate Option, Condition 4.2(h) shall apply in place of the provisions relating to Administrator/Benchmark Event and the Administrator/Benchmark Fallback in the 2021 ISDA Definitions, and the 2021 ISDA Definitions shall be construed accordingly;
- (viii) if the 2021 ISDA Definitions apply, Period End Date/Termination Date adjustment for Unscheduled Holiday (as defined in the 2021 ISDA Definitions) will apply if specified in the applicable Pricing Supplement;
- (ix) if the 2021 ISDA Definitions apply, Non-Representative (as defined in the 2021 ISDA Definitions) will apply if specified in the applicable Pricing Supplement;

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

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

For the purposes of this subparagraph (b)(i), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Floating Rate Matrix”, “Designated Maturity”, “Reset Date”, “Overnight Floating Rate Option”, “Overnight Rate Compounding Method”, “Compounding with Lookback”, “Compounding with Observation Period Shift”, “Compounding with Lockout”, “Averaging with Lookback”, “Averaging with Observation Period Shift”, “Averaging with Lockout”, “Generic Fallback Provisions”, “Compounded Index Floating Rate Option”, “Index Method”, “Compounded Index Method with Observation Period Shift” “Applicable Benchmark”, “Fixing Day” and “Fixing Time” have the meanings given to those terms in the Relevant ISDA Definitions and the term “ISDA Calculation Agent” has the meaning given to “Calculation Agent” in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Australian Covered Bonds

EURIBOR

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Australian Covered Bonds is specified in the applicable Pricing Supplement as being EURIBOR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11:00 a.m. (Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Floating Rate Australian Covered Bond Margin (if any), all as determined by the Australian Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) will be disregarded by the Australian Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

Subject to Condition 4.2(f) (Benchmark Discontinuation), if the Relevant Screen Page is not available or if, in the case of this subparagraph (ii), no offered quotation appears or fewer than three offered quotations appear, in each case as at the Specified Time, the Australian Agent will request each of the Reference Banks to provide the Australian Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Australian Agent with offered quotations, the Rate of Interest for the Interest Period will be the arithmetic mean (rounded if necessary to the fifth decimal place,

with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Floating Rate Australian Covered Bond Margin (if any), all as determined by the Australian Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Australian Agent with an offered quotation as provided in this paragraph (ii), the Rate of Interest for the relevant Interest Period will be the rate per annum which the Australian Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Australian Agent by the Reference Banks or any two or more of them, at which such Reference Banks offered, at approximately the Specified Time on the relevant Interest Determination Date, for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Floating Rate Australian Covered Bond Margin (if any) or, if fewer than two of the Reference Banks provide the Australian Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Australian Agent it is quoting to leading banks in the Euro-zone interbank market plus or minus (as appropriate) the Floating Rate Australian Covered Bond Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this section, the Rate of Interest will be determined as at the last preceding Interest Determination Date (though substituting, where a different Floating Rate Australian Covered Bond Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Floating Rate Australian Covered Bond Margin relating to the relevant Interest Period in place of the Floating Rate Australian Covered Bond Margin relating to that last preceding Interest Period).

SONIA

Where “Screen Rate Determination” is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Australian Covered Bonds is specified in the applicable Pricing Supplement as being “SONIA” and the Calculation Method is specified in the applicable Pricing Supplement as being “Compounded Daily Rate”, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA with respect to such Interest Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin.

Compounded Daily SONIA means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Australian Agent on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the nearest fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{Relevant SONIA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

d is the number of calendar days in:

(a) where Lag is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Period; or

(b) where Shift is specified as the Observation Method in the applicable Pricing Supplement, 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 Pricing Supplement, the relevant Interest Period; or

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

i is a series of whole numbers from one to do, 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 Pricing Supplement, the relevant Interest Period or

(b) where Shift is specified as the Observation Method in the applicable Pricing Supplement, 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;

n_i, for any London Banking Day “i”, means the number of calendar days from (and including) such London Banking Day “i” up to (but excluding) the following London Banking Day;

Observation Look-Back Period is as specified in the applicable Pricing Supplement (or, if none is specified, five London Banking Days);

Observation Period means the period from (and including) the date falling “p” London Banking Days prior to the first day of the relevant Interest Period and ending on but excluding, the date falling “p” London Banking Days prior to (A) the Interest Payment Date for such Interest Period or (B) such other date on which the Australian Covered Bonds become due and payable;

p is, for any Interest Period, the number of London Banking Days set forth in the Observation Look-Back Period in the applicable Pricing Supplement;

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 Document or Pricing Supplement, SONIA_{i-pLBD}; or

(b) where “Shift” is specified as the Observation Method in the applicable Final Terms Document or Pricing Supplement, SONIA_{iLBD};

the **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;

SONIA_{iLBD} means, in respect of any London Banking Day “i” falling in the relevant Observations Period, the SONIA reference rate for such London Banking Day “i”; and

SONIA_{i-pLBD} means, in respect of any London Banking Day falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling “p” London Banking Days prior to the relevant London Banking Day “i”.

If, in respect of any London Banking Day in the relevant Observation Period, the applicable SONIA Reference Rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorized distributors, then (unless the Australian Agent (or other party responsible for calculating the Rate of Interest as set out in the Pricing Supplement) has been notified of any Alternative Rate or Adjustment Spread (and any related Benchmark Amendments) pursuant to Condition 4.2(f), if applicable) the SONIA Reference Rate in respect of such London Banking Day shall be: (a) (i) the Bank of England’s Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant 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; and (b) if the Bank Rate is not published by the Bank of England as set out in (a) above on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the immediately preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraph above, and without prejudice to Condition 4.2(f), 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 Australian Agent (or such other party responsible for the calculation of the Rate of Interest as set out in the relevant Pricing Supplement) shall, subject to receiving written instructions from the Issuer and, to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA_i for the purpose of the relevant Series of Australian Covered Bonds for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

If the relevant Series of Australian Covered Bonds become due and payable following an Issuer Event of Default or a Guarantor Event of Default, the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Australian Covered Bonds become due and payable, and such Rate of Interest shall continue to apply to the Australian Covered Bonds for so long as interest continues to accrue thereon as provided in Condition 4.4 and the Trust Deed.

SONIA COMPOUNDED INDEX

Where “Screen Rate Determination” is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Reference Rate in respect of the

relevant Series of Floating Rate Australian Covered Bonds is specified in the applicable Pricing Supplement as being “SONIA” and the Calculation Method is specified in the applicable Pricing Supplement as being “Compounded Index Rate”, the Rate of Interest for each Interest Period will, subject to Condition 4.2(f) and as provided below, be Compounded Daily SONIA, for the Interest 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 Index Determination Dates specified below, as further specified in the applicable Pricing Supplement (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, all determined by the Australian Agent.

Compounded Daily SONIA rate means:

$$\left(\frac{\text{SONIA Compounded Index}_y}{\text{SONIA Compounded Index}_x} - 1 \right) \times \frac{365}{d}$$

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 Period;

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

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

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

Relevant Number is as specified in the applicable Pricing Supplement (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 any relevant Index Determination Date, the Compounded Daily SONIA rate for the applicable Interest Period for which SONIA Compounded Index is not available shall be Compounded Daily SONIA determined in accordance with SONIA above as if Compounded Index Rate is not specified as being applicable in the applicable Pricing Supplement. For these purposes, the Calculation Method shall be deemed to be “Compounded Daily Rate”, the Relevant Number specified in the applicable Pricing Supplement shall be the Observation Lookback Period and Observation Method shall be deemed to be Shift as if Compounded Index Rate had not been specified as applicable and these alternative elections had been made.

SOFR

Where “Screen Rate Determination” is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Australian Covered Bonds is specified in the applicable Pricing Supplement as being “SOFR”, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR with respect to such Interest Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin.

Compounded Daily SOFR means, in respect to an Interest Period, the rate computed in accordance with the formula set out below, and will be calculated by the Australian Agent on the relevant Interest Determination Date (and the resulting percentage will be rounded, if necessary, to the fifth decimal point, with 0.000005 per cent. being rounded upward):

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

provided that, if SOFR IndexStart or SOFR IndexEnd is not published on the associated Interest Determination Date and a USD Benchmark Transition Event and its related USD Benchmark Replacement Date have not occurred with respect to SOFR, “Compounded Daily SOFR” for the applicable Interest Period for which such index is not available, will be the rate of return on a daily compounded interest investment, calculated by the Australian Agent on the relevant Interest Determination Date, based on SOFR in accordance with the formula for SOFR Averages, and definitions required for such formula, published on the SOFR Administrator’s Website at <https://www.newyorkfed.org/markets/reference-rates/additional-information-about-reference-rates> and, for the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to “calculation period” shall be replaced with “Observation Period” and the words “that is, 30-, 90-, or 180- calendar days” shall be removed. If the daily SOFR (**SOFR_i**) does not so appear for any day, “i” in the Observation Period, SOFR_i for such day “i” shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator’s Website,

where:

d means the number of calendar days from (and including) the SOFR Index Start Date to (but excluding) the SOFR Index End Date (being the number of calendar days in the Observation Period).

Observation Period means, in respect of the relevant Interest Period, the period from, and including, the date falling “p” U.S. Government Securities Business Days prior to the first day of such Interest Period to, but excluding, the date which is “p” U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Australian Covered Bonds become due and payable).

p means, for the relevant Interest Period, the number of U.S. Government Securities Business Days specified to be the Observation Period Shift in the applicable Pricing Supplement (or, if no such number is specified, two U.S. Government Securities Business Days).

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

- (1) the SOFR Index value as published by the SOFR Administrator as such index appears on the SOFR Administrator’s Website at 3:00 p.m. (New

York time) on such U.S. Government Securities Business Day (the SOFR Index Determination Time); provided that:

- (2) if a SOFR Index value does not so appear as specified in (1) above at the **SOFR Index Determination Time**, then:
 - (i) if a USD Benchmark Transition Event and its related USD Benchmark Replacement Date have not occurred with respect to SOFR, then “Compounded Daily SOFR” shall be the rate determined pursuant to the proviso of the definition of “Compounded Daily SOFR” above; or
 - (ii) if a USD Benchmark Transition Event and its related USD Benchmark Replacement Date have occurred with respect to SOFR, then “Compounded Daily SOFR” shall be the rate determined pursuant to Condition 4.2(g).

SOFR Index_{Start} means the SOFR Index value on the SOFR Index Start Date.

SOFR Index_{End} means the SOFR Index value on the SOFR Index End Date.

SOFR Index Start Date means, in respect of the relevant Interest Period, the first day of the Observation Period relating to such Interest Period.

SOFR Index End Date means, in respect of the relevant Interest Period, the date which is “p” U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Covered Bonds become due and payable).

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

SOFR Administrator means the Federal Reserve Bank of New York (or a successor administrator of SOFR).

SOFR Administrator’s Website means the website of the SOFR Administrator, or any successor source.

USD Benchmark Transition Event and **USD Benchmark Replacement Date** have the meanings given to them in Condition 4.2(g).

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.

If the relevant Series of Australian Covered Bonds become due and payable following an Issuer Event of Default or a Guarantor Event of Default, the final Rate of Interest shall be calculated for the Interest Period to (but excluding) the date on which the Australian Covered Bonds become due and payable, and such Rate of Interest shall continue to apply to the Australian Covered Bonds for so long as interest continues to accrue thereon as provided in Condition 4.4 and the Trust Deed.

SARON

(A) Where **Screen Rate Determination** is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Australian Covered Bonds is specified in the applicable Pricing Supplement as being **SARON**, the Calculation Method is specified in the applicable Pricing Supplement as being **Compounded Daily Rate** and where “Shift” is specified as the Observation Method in the applicable Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be SARON Compounded (as defined below) for such Interest Period, plus or minus (as specified in the applicable Pricing Supplement) the applicable Margin.

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

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

where:

d_b means the number of Zurich Banking Days in the relevant Observation Period;

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

i indexes a series of whole numbers from one to d_b , representing the Zurich Banking Days in the relevant Observation Period in chronological order from, and including, the first Zurich Banking Day in such Observation Period;

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

Observation Period means, in respect of an Interest Period, the period from, and including, the date falling “p” Zurich Banking Days prior to the first day of such Interest Period and ending on, but excluding, the date falling “p” Zurich Banking Days prior to (A) the Interest Payment Date for such Interest Period or (B) such earlier date on which the Australian Covered Bonds become due and payable;

Observation Period Shift is as specified in the applicable Pricing Supplement;

p means, for the relevant Interest Period, the number of Zurich Banking Days specified to be the Observation Period Shift in the applicable Pricing Supplement;

$SARON_i$ means, in respect of any Zurich Banking Day i , SARON for such Zurich Banking Day i .

SARON means, in respect of any Zurich Banking Day, the Swiss Average Rate Overnight for such Zurich Banking Day published by the SARON Administrator on the SARON Administrator Website at the Relevant Time on such Zurich Banking Day; and

Zurich Banking Day means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

(A) (i) If SARON does not so appear on the SARON Administrator Website or is not so published by the Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have not both occurred on or prior to such Zurich Banking Day, “**SARON**” shall mean, in respect of any Zurich Banking Day, the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the first preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website; or

(ii) If SARON does not so appear on the SARON Administrator Website or is not so published by the Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have both occurred on or prior to such Zurich Banking Day, “**SARON**” shall have the meaning set out in Condition 4.2(h).

(C) In connection with the SARON provisions above, the following definitions apply:

Relevant Time means, in respect of any Zurich Banking Day, close of trading on SIX Swiss Exchange on such Zurich Banking Day, which is expected to be on or around 6 p.m. (Zurich time) on such day;

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

SARON Administrator Website means the website of the SARON Administrator;

SARON Index Cessation Event has the meaning specified in Condition 4.2(h);

SARON Index Cessation Effective Date has the meaning specified in Condition 4.2(h); and

SIX Swiss Exchange means SIX Swiss Exchange AG and any successor thereto;

(D) If the relevant Series of Australian Covered Bonds become due and payable following an Issuer Event of Default or a Guarantor Event of Default, the final Rate of Interest shall be calculated for the Interest Period to (but excluding) the date on which the Australian Covered Bonds become due and payable, and such Rate of Interest shall continue to apply to the Australian Covered Bonds for so long as interest continues to accrue thereon as provided in Condition 4.4 and the Trust Deed.

(iii) **BBSW Rate Australian Covered Bonds**

If the Pricing Supplement specifies the Rate of Interest applicable to the Australian Covered Bonds as being the BBSW Rate, each Australian Covered Bond shall bear interest during each Interest Period at the relevant BBSW Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Pricing Supplement for a Floating Rate Australian Covered Bond specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period will be such Minimum Rate of Interest.

If the applicable Pricing Supplement for a Floating Rate Australian Covered Bond specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period will be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and Calculation of Interest Amounts

The Australian Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Australian Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Australian Covered Bonds for the relevant Interest Period by applying the Rate of Interest to the Calculation Amount and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention.

(e) Notification of Rate of Interest and Interest Amounts

The Australian Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor, the Bond Trustee and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Australian Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to be published in accordance with Condition 13 (Notices) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and 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. Any such amendment or alternative arrangements will be promptly notified to the Bond Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Australian Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to Holders of the Australian Covered Bonds in accordance with Condition 13 (Notices).

(f) Benchmark Discontinuation (Independent Adviser)

This Condition 4.2(f) applies to all Australian Covered Bonds with an Original Reference Rate used to calculate a Rate of Interest or a component thereof other than where the Original Reference Rate specified in the Pricing Supplement is SOFR. If the Original Reference Rate is SARON, this Condition shall only apply if the Rate of Interest is not determined by application of the provisions of Condition 4.2(h).

For greater certainty, this Condition 4.2(f) also applies to Condition 4.2(b)(i) to the extent that the ISDA Definitions do not provide for a successor rate or any successor rate also requires Benchmark Amendments or, in the case where the 2021 ISDA Definitions apply, where Section 8.6 (Generic Fallback Provisions) of the 2021 ISDA Definitions would otherwise apply.

(i) Independent Adviser

If the Issuer determines a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.2(f)(ii) (Benchmark Discontinuation (Independent Adviser) – Successor Rate or Alternative Rate)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4.2(f)(iii) (Benchmark Discontinuation (Independent Adviser) – Adjustment Spread)) and any Benchmark Amendments (in accordance with Condition 4.2(f)(iv) (Benchmark Discontinuation (Independent Adviser) – Benchmark Amendments)).

An Independent Adviser appointed pursuant to this Condition 4.2(f) (Benchmark Discontinuation (Independent Adviser)) shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever

to the Issuer, the Bond Trustee, the Australian Agent, or the Holders of the Australian Covered Bonds for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4.2(f) (Benchmark Discontinuation (Independent Adviser)).

In making any determination pursuant to this Condition 4.2(f) (Benchmark Discontinuation (Independent Adviser)), the Issuer shall act in good faith and, in the absence of bad faith or fraud, the Issuer shall have no liability whatsoever to the Bond Trustee, the Australian Agent, or the Holders of the Australian Covered Bonds or the Couponholders for any such determination made by it.

If the Issuer is unable to appoint an Independent Adviser or unable to make the determination set out in Condition 4.2(f) (i), (ii), (iii) and (iv) in consultation with an Independent Adviser, the Issuer may make such determinations itself, acting in good faith and in a commercially reasonable manner, and having such regard as it shall think fit to the foregoing provisions, of this Condition 4.2(f) (Benchmark Discontinuation (Independent Adviser)), any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets, and subject always to any Minimum Rate of Interest and/or Maximum Rate of Interest specified in the applicable Pricing Supplement.

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.2(f)(iii) (Benchmark Discontinuation – Adjustment Spread)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all relevant future payments of interest on the Australian Covered Bonds (subject to the operation of this Condition 4.2(f)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.2(f)(iii) (Benchmark Discontinuation (Independent Adviser) – Adjustment Spread)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate of Interest (or the relevant component part thereof) for all relevant future payments of interest on the Australian Covered Bonds (subject to the further operation of this Condition 4.2(f) (Benchmark Discontinuation (Independent Adviser))).

(iii) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to each Successor Rate or Alternative Rate (as applicable).

If the Issuer, following consultation with the Independent Adviser, is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, the

Successor Rate or the Alternative Rate (as the case may be) will apply without an Adjustment Spread.

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread (if any) is determined in accordance with this Condition 4.2(f) (Benchmark Discontinuation (Independent Adviser)) and the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Agency Agreement and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the Benchmark Amendments) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.2(f)(v) (Benchmark Discontinuation (Independent Adviser) – Other Conditions), vary these Conditions and/or the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Bond Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4.2(f)(v) (Benchmark Discontinuation (Independent Adviser) – Other Conditions), the Bond Trustee shall, without any requirement for the consent or approval of the Holders of the Australian Covered Bonds, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed) and the Bond Trustee shall not be liable to any party for any consequences thereof.

No consent or approval of Holders of Australian Covered Bonds shall be required in connection with effecting the relevant Successor Rate or Alternative Rate (as may be applicable), Adjustment Spread and/or any Benchmark Amendments, or varying these Conditions and/or the Agency Agreement and/or the Trust Deed to give effect to such changes pursuant to this Condition 4.2(f) (Benchmark Discontinuation (Independent Adviser)), including the execution of any documents or the taking of any steps by the Issuer or any parties to any relevant documents (if required).

In connection with any such variation in accordance with this Condition 4.2(f)(iv) (Benchmark Discontinuation (Independent Adviser) – Benchmark Amendments), the Issuer shall comply with the rules of any stock exchange on which the Australian Covered Bonds are for the time being listed or admitted to trading.

(v) Other Conditions.

(A) The occurrence of a Benchmark Event, any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.2(f) (Benchmark Discontinuation (Independent Adviser)) will be (i) subject to the Rating Agency Condition (as specified in Condition 17) with respect to each Rating Agency and (ii) notified promptly by the Issuer to the Bond Trustee, the Australian Agent and, in accordance with Condition 13 (Notices), the Holders of the Australian Covered Bonds. Such notice shall be irrevocable and shall specify the effective date(s) for such Successor Rate or Alternative Rate (as applicable), the Adjustment Spread (if any) and for the Benchmark Amendments, if any.

(B) No later than the date of notifying the Bond Trustee of the same, the Issuer shall deliver to the Bond Trustee a certificate signed by two Authorised Signatories of the Issuer:

(i) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4.2(f) (Benchmark Discontinuation (Independent Adviser)); and

(ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread (if any).

The Bond Trustee shall display such certificate at its offices for inspection by the Holders of the Australian Covered Bonds at all reasonable times during normal business hours. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Australian Agent and Holders of the Australian Covered Bonds.

(C) The Issuer shall pay (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Bond Trustee in connection with such Benchmark Event, Successor or Alternative Rate, Spread Adjustment and the specific terms of any Benchmark Amendments.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4.2(f) (i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(b) (Benchmark Discontinuation (Independent Adviser) – Rate of Interest) will continue to apply unless and until the Australian Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and (in either case) any Adjustment Spread (if applicable) and Benchmark Amendments, in accordance with Condition 4.2(f)(v) (Benchmark Discontinuation (Independent Adviser) – Other Conditions). For the avoidance of doubt, this subparagraph 4.2(f)(vi) shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date only, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the operation of, and to adjustment as provided in, this Condition 4.2(f).

(vii) Definitions:

As used in this Condition 4.2(f) (Benchmark Discontinuation (Independent Adviser)):

Adjustment Spread means either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in each case, to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

- (B) (A) if no such formal recommendation has been made in relation to the replacement of the Original Reference Rate with a Successor Rate by any Relevant Nominating Body and, in all cases, in the case of an Alternative Rate, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to provide an industry-accepted replacement rate for the Original Reference Rate; or
- (C) if the Issuer determines, following consultation with the Independent Adviser (if any) and acting in good faith, that no such spread is customarily applied in international debt capital markets under (B) above, the Issuer determines, following consultation with the Independent Adviser (if any) and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) if the Issuer determines that no industry standard is recognised or acknowledged as aforesaid and, consequently, no such spread, formula or methodology can be determined in accordance with (A) to (C) above, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this subclause (D) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Covered Bondholders.
- (A) **Alternative Rate** means an alternative to the benchmark or screen rate which the Issuer determines in accordance with Condition 4.2(f)(ii) (Benchmark Discontinuation (Independent Adviser) – Benchmark Amendments) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Australian Covered Bonds.

Benchmark Amendments has the meaning given to it in Condition 4.2(f)(iv) (Benchmark Discontinuation (Independent Adviser) – Benchmark Amendments).

Benchmark Event means:

- (B) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (C) a public statement by the administrator of the Original Reference Rate that it has ceased or will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (E) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used either generally or in respect of Australian Covered Bonds or that it will be subject to restrictions or adverse consequences; or

- (F) an official announcement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is deemed by such supervisor to be) no longer representative of its underlying relevant markets; or
- (G) it has become unlawful for the Australian Agent or the Issuer to calculate any payments due to be made to any Holder of Australian Covered Bonds using the Original Reference Rate (including, without limitation, under the Benchmarks Regulations (EU) 2016/1011 (including as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended)), as applicable),

provided that the Benchmark Event shall be deemed to occur (a) in the case of paragraphs (B) and (C) above, on the date of the cessation of the Original Reference Rate or the discontinuation of the Original Reference Rate or, (b) in the case of (D) above, on the date of prohibition of use of the Original Reference Rate and (c) in the case of paragraph (E) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the public statement and, in each case, not the date of the relevant public statement.

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4.2(f)(i) (Benchmark Discontinuation (Independent Adviser) – Independent Adviser).

Original Reference Rate means the benchmark or screen rate (as applicable) originally-specified for the purposes of determining the relevant Rate of Interest (or any component part thereof) on the Australian Covered Bonds.

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

- (A) the European Commission, the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (w) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (x) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (y) a group of the aforementioned central banks or other supervisory authorities or (z) the Financial Stability Board or any part thereof.

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(g) Benchmark Discontinuation (**ARRC**)

This Condition 4.2(g) applies to all Australian Covered Bonds where the Reference Rate used to calculate the Rate of Interest (or any component thereof) is SOFR (and for the avoidance of doubt any subsequent USD Benchmark determined as a result of a Benchmark Replacement determination):

- (i) *Benchmark Replacement.* If the Issuer or its designee determines that a USD Benchmark Transition Event and its related USD Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the then-current USD Benchmark on any date, the Benchmark Replacement will replace the then-current USD Benchmark for all purposes relating to the Australian Covered Bonds in respect of such determination on such date and all determinations on all subsequent dates;
- (ii) *Benchmark Replacement Conforming Changes.* In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time;
- (iii) *Decisions and Determinations.* Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 4.2(g), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:
 - (A) will be conclusive and binding absent manifest error;
 - (B) if made by the Issuer, will be made in the Issuer's sole discretion; and
 - (C) if made by the Issuer's designee, will be made after consultation with the Issuer, and the designee will not make any such determination, decision or election to which the Issuer objects; and
 - (D) shall become effective without consent, sanction or absence of objection from the Holders of the Australian Covered Bonds.

Any determination, decision or election pursuant to the benchmark replacement provisions not made by the Issuer's designee will be made by the Issuer on the basis as described above. The designee shall have no liability for not making any such determination, decision or election absent bad faith or fraud.

- (iv) *Other Conditions.*
 - (A) Any USD Benchmark Transition Event, Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Condition 4.2(g) will be (i) subject to the Rating Agency Condition (as specified in Condition 17) with respect to each Rating Agency, and (ii) notified promptly by the Issuer to the Bond Trustee and the Australian Agent and, in accordance with Condition 13, the Holders of the Australian Covered Bonds. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.
 - (B) No later than providing the notice to the Bond Trustee pursuant to Condition 4.2(g)(iv), the Issuer shall deliver to the Bond Trustee a certificate of the Issuer (**USD Benchmark Transition Event Certificate**) confirming (x) that a USD Benchmark Transition Event and its related USD Benchmark Replacement Date have occurred specifying the Benchmark Replacement, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 4.2(g)).

The Bond Trustee shall display such certificate at its offices for inspection by the Covered Bondholders at all reasonable times during normal business hours. The Benchmark Replacement and the Benchmark Replacement Adjustment (if any) and the Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement and the Benchmark Replacement Adjustment (if any) and the Benchmark Replacement Conforming Changes (if any)) be binding on the Issuer, the Australian Agent and the Holders of the Australian Covered Bonds.

- (C) The Issuer shall pay (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Bond Trustee in connection with such USD Benchmark Transition Event, Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Change.

(v) *Definitions.* For the purposes of this Condition 4.2(g):

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

- (A) the sum of: (I) an alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current USD Benchmark for the applicable Corresponding Tenor and (II) the Benchmark Replacement Adjustment;
- (B) the sum of: (I) the ISDA Fallback Rate and (II) the Benchmark Replacement Adjustment; or
- (C) the sum of: (I) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current USD Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current USD Benchmark for U.S. dollar denominated floating rate covered bonds or notes at such time calculated by reference to the then-current USD Benchmark, at such time and (II) the Benchmark Replacement Adjustment.

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

- (A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current USD Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate covered bonds or notes.

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Interest Period”, determination dates, the timing and frequency of determining rates and making payments, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary).

Corresponding Tenor with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current USD Benchmark.

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

ISDA Fallback Adjustment means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the Relevant ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the USD Benchmark for the applicable tenor.

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the Relevant ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the USD Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

Reference Time with respect to any determination of the USD Benchmark means:

- (A) where the USD Benchmark is Compounded Daily SOFR, 3:00 p.m. (New York City time) on the U.S. Government Securities Business Day the relevant rate is in respect of; or
- (B) otherwise, the time determined by the Issuer or its designee after giving effect to the modifications noted in Condition 4.2(g).

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

Relevant ISDA Definitions means:

- (A) unless **2021 Relevant ISDA Definitions** are specified as being applicable in the relevant Pricing Supplement, as the case may be, the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc (ISDA) or any successor thereto, as amended and supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time; and
- (B) if **2021 Relevant ISDA Definitions** are specified as being applicable in the relevant Final Terms Document or Pricing Supplement, as the case may be, 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, as amended and supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

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

USD Benchmark means, initially, in respect of SOFR referenced Floating Rate Australian Covered Bond, Compounded Daily SOFR; as such term is defined in Condition 4.2(b)(ii), provided that if a USD Benchmark Transition Event and its related USD Benchmark Replacement Date have occurred with respect to Compounded Daily SOFR (or the published daily SOFR used in the calculation thereof), or the then-current USD Benchmark, then “USD Benchmark” means the applicable Benchmark Replacement.

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

- (A) in the case of clause (A) or (B) of the definition of “USD Benchmark Transition Event”, the later of (I) the date of the public statement or publication of information referenced therein and (II) the date on which an administrator (who initially is the Federal Reserve Bank of New York) of the USD Benchmark permanently or indefinitely ceases to provide the USD Benchmark; or
- (B) in the case of clause (C) of the definition of “USD Benchmark Transition Event”, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the USD Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the USD Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

USD Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (A) a public statement or publication of information by or on behalf of the administrator of the USD Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the USD Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the USD Benchmark (or such component); or
- (B) a public statement or publication of information by the regulatory supervisor for the administrator of the USD Benchmark (or such component), the central bank for the currency of the USD Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the USD Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the USD Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the USD Benchmark (or such component), which states that the administrator of the USD Benchmark (or such component) has ceased or will cease to provide the USD Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the USD Benchmark (or such component) ; or

- (C) a public statement or publication of information by the regulatory supervisor for the administrator of the USD Benchmark announcing that the USD Benchmark is no longer, or as of a specified future date will no longer be representative.

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

- (vi) Conflict.

To the extent that there is any inconsistency between the conditions set out in Condition 4.2(g) and any other Condition, the statements in this Condition 4.2(g) shall prevail with respect to any U.S. dollar denominated Floating Rate Australian Covered Bonds calculated by reference to a USD Benchmark.

- (vii) Future Benchmark Replacement.

For the avoidance of doubt, the Issuer or its designee may give effect to a USD Benchmark Transition Event on more than one occasion provided that the conditions set out in this Condition 4.2(g) are satisfied.

- (viii) Survival of the USD Benchmark:

Without prejudice to the obligations of the Issuer under this Condition 4.2(g), the Reference Rate in respect of a USD Benchmark and the fallback provisions provided for in Condition 4.2(b) will continue to apply unless and until the Bond Trustee has received the USD Benchmark Transition Event Certificate in accordance with this Condition 4.2(g). For the avoidance of doubt, this Condition 4.2(g) shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the operation of, and to adjustment as provided in, this Condition 4.2(g).

- (h) Benchmark Discontinuation (SARON)

Condition 4.2(h) applies to all Australian Covered Bonds for which the Original Reference Rate specified in the Pricing Supplement is SARON.

- (i) SARON Replacement Rate

If SARON does not appear on the SARON Administrator Website or is not so published by the Relevant Time on a Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have both occurred on or prior to such Zurich Banking Day, for the purposes of Condition 4.2(b)(ii)-SARON, “**SARON**” shall mean, in respect of any such Zurich Banking Day,

- (A) the rate resulting from calculating SARON for such Zurich Banking Day in accordance with the definition of “SARON” in Condition 4.2(b)(ii) as if the reference to Swiss Average Rate Overnight in such definition were a reference to the Recommended Replacement Rate, giving effect to the Recommended Adjustment Spread, if any
- (B) if there is no Recommended Replacement Rate available within one Zurich Banking Day of the SARON Index Cessation Effective Date, the policy rate of the Swiss National Bank (the **SNB Policy Rate**) for such Zurich Banking Day, giving effect to the SNB Adjustment Spread, if any

Any substitution of the SARON rate by the Recommended Replacement Rate or the SNB Policy Rate as specified above (the **SARON Replacement Rate**) will remain effective for the remaining term to maturity of the Australian Covered Bonds.

(ii) SARON Benchmark Amendments

If the Australian Agent (i) is required to use a SARON Replacement Rate pursuant to clause (i)(A) or (B) of the definition of “SARON” above for purposes of determining SARON for any Zurich Banking Day, and (ii) determines that any changes to the definitions of Business Day Convention, Day Count Fraction, Interest Determination Date, Interest Payment Date, Interest Period, Observation Period, Relevant Time, SARON, SARON Administrator, SARON Administrator Website or Zurich Business Day or any other amendments to the Conditions and/or the Agency Agreement and/or the Trust Deed (collectively, the SARON Benchmark Amendments) are necessary in order to use such Recommended Replacement Rate (and any Recommended Adjustment Spread) or the SNB Policy Rate (and any SNB Adjustment Spread), as the case may be, for such purposes, then the Issuer shall, subject to giving notice thereof as specified below, vary these Conditions and/or the Agency Agreement and/or the Trust Deed to give effect to such SARON Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Bond Trustee of a certificate signed by two authorised signatories of the Issuer as specified below, the Bond Trustee shall, without any requirement for the consent or approval of the Holders of the Australian Covered Bonds, be obliged to concur with the Issuer in effecting any SARON Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed) and the Bond Trustee shall not be liable to any party for any consequences thereof.

No consent or approval of Holders of the Australian Covered Bonds shall be required in connection with substituting the Recommended Replacement Rate (and any Recommended Adjustment Spread) or the SNB Policy Rate (and any SNB Adjustment Spread), as the case may, in place of SARON and/or effecting any SARON Benchmark Amendments, or otherwise varying these Conditions and/or the Agency Agreement and/or the Trust Deed to give effect to such changes pursuant to these provisions, including the execution of any documents or the taking of any steps by the Issuer or any parties to any relevant documents (if required).

In connection with any such variation of the Conditions in accordance with these provisions, the Issuer shall comply with the rules of any stock exchange on which the Australian Covered Bonds are for the time being listed or admitted to trading.

(iii) Notices, etc

The substitution of a SARON Replacement Rate in place of SARON and the specific terms of any SARON Benchmark Amendments, determined under these provisions will be (i) subject to the Rating Agency Condition (as specified in Condition 17) with respect to each Rating Agency and (ii) notified promptly by the Issuer to the Bond Trustee, the Principal Paying Agent and the Australian Agent and, in accordance with Condition 13 (Notices), the Holders of the Australian Covered Bonds. Such notice shall be irrevocable and shall specify the effective date(s) for such and for the Benchmark Amendments, if any.

No later than the date of notifying the Bond Trustee of the same, the Issuer shall deliver to the Bond Trustee a certificate signed by two Authorised Signatories of the Issuer (the **SARON Cessation Event Certificate**):

- (i) confirming (x) that a SARON Index Cessation Event and SARON Index Cessation Effective Date have occurred, (y) the Recommended Replacement Rate (and any Recommended Adjustment Spread) or the SNB Policy Rate (and any SNB Adjustment Spread), as the case may, and the specific terms of any SARON Benchmark Amendments, in each case, as determined in accordance with these provisions; and

- (ii) certifying that the Australian Agent has determined that the SARON Benchmark Amendments are necessary to ensure the proper operation of the Recommended Replacement Rate (and any Recommended Adjustment Spread) or the SNB Policy Rate (and any SNB Adjustment Spread), as the case may.

The Bond Trustee shall display such certificate at its offices for inspection by the Holders of the Australian Covered Bonds at all reasonable times during normal business hours. The Recommended Replacement Rate (and any Recommended Adjustment Spread) or the SNB Policy Rate (and any SNB Adjustment Spread), as the case may, specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Recommended Replacement Rate (and any Recommended Adjustment Spread) or the SNB Policy Rate (and any SNB Adjustment Spread), as the case may, and the SARON Benchmark Amendments (if any)) be binding on the Issuer, the Bond Trustee, the Australian Agent, the Paying Agents and the Holders of the Australian Covered Bonds.

The Issuer shall pay (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Bond Trustee in connection with such Recommended Replacement Rate (and any Recommended Adjustment Spread) or the SNB Policy Rate (and any SNB Adjustment Spread), as the case may, and the specific terms of any SARON Benchmark Amendments.

(iv) Survival of the Original Reference Rate

Without prejudice to the obligations of the Issuer under this Condition 4.2(h), the Original Reference Rate and the temporary fallback provisions provided for in Condition 4.2(b)(ii)-SARON will continue to apply to the Australian Covered Bonds unless and until the Bond Trustee has received the SARON Cessation Event Certificate in accordance with this Condition 4.2(h). For the avoidance of doubt, this Condition 4.2(h) shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the operation of, and to adjustment as provided in, this Condition 4.2(h).

(v) Definitions

As used in this Condition 4.2(h):

Recommended Replacement Rate means the rate that has been recommended as the replacement for SARON by any working group or committee in Switzerland organised in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the **Recommending Body**);

Recommended Adjustment Spread means, with respect to any Recommended Replacement Rate, the spread (which may be positive or negative or zero), or formula or methodology for calculating such a spread,

- (a) that the Recommending Body has recommended be applied to such Recommended Replacement Rate in the case of fixed income securities with respect to which such Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for the purposes of determining the applicable rate of interest thereon; or
- (b) if the Recommending Body has not recommended such a spread, formula or methodology as described in (a) above, to be applied to such Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders of the Australian Covered Bonds as a result of the replacement of the Swiss Average Rate Overnight with such Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Australian Agent, acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such Recommended Replacement Rate has replaced the

Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon;

Relevant Time has the meaning specified in Condition 4.2(b)(ii)-SARON;

SARON has the meaning specified in Condition 4.2(b)(ii)-SARON;

SARON Administrator Website has the meaning specified in Condition 4.2(b)(ii)-SARON;

SARON Index Cessation Effective Date means, in respect of a SARON Index Cessation Event, the earliest of:

- (a) (in the case of a SARON Index Cessation Event described in clause (a) of the definition thereof) the date on which the SARON Administrator of the Swiss Average Rate Overnight ceases to provide SARON;
- (b) (in the case of a SARON Index Cessation Event described in clause (b)(x) of the definition thereof) the latest of:
 - (i) the date of such statement or publication;
 - (ii) the date, if any, specified in such statement or publication as the date on which SARON will no longer be representative; and
- (ii) if a SARON Index Cessation Event described in clause (b)(y) of the definition of SARON Index Cessation Event has occurred on or prior to either or both dates specified in sub-clauses (i) and (ii) of this clause (b), the date as of which SARON may no longer be used; and
- (c) (in the case of a SARON Index Cessation Event described in clause (b)(y) of the definition thereof) the date as of which SARON may no longer be used.

SARON Index Cessation Event means the occurrence of one or more of the following events:

- (a) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the Swiss Average Rate Overnight permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Swiss Average Rate Overnight; or
- (b) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (x) the Swiss Average Rate Overnight is no longer representative or will as of a certain date no longer be representative, or (y) the Swiss Average Rate Overnight may no longer be used after a certain date, which statement, in the case of sub-clause (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives.

SNB Adjustment Spread means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders of the Australian Covered Bonds as a result of the replacement of SARON with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Australian Agent, acting in good faith and a commercially reasonable manner, taking into account the historical median between the SARON and the SNB Policy Rate during the two year period ending on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred).

Zurich Banking Day has the meaning specified in Condition 4.2(b)(ii)-SARON.

- (i) Determination or Calculation by Bond Trustee

If for any reason at any relevant time after the Issue Date, the Australian Agent defaults in its obligation to determine the Rate of Interest or the Australian Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or (ii) above or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with paragraph (d) above, the Bond Trustee will determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it will think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Pricing Supplement), it will deem fair and reasonable in all the circumstances or, as the case may be, the Bond Trustee will calculate the Interest Amount(s) in such manner as it will deem fair and reasonable in all the circumstances. In making any such determination or calculation, the Bond Trustee may appoint and rely on a determination or calculation by a calculation agent (which will be an investment bank or other suitable entity of international repute). Each such determination or calculation will be deemed to have been made by the Australian Agent.

(j) **Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 (Interest on Floating Rate Australian Covered Bonds), whether by the Australian Agent or the Bond Trustee will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Australian Agent, the other Agents, the Bond Trustee and all Holders of Australian Covered Bonds and (in the absence of wilful default, negligence, bad faith or fraud) no liability to the Issuer, the Guarantor, Holders of Australian Covered Bonds will attach to the Australian Agent or the Bond Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Interest following a Notice to Pay

If a Notice to Pay is served on the Guarantor, the Guarantor will, in accordance with the terms of the Trust Deed, pay Guaranteed Amounts corresponding to the amounts of interest described under Condition 4.1 (Interest on Fixed Rate Covered Bonds) or 4.2 (Interest on Floating Rate Australian Covered Bonds) (as the case may be) under the Covered Bond Guarantee in respect of the Australian Covered Bonds on the Original Due for Payment Dates and, if applicable, the Extended Due for Payment Date in accordance with the applicable Priorities of Payments.

4.4 Accrual of interest

Interest (if any) will cease to accrue on each Australian Covered Bond (or in the case of the redemption of part only of an Australian Covered Bond, that part only of such Australian Covered Bond) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event, interest will continue to accrue as provided in Condition 6.10 (Late Payment).

4.5 Business Day, Business Day Convention, Day Count Fractions and other adjustments

In these Terms and Conditions:

- (a) **"Austraclear Regulations"** means the rules and regulations, together with any instructions or directions, established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System.
- (b) **"Austraclear System"** means the system operated by Austraclear Ltd (ABN 94 002 060 773) ("**Austraclear**") for holding securities and the electronic recording and settling of transactions in those securities between members of that system.

- (c) **"BBSW Rate"** means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the Refinitiv Screen BBSW Page (or any designation which replaces that designation on that page, or any page that replaces that page) at approximately 10.30 am (Sydney time) (or such other time at which such rate customarily appears on that page, including, if corrected, recalculated or republished by the relevant administrator) on the first day of that Interest Period (being the **"Publication Time"**). However, if such rate does not appear on the Refinitiv Screen BBSW Page (or any page that replaces that page) by 10:45 a.m. (Sydney time) on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or
- (i) if it does appear but the Calculation Agent determines that there is an obvious error in that rate, **"BBSW Rate"** means the rate determined by the Calculation Agent in good faith at approximately 11:00 a.m. (Sydney time) on that day, having regard, to the extent possible, to comparable indices in customary market usage then available; or
 - (ii) if a Benchmark Event has occurred, **"BBSW Rate"** such other Successor Rate or Alternative Rate for BBSW Rate-linked floating rate covered bonds determined in accordance with Condition 4.2(f).

The rate calculated or determined will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001%).

- (d) **"Business Day"** means (A) any day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Sydney, Australia and any Additional Business Centre specified in the applicable Pricing Supplement and (B) if TARGET2 is specified in the applicable Pricing Supplement as a relevant Additional Business Centre, a day which is a TARGET2 Business Day.
- (e) If a **"Business Day Convention"** is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur, or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:
- (i) in any case where Interest Periods are specified in accordance with Condition 4.2(a)(ii) (Interest on Floating Rate Australian Covered – Interest Payment Dates), the **"Floating Rate Convention"**, such Interest Payment Date (1) in the case of (x) above, will be the last day that is a Business Day in the relevant month and the provisions of (II) below will apply *mutatis mutandis*, or (2) in the case of (y) above, will be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date will be brought forward to the immediately preceding Business Day, and (II) each subsequent Interest Payment Date will be the last Business Day in the month which falls on the Interest Period after the preceding applicable Interest Payment Date occurred; or
 - (ii) the **"Following Business Day Convention"**, such Interest Payment Date will be postponed to the next day which is a Business Day; or
 - (iii) the **"Modified Following Business Day Convention"**, such Interest Payment Date will be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date will be brought forward to the immediately preceding Business Day; or
 - (iv) the **"Preceding Business Day Convention"**, such Interest Payment Date will be brought forward to the immediately preceding Business Day.

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

(f) **"Day Count Fraction"** means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement, a fraction equal to "number of days accrued/number of days in year", as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the "**ICMA Rule Book**"), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non-U.S. Dollar denominated straight and convertible bonds issued after 31 December 1998, as though the interest coupon on a bond has been calculated for a coupon period corresponding to the Interest Period;
- (ii) if "Actual/Actual or Actual/Actual (ISDA)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366, and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iv) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (vi) if “Actual/360 (Observation Period)” is specified in the applicable Pricing Supplement, the actual number of days in the Observation Period divided by 360;
- (vii) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest 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:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day included in the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30; and

- (viii) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest 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:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂, will be 30;

- (ix) if "Australian Bond Basis" or "RBA Bond Basis" is specified in the applicable Pricing Supplement, one divided by the number of Interest Payment Dates in a year (or where the Determination Period does not constitute an Interest Period, the actual number of days in the Determination Period divided by 365 (or, if any portion of the Determination Period falls in a leap year, the sum of:

(A) the actual number of days in that portion of the Determination Period falling in a leap year divided by 366; and

(B) the actual number of days in that portion of the Determination Period falling in a non-leap year divided by 365)); or

- (x) such other Day Count Fraction as may be specified in the applicable Pricing Supplement.

- (g) **"Determination Period"** means each 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).

- (h) **"Interest Period"** means (i) the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date provided that the final Interest Period shall end on but exclude the Final Maturity Date or the Extended Due for Payment Date, as applicable or (ii) such other period (if any) in respect of which interest is to be calculated being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which in the case of the schedule final or early redemption of any Australian Covered Bonds, shall be such redemption date and in other cases where the relevant Australian Covered Bonds become due and payable following an Issuer Event of Default or a Guarantor Event of Default, shall be the date on which such Australian Covered Bonds become due and payable).
- (i) **"Principal Amount Outstanding"** means, in respect of an Australian Covered Bond, on any day, the principal amount of that Australian Covered Bond on the relevant Issue Date thereof less principal amounts received by the relevant Holder in respect thereof on or prior to that day.
- (j) If "adjusted" is specified in the applicable Pricing Supplement against the Day Count Fraction, interest in respect of the relevant Interest Period will be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, as such Interest Payment Date will, where applicable, be adjusted in accordance with the Business Day Convention.
- (k) If "not adjusted" is specified in the applicable Pricing Supplement against the Day Count Fraction, interest in respect of the relevant Interest Period will be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, but such Interest Payment Dates will not be adjusted in accordance with any Business Day Convention.
- (l) **"sub unit"** means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (m) **TARGET2** means the Trans-European Real-Time Gross Settlement Express Transfer (TARGET2) System (or any successor thereto).
- (n) **TARGET2 Business Day** means a day on which TARGET2 is open.

5. Payments

Payments of principal and interest in respect of Australian Covered Bonds will be made in Sydney in Australian dollars to, or to the order of, the persons who, on the relevant Record Date (as defined below), are registered as the Holders of such Australian Covered Bonds or (if so required by the Bond Trustee by notice in writing following the occurrence of an Issuer Event of Default, Potential Issuer Event of Default, Guarantor Event of Default or Potential Guarantor Event of Default in accordance with the Trust Deed or following receipt by the Bond Trustee of any money which it proposes to pay under Article 11 of the Trust Deed) to the Bond Trustee, subject in all cases to all applicable laws and regulations (without prejudice to Condition 8 (Prescription)).

Payments to Holders in respect of the Australian Covered Bonds will be made: (i) if the Australian Covered Bond is held by Austraclear and entered in the Austraclear System, by crediting on the relevant Interest Payment Date, the Maturity Date or other date on which payment is due the amount then due to the account or accounts (which must be in Australia unless otherwise agreed by the Issuer) to which payments should be made in accordance with the Austraclear Regulations or as otherwise agreed with Austraclear; and (ii) if the Australian Covered Bond is not held by Austraclear and entered in the Austraclear System, by crediting on the Interest

Payment Date, the Maturity Date or other date on which payment is due, the amount then due to an account (which must be in Australia) previously notified by the Holders of the Australian Covered Bond to the Issuer and the Australian Agent.

The Issuer is regarded as having made payment on an Australian Covered Bond to an account upon the giving of all necessary instructions for the transfer of the relevant funds to the account so long as: (a) the payment is actually made in accordance with such instructions; or (b) if instructions for the transfer are not given effect to in accordance with normal banking procedures because the account does not exist or is not an account to which the relevant payment may be made or because the details of the account do not match the details recorded in the Register, the Issuer cancels the transfer instruction and pays the relevant amount to an account in Australia specified by the relevant Holder (net of any applicable deduction or withholding) upon being furnished by the Holder with appropriate account details and evidence of entitlement satisfactory to the Issuer and the Australian Agent.

If (after the application of any applicable business day convention) any day for payment in respect of any Australian Covered Bond is not a Business Day in the city in which the account is located, such payment shall not be made until the next following day which is a Business Day, and no further interest shall be paid in respect of the delay in such payment. No commissions or expenses shall be charged to the Holders of Australian Covered Bonds in respect of such delay.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto but without prejudice to the provisions of Condition 7 (Taxation) and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to the provisions of Condition 7 (Taxation)), any Law implementing an intergovernmental approach thereto. If at any time payment in Australia is prohibited by Law, the Issuer will nominate another place outside Australia where payment is to be made.

In this Condition, “**Business Day**” means any day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, Australia; and “**Record Date**” means, in the case of payments of principal or interest, close of business in Sydney, Australia on the date which is the eighth calendar day before the due date of the relevant payment of principal or interest.

Payment of any amount to the Bond Trustee shall discharge the obligation of the Issuer to pay the corresponding amount to the Holder. The Issuer's obligation may also be discharged as provided in the Trust Deed.

No commissions or expenses shall be charged to the Holders of Australian Covered Bonds in respect of such payments.

Notwithstanding the foregoing, the relevant provisions relating to the payment of Australian Covered Bonds the terms of which permit the Issuer to pay and/or discharge its obligations with respect of such Australian Covered Bonds by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth in the applicable Pricing Supplement. Any such payment and/or discharge shall not in any way relieve the Guarantor from its obligations with respect to any other Series of Covered Bonds or directly or indirectly afford the Holders of Australian Covered Bonds any priority over any other Series of Covered Bonds in respect of the assets of the Issuer.

Any reference in these Terms and Conditions to principal in respect of the Australian Covered Bonds will be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (Taxation) or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

- (b) the Final Redemption Amount of the Australian Covered Bonds;
- (c) the Early Redemption Amount of the Australian Covered Bonds, but excluding any amount of interest referred to therein;
- (d) the Optional Redemption Amount(s) (if any) of the Australian Covered Bonds;
- (e) any premium and any other amounts (other than interest) which may be payable under or in respect of the Australian Covered Bonds; and
- (f) any Excess Proceeds attributable to principal which may be deposited by the Bond Trustee into the GDA Account in respect of the Australian Covered Bonds, and following a Guarantor Event of Default and service of a Guarantor Acceleration Notice deposited or paid in such other manner as the Bond Trustee may direct.

Any reference in these Terms and Conditions to interest in respect of the Australian Covered Bonds will be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (Taxation) or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6. Redemption and Purchase

6.1 Final redemption

Unless previously redeemed or purchased and cancelled as specified below, each Australian Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Final Maturity Date.

Without prejudice to Program Term 3 (Events of Default, Acceleration and Enforcement), if an Extended Due for Payment Date is specified in the applicable Pricing Supplement for a Series of Australian Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Pricing Supplement (in each case after the expiry of the grace period set out in Program Term 3.1(a) (Issuer Events of Default)) and following service of a Notice to Pay on the Guarantor by no later than the date falling one Business Day prior to the Extension Determination Date, the Guarantor has insufficient funds available under the Guarantee Priorities of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of Australian Covered Bonds on the date falling on the earlier of (a) the date which falls two Toronto Business Days after service of a Notice to Pay on the Guarantor or, if later, the Final Maturity Date (in each case after the expiry of the grace period set out in Program Term 3.2(a)), and (b) (Guarantor Events of Default) the Extension Determination Date, under the Covered Bond Guarantee, then (subject as provided below) payment of the unpaid portion of the Final Redemption Amount by the Guarantor under the Covered Bond Guarantee will be deferred until the Extended Due for Payment Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above will be paid by the Guarantor to the extent it has sufficient funds available under the Guarantee Priorities of Payments on any Interest Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

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

The Guarantor will notify the relevant Holders (in accordance with Condition 13 (Notices)), the Rating Agencies, the Bond Trustee and the Australian Agent as soon as reasonably practicable and in any event at least one Business Day prior to the date specified in (a) or (b) of the second preceding paragraph (as appropriate) of any inability of the Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Australian Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Guarantor to notify such parties will not affect the validity or effectiveness of the extension nor will any rights accrue to any of them by virtue thereof.

In the circumstances outlined above, the Guarantor will on the earlier of (a) the date falling two Toronto Business Days after service of a Notice to Pay or, if later, the Final Maturity Date (in each case after the expiry of the grace period set out in Program Term 3.2(a)), and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the funds (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priorities of Payments) *pro rata* in part payment of an amount equal to the Final Redemption Amount of each Australian Covered Bond of the relevant Series of Australian Covered Bonds and will pay Guaranteed Amounts constituting the corresponding part of Scheduled Interest in respect of each such Australian Covered Bond on such date. The obligation of the Guarantor under the Covered Bond Guarantee to pay any amounts in respect of the balance of the Final Redemption Amount not so paid will be deferred as described above. Such failure to pay by the Guarantor will not constitute a Guarantor Event of Default.

Any discharge of the obligations of the Issuer as a result of the payment of Excess Proceeds to the Bond Trustee will be disregarded for the purposes of determining the liabilities of the Guarantor under the Covered Bond Guarantee in connection with this Condition 6.1 (Final redemption).

6.2 Redemption for taxation reasons

The Australian Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the relevant Australian Covered Bond is not a Floating Rate Australian Covered Bond) or on any Interest Payment Date (if the relevant Australian Covered Bond is a Floating Rate Australian Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Bond Trustee and, in accordance with Condition 13 (Notices), the Holders (which notice will be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that on the occasion of the next date for payment of interest on the relevant Australian Covered Bonds, that the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 7 (Taxation). Australian Covered Bonds redeemed pursuant to this Condition 6.2 (Redemption for taxation reasons) will be redeemed at their Early Redemption Amount referred to in Condition 6.7 (Early Redemption Amounts) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 Redemption at the option of the Issuer ("Issuer Call")

If an Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, having given not less than 15 nor more than 30 days' notice or such other period of notice as may be specified in the applicable Pricing Supplement to the Bond Trustee, the Australian Agent, the Registrar (in the case of the redemption of Registered Covered Bonds) and, in accordance with Condition 13 (Notices), the Holders (which notice will be irrevocable) redeem all or only some of the Covered Bonds then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). The Issuer will be bound to redeem the Australian Covered Bonds on the date specified in such notice. In the event of a redemption of only some of the Australian Covered Bonds, such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount (if any) as specified in the applicable Pricing Supplement. In the case of a partial redemption of Australian Covered Bonds, the Australian Covered Bonds to be redeemed (the "**Redeemed Australian Covered Bonds**") will be selected individually by lot not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). No exchange of

the relevant Australian Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.3 (Redemption at the Option of the Issuer) and notice to that effect will be given by the Issuer to the Holders in accordance with Condition 13 (Notices) at least five days (or such shorter period as is specified in the applicable Pricing Supplement) prior to the Selection Date.

6.4 Redemption at the option of the Covered Bondholders ("Investor Put")

If an Investor Put is specified in the Pricing Supplement for an Australian Covered Bond, then if and to the extent specified in the applicable Pricing Supplement, upon the Holder giving to the Issuer, in accordance with Condition 13 (Notices), not less than 30 nor more than 60 days' notice (which notice will be irrevocable), the Issuer will, upon the expiry of such notice provided that the Cash Manager has notified the Bond Trustee in writing that there will be sufficient funds available to pay any termination payment due to the Covered Bond Swap Provider, redeem subject to, and in accordance with, the terms specified in the applicable Pricing Supplement in whole (but not in part) such Australian Covered Bond on the Optional Redemption Date and at the relevant Optional Redemption Amount as specified in, or determined in the manner specified in, the applicable Pricing Supplement, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

To exercise the right to require redemption of an Australian Covered Bond, the Holder must deliver on any Business Day falling within the above mentioned notice period at the specified office of any Australian Agent a duly signed and completed notice of exercise of the Investor Put in the form (for the time being currently) obtainable from any specified office of any Australian Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 6.4 (Redemption at the option of the Covered Bondholders ("Investor Put")).

It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Pricing Supplement.

6.5 Redemption due to illegality or invalidity

Pursuant to the Trust Deed, the Australian Covered Bonds are also redeemable at the option of the Issuer in certain circumstances where the Transaction Documents may not be lawfully performed. The Issuer is entitled to effect such redemption under these Conditions.

For a description of these circumstances see Program Term 2.1 on page 10 of the Information Memorandum.

6.6 General

Prior to the publication of any notice of redemption pursuant to Conditions 6.2 (Redemption for taxation reasons) or 6.5 (Redemption due to illegality or invalidity), the Issuer will deliver to the Bond Trustee a certificate signed by two authorised signatories stating that the Issuer is entitled or required to effect such redemption and setting forth a statement of facts showing that the conditions set out in Conditions 6.2 (Redemption for taxation reasons) or, as the case may be, 6.5 (Redemption due to illegality or invalidity) for such right or obligation (as applicable) of the Issuer to arise have been satisfied and the Bond Trustee will be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions set out above, in which event it will be conclusive and binding on all Holders.

6.7 Early Redemption Amounts

For the purpose of Program Terms 2.1(a) (Redemption due to illegality and invalidity) and 3 (Events of Default, Acceleration and Enforcement) and Conditions 6.2 (Redemption for Taxation Reasons) and 9 (Events of Default, Acceleration and Enforcement), each Australian Covered Bond will be redeemed (unless otherwise

stated in the applicable Pricing Supplement) at its Early Redemption Amount calculated at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its Principal Amount Outstanding, together with interest accrued to (but excluding) the date fixed for redemption.

6.8 Purchases

The Issuer or any of its Subsidiaries, or the Guarantor, may at any time purchase or otherwise acquire Australian Covered Bonds at any price in the open market either by tender or private agreement or otherwise. Such Australian Covered Bonds may be held, reissued, resold or, at the option of the Issuer or the relevant Subsidiary, cancelled (except that any Australian Covered Bonds purchased or otherwise acquired by the Guarantor must immediately be cancelled).

6.9 Cancellation

All Australian Covered Bonds which are redeemed will forthwith be cancelled. All Australian Covered Bonds so cancelled and any Australian Covered Bonds purchased or otherwise acquired and cancelled pursuant to Condition 6.8 (Purchases) cannot be reissued or resold.

6.10 Late Payment

If any amount payable in respect of any Australian Covered Bond is improperly withheld or refused upon its becoming due and payable or is paid after its due date, the amount due and payable in respect of such Australian Covered Bond (the "**Late Payment**") will itself accrue interest (both before and after any judgment or other order of a court of competent jurisdiction) from (and including) the date on which such payment was improperly withheld or refused or, as the case may be, became due, to (but excluding) the Late Payment Date in accordance with the rate determined in accordance with Condition 4.1 (Interest on Fix Rate Covered Bonds) or 4.2 (Interest on Floating Rate Australian Covered Bonds), as the case may be, in each case on the basis of the Day Count Fraction specified in the applicable Pricing Supplement or, if none is specified, on a 30/360 basis.

For the purpose of this Condition 6.10 (Late Payment), the "**Late Payment Date**" will mean the earlier of:

- (i) the date which the Bond Trustee determines to be the date on which, upon further presentation of the relevant Australian Covered Bond, payment of the full amount (including interest as aforesaid) in the relevant currency in respect of such Australian Covered Bond is to be made; and
- (ii) the seventh day after notice is given to the relevant Holder (whether individually or in accordance with Condition 13 (Notices)) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Australian Covered Bond is available for payment,

provided that in the case of both (i) and (ii), upon further presentation thereof being duly made, such payment is made.

7. Taxation

All payments of principal and interest (if any) in respect of the Australian Covered Bonds by or on behalf of the Issuer or the Guarantor under the Covered Bond Guarantee, as the case may be, 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 unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by Law or regulation or administrative practice of any jurisdiction.

In the event that any payments made by the Issuer are or become subject to a 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 (i) the Government of Canada or any province, territory or political division thereof or any authority or agency therein or thereof having power to tax, or (ii) in the case of Australian Covered Bonds issued by a branch of the Issuer located outside of Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax, in respect of any payment of principal and interest on the Australian Covered Bonds, the Issuer will pay such additional amounts as will be necessary in order that the net amounts received by the Holders after such withholding or deduction will equal the respective amounts of principal and interest, if any, which would otherwise have been receivable in respect of the Australian Covered Bonds, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts will be payable with respect to any Australian Covered Bond presented for payment:

- (a) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or government charges in respect of such Australian Covered Bond by reason of such Holder having some connection with Canada or the jurisdiction imposing such tax otherwise than the mere holding of such Australian Covered Bond;
- (b) to, or to a third party on behalf of, a Covered Bondholder or Couponholder who is a “specified non-resident shareholder” of the Issuer for purposes of the Income Tax Act a non-resident person not dealing at arm’s length for purposes of the Income Tax Act with a “specified shareholder” (within the meaning of subsection 18(5) of the Income Tax Act) of the Issuer;
- (c) with respect to any estate, inheritance, gift, sale, transfer, personal property or similar tax or other governmental charge;
- (d) for which payment is made more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such additional amount on presenting the same for payment on or before such thirtieth day;
- (e) to, or to a third party on behalf of, a Holder of an Australian Covered Bond in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of such Holder of an Australian Covered Bond being a person not dealing at arm's length (within the meaning of Income Tax Act) or being a person who is a “specified entity” (as defined in proposed subsection 18.4(1) of the Income Tax Act contained in proposals to amend such Act released on 29 April 2022) in respect of the Issuer;
- (f) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or other charges by reason of such Holder's failure to comply with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with Canada of such Holder, if (i) compliance is required by Law as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other charge and (ii) the Issuer has given such Holder or, if such Holder is not the beneficial owner of the Australian Covered Bond in question, the beneficial owner of such Australian Covered Bond at least 30 days' notice that such Holder or beneficial owner will be required to provide such certification, identification, documentation or other requirement; or
- (g) in the case of any combination of the foregoing.

As used herein, the "**Relevant Date**" means the date on which payment in respect of the Australian Covered Bond first becomes due and payable but, if the full amount of the funds payable on such date has not been received by the Australian Agent or the Bond Trustee on or prior to such date, the Relevant Date will be the date on which such funds will have been so received and notice to that effect has been given to Holders in accordance with Condition 13 (Notices).

If any payments made by the Guarantor under the Covered Bond Guarantee are or become subject to any withholding or deduction on account of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, or in the case of Covered Bonds issued by a branch of the Issuer located outside of Canada, the country in which such branch is located or any political sub division thereof or by any authority therein or thereof having power to tax, the Guarantor will not be obliged to pay any additional amount as a consequence.

8. Prescription

The Australian Covered Bonds will become void unless presented for payment within 10 years (in the case of principal) and five years (in the case of interest) in each case from the Relevant Date (as defined in Condition 7 (Taxation)) therefor, subject in each case to the provisions of Condition 5 (Payments).

The Issuer will be discharged from its obligation to pay interest on an Australian Covered Bond to the extent that a cheque which has been duly dispatched in the Specified Currency remains uncashed at the end of the period of five years from the Relevant Date in respect of such payment.

9. Events of Default, Acceleration and Enforcement

Pursuant to the Trust Deed, the Holders may take, or require the Bond Trustee to take, certain actions provided for in the Trust Deed upon the occurrence of certain Issuer Events of Default and Guarantor Events of Default specified in the Trust Deed.

For a description of the Issuer Events of Default and Guarantor Events of Default applicable to the Australian Covered Bonds and the action that may be taken under the Trust Deed or other Transaction Documents see Program Terms 3.1 (Issuer Events of Default), 3.2 (Guarantor Events of Default) and 3.3 (Enforcement) pages [15] to [18] (inclusive) of the Australian Information Memorandum.

10. [Reserved]

11. The Australian Agent and Calculation Agent

The Issuer is entitled, with the prior written approval of the Bond Trustee, to vary or terminate the appointment of the Australian Agent and the Calculation Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be an Australian Agent and, if required by the Pricing Supplement, a Calculation Agent; and
- (b) the Issuer will, so long as any Australian Covered Bond is outstanding, maintain an Australian Agent and, if required by the Pricing Supplement, a Calculation Agent (which may be the Australian Agent) having a specified office in a city in New South Wales or Melbourne, Australia approved by the Bond Trustee.

In acting under the Agency Agreement, the Australian Agent and Calculation Agent act solely as agents of the Issuer and the Guarantor and, in certain circumstances specified therein, of the Bond Trustee and do not assume any obligation to, or relationship of agency or trust with, any Holder of any Australian Covered Bonds. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

12. [Reserved]

13. Notices

Notices to Holders shall be published in a leading daily newspaper of general circulation in Australia. It is expected that such notices will normally be published in The Australian Financial Review. Any such notice will be deemed to have been validly given to the Holders on the date of such publication.

Notices to Holders will also 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 Australian Register) at their respective addresses as recorded in the Australian Register, and will be deemed to have been given on the fourth day after the date of such mailing.

Notwithstanding the foregoing provisions of this Condition 13 (Notices), if the Australian Covered Bond is held by Austraclear and entered in the Austraclear System, notices to Holders may, or a copy of any notice published or given in accordance with foregoing provisions of this Condition 13 (Notices) must, be physically delivered to Austraclear for communication by Austraclear to the persons shown in their records as having interests in the Australian Covered Bond.

14. Meetings of Covered Bondholders, Modification, Waiver and Substitution

The Trust Deed contains provisions for convening meetings of the Holders of the Australian Covered Bonds and other covered bonds issued under the Program (including at a physical location or by means of an electronic platform (such as a conference call or videoconference) or a combination thereof) to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions or the provisions of the Trust Deed. The rights of Holders under these Terms and Conditions are subject to modification, waiver or other action pursuant to these provisions.

For a description of the meeting provisions see Program Term 4 (Meetings of Covered Bondholders, Modification, Waiver and Substitution) on pages [19] to [21] (inclusive) of the Information Memorandum.

15. Indemnification of Bond Trustee. Contracting with the Issuer and/or the Guarantor

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

For a description of the provisions relating to the indemnity of the Bond Trustee see Program Term 5 (Indemnification of Bond Trustee, Contracting with the Issuer and/or the Guarantor) on pages [21] to [22] of the Information Memorandum.

16. Further Issues

The Issuer will be at liberty from time to time (but subject to these Terms and Conditions), without the consent of the Holders of any Australian Covered Bonds or any Secured Creditors to create and issue further Australian Covered Bonds having the same terms and conditions as such Australian Covered Bonds of any Series or the same in all respects and guaranteed by the Guarantor save for the amount and date of the first payment of interest thereon, Issue Date and/or Issue Price and so that the same will be consolidated and form a single Series with the outstanding Australian Covered Bonds of such Series.

17. Rating Agency Condition

For a description of the provisions relating to the Rating Agency Condition see Program Term 6 (Rating Agency Condition) on pages [22] to [23] of the Information Memorandum.

18. Governing Law and Jurisdiction

The Trust Deed, the Agency Agreement (which has been supplemented by the Supplemental Agency Agreement), the Covered Bonds (other than the Australian Covered Bonds), the Program Agreement, the Security Agreement, the Mortgage Sale Agreement, the Servicing Agreement, the Guarantor Agreement, the Intercompany Loan Agreement, the Subordinated Loan Agreement, the Cash Management Agreement, the Cover Pool Monitor Agreement, the Bank Account Agreement, the Standby Bank Account Agreement, the Guaranteed Deposit Account Contract, the Standby Guaranteed Investment Contract and the Title Registration 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, unless otherwise indicated.

The Australian Covered Bonds, the Australian Deed Poll and these Terms and Conditions are governed by, and shall be construed in accordance with, the Law in force in New South Wales, Australia.

In the case of Australian Covered Bonds, the Issuer has irrevocably agreed for the benefit of Holders that the courts of New South Wales, Australia and courts of appeal from them are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Australian Covered Bonds, the Australian Deed Poll and these Terms and Conditions and that accordingly any suit, action or proceedings arising out of or in connection with the Australian Covered Bonds, the Australian Deed Poll and these Terms and Conditions (together referred to as "**Australian Proceedings**") may be brought in such courts.

For so long as any Australian Covered Bonds are outstanding, the Issuer will maintain an agent (originally as specified in the relevant Pricing Supplement) to accept service of process on its behalf in New South Wales in respect of any legal action or proceedings as may be brought in the courts of New South Wales, Australia or the federal courts of Australia. If such agent ceases to act the Issuer will appoint another agent.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

In addition to the selling restrictions set forth in the Program Prospectus, the Managers will be required to represent and agree to the following in relation to the Australian Covered Bonds.

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Corporations Act**")) in relation to the Program or any Australian Covered Bonds has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**"). The Dealer has represented and agreed that it:

- (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for issue, sale, or purchase of Australian Covered Bonds in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive, prospectus, offering circular, advertisement, this Information Memorandum or any other offering material relating to the Australian Covered Bonds in Australia,

unless: (a) the aggregate consideration payable by each offeree or invitee 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 Parts 6D.2 or 7.9 of the Corporations Act, (b) the offer or invitation does not constitute an offer or invitation to a "retail client" as defined for the purposes of section 761G of the Corporations Act; (c) the offer or invitation complies with all other applicable laws or regulations in Australia (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act); and (d) such action does not require any document to be lodged with ASIC.

For the purposes of this selling restriction, the Covered Bonds include interests or rights in the Covered Bonds held in the Austraclear System or any other clearing system.

Transfers of Australian Covered Bonds are subject to the further limitations and restrictions specified in the Terms and Conditions (see Condition 2 (Transfer of Australian Covered Bonds)).

The Australian Covered Bonds may also be offered in jurisdictions outside Australia. Any such offers shall be subject to the restrictions on offer or sales of Covered Bonds, or on the distribution of any offering materials in relation to the Covered Bonds, described in the Program Prospectus, the Pricing Supplement and the applicable laws and directives of such jurisdiction.

**HEAD OFFICE OF THE BANK OF NOVA
SCOTIA**

1709 Hollis Street
Halifax, Nova Scotia, Canada
B3J 3B7

**EXECUTIVE OFFICES OF THE BANK OF
NOVA SCOTIA**

Scotia Plaza
44 King Street West
Toronto, Ontario, Canada
M5H 1H1

BOND TRUSTEE

Computershare Trust Company of Canada

100 University Avenue
11th Floor, North Tower
Toronto, Ontario M5J 2Y1

JOINT LEAD MANAGERS

Australia and New Zealand Banking Group Limited

(ABN 11 005 357 522)
Level 6, ANZ Tower
242 Pitt Street
Sydney NSW 2000
Australia

Commonwealth Bank of Australia

(ABN48 123 123 124)
Level 1, CBP South
11 Harbour Street
Sydney NSW 2000
Australia

Nomura International plc

1 Angel Lane
London EC4R 3AB
United Kingdom

Royal Bank of Canada

(ABN 86 076 940 880)
Level 47, 2 Park Street
Sydney NSW 2000
Australia

The Bank of Nova Scotia

(ABN 34 133 513 827)
Level 44
1 Farrer Place
Sydney NSW 2000
Australia

Westpac Banking Corporation

(ABN 33 007 457 141)
Level 3, Westpac Place
275 Kent Street
Sydney NSW 2000
Australia

AUSTRALIAN AGENT

BTA Institutional Services Australia Limited

(ABN 48 002 916 396)
Level 2, 1 Bligh Street
Sydney NSW 2000
Australia

LEGAL ADVISERS

to the Issuer and the Guarantor as to Canadian law

Osler, Hoskin & Harcourt LLP

Suite 63001 First Canadian Place
100 King Street West
Toronto, Canada M5X 1B8

to the Issuer and the Guarantor as to Australian law

Norton Rose Fulbright Australia

Level 5
60 Martin Place
Sydney NSW 2000
Australia

to the Joint Lead Managers as to Australian law

King & Wood Mallesons

Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia