

**AMENDING AGREEMENT TO  
ISDA COVERED BOND SWAP MASTER AGREEMENT**

**THIS AMENDING AGREEMENT TO ISDA COVERED BOND SWAP MASTER AGREEMENT** (this “**Agreement**”) is made as of the 7<sup>th</sup> day of February, 2018.

**BY AND AMONG**

- (1) **THE BANK OF NOVA SCOTIA**, in its capacity as Covered Bond Swap Provider;  
and
- (2) **SCOTIABANK COVERED BOND GUARANTOR LIMITED PARTNERSHIP**,  
by its managing general partner **SCOTIABANK COVERED BOND GP, INC.**, in its  
capacity as Guarantor.

**WHEREAS** the parties entered into an ISDA Covered Bond Swap Master Agreement dated July 19, 2013 (including the Schedule thereto and Credit Support Annex therefore, the “**Covered Bond Swap Agreement**”);

**AND WHEREAS** the parties hereto have agreed to amend the Covered Bond Swap Agreement pursuant to the terms of this Agreement in accordance with Section 9(b) of the ISDA Covered Bond Swap Master Agreement, as amended by Part 5(e) of the Schedule to the Covered Bond Swap Agreement;

**NOW THEREFORE IT IS HEREBY AGREED** that in consideration of the mutual covenants and agreements herein set forth, the parties agree as follows:

**ARTICLE 1 – AMENDMENTS**

**1.01**            **Amendments**

(1) Part 5(e)(i) of the Covered Bond Swap Agreement is deleted in its entirety and replaced with the following:

(ii) Section 9(b) is amended by adding “(i)” after “if” in the first line of that Section, and by adding “, (ii) in respect of any material amendment, modification or waiver, the Rating Agency Condition has been satisfied with respect thereto; provided that any amendment to (a) a ratings trigger provided for in this Agreement that (i) lowers the threshold ratings specified therein, or (ii) changes the applicable rating type, in each case, provided for in this Agreement, or (b) the consequences of breaching a Ratings Trigger, or changing the applicable rating type, provided for in this Agreement that makes such consequences less onerous, shall, with respect to each affected Rating Agency only, be deemed to be a material amendment and shall be subject to confirmation of the satisfaction of the Rating Agency Condition from each affected Rating Agency., and (iii) such amendment, modification or waiver shall be in compliance with the CMHC Guide” after “system” and before the “.” in the third line of that Section.

(2) The first paragraph of Part 5(h)(i) of the Schedule to the Covered Bond Swap Agreement is deleted in its entirety and replaced with the following:

If (1) the short-term counterparty risk assessment or the long-term counterparty risk assessment of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as, respectively, “P-1(cr)” or “A2(cr)” (provided that, for greater certainty, only one of such ratings from Moody’s is required to have the Minimum Moody’s Rating, as defined below) (the “**Minimum Moody’s Rating**”) by Moody’s Investors Service Inc. (“**Moody’s**”), (2) (i) the short term issuer default rating or (ii) the derivative counterparty rating, if one is assigned, and if not, the long-term issuer default rating, in each case, of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as, respectively, “F1” or “A” (the “**Minimum Fitch Rating**”, provided that, for greater certainty, only one of such ratings from Fitch is required to have the Minimum Fitch Rating) by Fitch Ratings, Inc. (“**Fitch**”), or (3) the short term, unsecured, unsubordinated and unguaranteed debt obligations or the long term, unsecured, unsubordinated and unguaranteed debt obligations of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, cease to be rated at least as high as, respectively, “R-1(low)” or “A” (the “**Minimum DBRS Rating**”, provided that, for greater certainty, only one of such ratings from DBRS is required to have the Minimum DBRS Rating and, together with the Minimum Moody’s Rating and Minimum Fitch Rating, the “**Minimum Ratings**” and each a “**Minimum Rating**”) by DBRS Limited (“**DBRS**” and, together with Moody’s and Fitch and each of their respective successors, the “**Rating Agencies**” and each a “**Rating Agency**”), (each such cessation being an “**Initial Rating Event**”), then Party A will, at its own cost, either:

(3) The first paragraph of Part 5(h)(ii) of the Schedule to the Covered Bond Swap Agreement is deleted in its entirety and replaced with the following:

If, (1) the short-term counterparty risk assessment or the long-term counterparty risk assessment of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as, respectively “P-2(cr)” or “A3(cr)” by Moody’s, (2) (i) the short term issuer default rating or (ii) the derivative counterparty rating, if one is assigned, and if not, the long-term issuer default rating, in each case, of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as, respectively, “F2” or “BBB+” by Fitch, or (3) the short term, unsecured, unsubordinated and unguaranteed debt obligations or the long term, unsecured, unsubordinated and unguaranteed debt obligations of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, cease to be rated at least as high as, respectively, “R-2(middle)” or “BBB” by DBRS (each such rating, a “**Subsequent Rating**” and each such event, a “**Subsequent Rating Event**”, provided that, for greater certainty, in respect of each of (1), (2) and (3), if Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, has one of such ratings from Moody’s, Fitch or DBRS, respectively, a Subsequent Rating Event will not occur) with respect to Party A, then Party A will:

(4) Clause (2) of Part 5(i)(ii) of the Schedule to the Covered Bond Swap Agreement is deleted in its entirety and replaced with the following:

(2) the rating of Party A or any credit support provider or guarantor from time to time in respect of Party A satisfies the respective Minimum Ratings of each Rating Agency;

(5) The definition of “Eligible Swap Provider” in Part 5(p) of the Schedule to the Covered Bond Swap Agreement is deleted in its entirety and replaced with the following:

“**Eligible Swap Provider**” shall mean a person who is rated at least as high as each of the Moody’s Required Rating, the Minimum DBRS Rating and the Fitch Required Rating.

## **ARTICLE 2– MISCELLANEOUS**

### **2.01 Further Assurances**

Each of the parties hereto will from time to time execute and deliver all such further documents and instruments and do all acts and things as any of the other parties may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

### **2.02 Other Amendments**

Except as expressly amended, modified and supplemented hereby, the provisions of the Covered Bond Swap Agreement are and shall remain in full force and effect and shall be read with this Agreement, *mutatis mutandis*. Where the terms of this Agreement are inconsistent with the terms of the Covered Bond Swap Agreement (prior to its amendment hereby), the terms of this Agreement shall govern to the extent of such inconsistency.

### **2.03 Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein.

### **2.04 Interpretation**

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Covered Bond Swap Agreement (prior to its amendment hereby).

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF** the parties have caused this Agreement to be executed the day and year first before written above.

**SCOTIABANK COVERED BOND  
GUARANTOR LIMITED PARTNERSHIP,**  
by its managing general partner,  
**SCOTIABANK COVERED BOND GP,  
INC.**

Per: “Christy Bunker”  
Name: Christy Bunker  
Title: Vice President

**THE BANK OF NOVA SCOTIA**

Per: “Christy Bunker”  
Name: Christy Bunker  
Title: Managing Director, Alternate  
Funding

[Signature page to the Covered Bond Swap Agreement Amending Agreement]