

## **SECOND AMENDING AGREEMENT TO INTERCOMPANY LOAN AGREEMENT**

**THIS SECOND AMENDING AGREEMENT TO INTERCOMPANY LOAN 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**, a bank named in Schedule I to the Bank Act, in its capacity as Issuer, Intercompany Loan Provider and Cash Manager;
- (2) **SCOTIABANK COVERED BOND GUARANTOR LIMITED PARTNERSHIP**, by its managing general partner, **SCOTIABANK COVERED BOND GP INC.**, in its capacity as the Guarantor; and
- (3) **COMPUTERSHARE TRUST COMPANY OF CANADA**, in its capacity as Bond Trustee.

**WHEREAS** the parties entered into a intercompany loan agreement dated as of July 19, 2013, as amended by an amending agreement dated as of August 22, 2016 (the “**Intercompany Loan Agreement**”);

**AND WHEREAS** the parties hereto have agreed to further amend the Intercompany Loan Agreement pursuant to Section 13.7 and the terms of this 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 – AMENDMENT**

#### **1.01 Amendment**

(1) The definition of “Negative Carry Factor” in Schedule 2 of the Intercompany Loan Agreement shall be deleted in its entirety and replaced with the following:

**“Negative Carry Factor” =**

- (1) if the weighted average margin of the interest rate payable on the outstanding Covered Bonds relative to the interest rate receivable on the Portfolio is less than or equal to 0.1% per annum, then 0.5%; and
- (2) if the weighted average margin of the interest rate payable on the outstanding Covered Bonds relative to the interest rate receivable on the Portfolio is greater than 0.1% per annum, then the sum of (x) 0.5% and (y) such margin less 0.1%,

unless the interest rate risk represented by the weighted average margin of the interest rate payable on the outstanding Covered Bonds relative to the interest rate receivable on the Portfolio is addressed or mitigated by the Interest Rate Swap and the “Effective Date” thereunder has occurred, whereupon the Negative Carry Factor shall be nil

## **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 Intercompany Loan 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 Intercompany Loan 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 Intercompany Loan Agreement (prior to its amendment hereby).

**[SIGNATURE PAGES FOLLOW]**

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

**THE BANK OF NOVA SCOTIA**, as Issuer,  
Intercompany Loan Provider and Cash Manager

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

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

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

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

Per: “Morag Abraham”  
Name: Morag Abraham  
Title: Corporate Trust Officer

“Ann Samuel”  
Name: Ann Samuel  
Title: Associate Trust Office