

## Covered Bond Swap Confirmation

April 2, 2020

To: Scotiabank Covered Bond Guarantor Limited Partnership

c/o The Bank of Nova Scotia  
Scotia Plaza  
44 King Street West  
Toronto, Ontario  
M5H 1H1

Attn: Managing Director, Term Funding and Capital Management

Fax: 416-945-4001

From: The Bank of Nova Scotia

Re: **Covered Bond Transaction (re: CAD\$4,750,000,000 Floating Rate Covered Bonds due March 22, 2023 (“Series CBL29 Tranche 2”)) relating to a reopening of previously issued CAD\$2,750,000,000 Floating Rate Covered Bonds due March 22, 2023) under CAD\$55,000,000,000 Global Registered Covered Bond Program guaranteed as to payments of interest and principal by Scotiabank Covered Bond Guarantor Limited Partnership**

Dear Sir or Madam,

The purpose of this letter is to confirm the terms and conditions of the transaction entered into between The Bank of Nova Scotia (“**Party A**”) and Scotiabank Covered Bond Guarantor Limited Partnership (“**Party B**”) on the Trade Date specified below (the “**Transaction**”). This facsimile constitutes a “**Confirmation**” as referred to in the Agreement as specified below.

This Confirmation evidences a complete binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of July 19, 2013 (identified on page 1 thereof as the “Covered Bonds 2002 Master Agreement”), as amended, restated and/or supplemented from time to time, between you and us (the “**Agreement**”). All provisions contained in the Agreement shall govern this Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction. The definitions and provisions contained in the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) (the “**Definitions**”) are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Third Amended and Restated Master Definitions and Construction Agreement dated as of July 16, 2019, between Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada, as Bond Trustee, The Bank of Nova Scotia, London Branch, as principal paying agent, a registrar and a transfer agent, The Bank of Nova Scotia Trust Company of New York, as a paying agent, a registrar, a transfer agent and the exchange agent, KPMG LLP, Party A, Party B, Scotiabank Covered Bond GP, Inc., 8429057

Canada Inc., and each other Person who may from time to time become a party thereto, as amended, restated and/or supplemented from time to time (the “**Master Definitions and Construction Agreement**”); and (iii) the Definitions. Capitalized terms used but not defined herein shall have the respective meanings given to them in the Master Definitions and Construction Agreement. For the purposes of the Definitions, references herein to a “Transaction” shall be deemed to be references to a “Swap Transaction”.

The terms of the particular Transaction to which this Confirmation relates are as follows:

- Trade Date: March 31, 2020
- Effective Date: The earliest to occur of (i) an Issuer Event of Default, (ii) a Guarantor Event of Default, and (ii) the Ratings Trigger Date.
- Ratings Trigger Date: The date on which one or more Rating Agencies downgrades or withdraws the long-term, unsecured, unsubordinated and unguaranteed debt obligations (or, in the case of Fitch, the long-term issuer default rating) of Party A, or any Credit Support Provider from time to time in respect of Party A, below the Required Ratings.
- Required Ratings: The threshold ratings BBB (high) (in respect of DBRS), BBB+ (in respect of Fitch) and Baa1 (in respect of Moody’s).
- Termination Date: The earlier of:
- (a) the Final Maturity Date (or, if earlier, the date of redemption or cancellation in whole, but not in part, of) for Series CBL29 Tranche 2 or, if Party B notifies Party A prior to such Final Maturity Date of its inability to pay in full Guaranteed Amounts corresponding to the Final Redemption Amount for Series CBL29, the final date on which an amount representing the Final Redemption Amount for Series CBL29 Tranche 2 is paid (the “**Scheduled Termination Date**”); and
  - (b) the date designated therefor by the Bond Trustee and notified to Party A and Party B for purposes of realizing the Security in accordance with the Security Agreement and distributing the proceeds therefrom in accordance with the Post-Enforcement Priority of Payments following the

enforcement of the Security pursuant to Condition 9.3 of the Final Terms for Series CBL29 Tranche 2.

Business Day: Toronto

Calculation Period: In respect of Party B Floating Amounts, each Guarantor Calculation Period and in respect of Party A Floating Amounts, each Swap Provider Calculation Period

Notional Amount: In respect of each Calculation Period, the Principal Amount Outstanding of Series CBL29 Tranche 2 on the first day of such Calculation Period, such amount to be reduced by any redemption or cancellation pursuant to Condition 6.8 of Series CBL29 Tranche 2 on that day.

Calculation Agent: Party A

**Party B Floating Amounts**

Party B Floating Rate Payer: Party B.

Party B Payment Date: Each Guarantor Payment Date, commencing on the first Guarantor Payment Date which occurs after the Effective Date

Party B Payment Amount: On each Party B Payment Date, Party B will pay to Party A the product of:

- (a) the Notional Amount for the Calculation Period ending on such Party B Payment Date;
- (b) Party B Day Count Fraction; and
- (c) the Party B Floating Rate.

Party B Day Count Fraction: Actual/365 (Adjusted)

Party B Business Day Convention: Modified Following (Adjusted)

Party B Floating Rate: Party B Floating Rate Option *plus* Party B Spread, subject to a minimum rate of 0.00%

Party B Floating Rate Option: 30 day Bankers' Acceptance Rate (as defined and determined in accordance with the Final Terms Document for Series CBL29 Tranche 2)

Designated Maturity: 1 month.

Party B Reset Dates: The first day of each Calculation Period

Party B Spread: [REDACTED]

**Party A Floating Amounts**

Swap Provider Calculation Period: Each period from and including a Swap Provider Payment Date to, but excluding, the next following applicable Swap Provider Payment Date, except that (a) the initial Swap Provider Calculation Period will commence on, and include, the Effective Date and (b) the final Swap Provider Calculation Period will end on, but exclude, the Scheduled Termination Date.

Swap Provider Payment Dates: On or prior to the Final Maturity Date, the 22<sup>nd</sup> day of March, June, September and December of each year commencing the first such date after the Effective Date up to and including the Final Maturity Date for Series CBL29 Tranche 2, and thereafter, the 22<sup>nd</sup> day of each month up to and including the Scheduled Termination Date (which, for greater certainty may be a date other than the 22<sup>nd</sup> day of the month)

Party A Payment Amount: On each Swap Provider Payment Date, Party A will pay to Party B the product of:

- (a) the Notional Amount for the Calculation Period ending on such Swap Provider Payment Date;
- (b) the Party A Floating Rate Day Count Fraction; and
- (c) the Party A Floating Rate.

Party A Floating Rate: Party A Floating Rate Option *plus* Party A Spread, subject to a minimum rate of 0.00%

Party A Floating Rate Option: Prior to the Final Maturity Date, 3 Month Bankers' Acceptance Rate, and from and after the Final Maturity Date, 30 day Bankers' Acceptance Rate (in each case as defined and determined in accordance with the Final Terms Document for Series CBL29 Tranche 2)

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|---|--|
| Designated Maturity:                      | Prior to the Final Maturity Date, 3 months, and from and after the Final Maturity Date, 1 month  |
| Party A Spread:                           | 1.65%  |
| Party A Floating Rate Day Count Fraction: | Actual/365 (Adjusted)  |
| Party A Reset Dates:                      | The first day of each Calculation Period.  |
| Party A Business Day Convention:          | On or prior to the Final Maturity Date, Following, provided that no adjustment will be made to the end date in respect of a Calculation Period even if such end date occurs on a day that is not a Party A Business Day, and after the Final Maturity Date, Modified Following (adjusted). |
| Party A Business Days:                    | Toronto.   |

#### **Account Details**

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| <u>Account for payments to Party A in CAD:</u> | To be advised. |
| <u>Account for payments to Party B in CAD:</u> | To be advised. |

#### **Contact Details for notices**

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|----------------|---|
| <b>Party A</b> | The Bank of Nova Scotia<br>Scotia Plaza<br>40 King Street West<br>Toronto, Ontario<br>M5H 1H1 |
|                | Attention: Managing Director, Term Funding<br>and Capital Management                          |
|                | Facsimile No.: 416-945-4001   |

**Party B**

Scotiabank Covered Bond Guarantor Limited  
Partnership  
c/o The Bank of Nova Scotia  
Scotia Plaza  
40 King Street West  
Toronto, Ontario  
M5H 1H1

Attention: Managing Director, Term Funding  
and Capital Management

Facsimile No.: 416-945-4001

## **Confirmation**

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of this Confirmation and returning it to us. We are delighted to have executed this Transaction with you and look forward to working with you again.

Time of trading is available upon request.

Yours sincerely,

**THE BANK OF NOVA SCOTIA**

By: "Darren Potter"  
Name: Darren Potter  
Title: Managing Director, Term Funding and  
Capital Management

Confirmed as of the date first written above:

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

By: "Darren Potter"  
Name: Darren Potter  
Title: Vice-President