

STANDBY BANK ACCOUNT AGREEMENT

by and among

**EQB COVERED BOND (LEGISLATIVE) GUARANTOR
LIMITED PARTNERSHIP**
as Guarantor

and

EQUITABLE BANK
as Cash Manager and Issuer

and

THE BANK OF NOVA SCOTIA
as Standby Account Bank and Standby GIC Provider

and

COMPUTERSHARE TRUST COMPANY OF CANADA
as Bond Trustee

July 27, 2021

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Schedule

Schedule 1 – Form of Mandate

STANDBY BANK ACCOUNT AGREEMENT

THIS STANDBY BANK ACCOUNT AGREEMENT (this “**Agreement**”) is made as of this 27th day of July, 2021.

BY AND AMONG:

- (1) **EQB Covered Bond (Legislative) Guarantor Limited Partnership**, a limited partnership formed under the laws of the Province of Ontario, whose registered office is at 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, Ontario, Canada, M5K 1E6, by its managing general partner **EQB Covered Bond (Legislative) GP Inc.** (hereinafter the “**Guarantor**”);
- (2) **Equitable Bank** (the “**Bank**”), a bank named in Schedule I to the *Bank Act* (Canada), whose head office is at 30 St. Clair Avenue West, Suite 700, Toronto, Ontario, Canada M4V 3A1, in its capacity as Cash Manager (including any successor in such capacity, the “**Cash Manager**”) and as Issuer (the “**Issuer**”);
- (3) **The Bank of Nova Scotia**, a bank named in Schedule I to the *Bank Act* (Canada), whose head office is at 40 King Street West, 66th Floor, Toronto, Ontario, Canada M5H 1H1, in its capacity as Standby Account Bank (hereinafter the “**Standby Account Bank**”) and as Standby GIC Provider (hereinafter the “**Standby GIC Provider**”); and
- (4) **Computershare Trust Company of Canada**, a trust company existing under the laws of Canada, whose registered office is at 100 University Avenue, 11th Floor, Toronto, Ontario, Canada M5J 2Y1 acting in its capacity as Bond Trustee (hereinafter the “**Bond Trustee**”).

WHEREAS:

- (A) As part of the transactions contemplated in the Bank’s Global Legislative Covered Bond Programme (the “**Programme**”), the Cash Manager has agreed, pursuant to the cash management agreement dated as of July 27, 2021 (the “**Cash Management Agreement**”) by and among the Cash Manager, the Guarantor and the Bond Trustee to provide cash management services in connection with the business of the Guarantor.
- (B) The Standby Account Bank has agreed, following service of a Standby Account Bank Notice by the Guarantor (or the Cash Manager on its behalf), that the Standby Account Bank will open and maintain the Standby Transaction Account and the Standby GIC Account as interest bearing accounts in the name of the Guarantor in accordance with the terms of this Agreement.
- (C) Following service of a Standby Account Bank Notice by the Guarantor (or the Cash Manager on its behalf) the Standby GIC Provider has agreed pursuant to the terms of the Standby Guaranteed Investment Contract to pay interest on the funds standing to the credit of the Guarantor in the Standby GIC Account at specified rates determined in accordance with and pursuant to the terms of the Standby Guaranteed Investment Contract.

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein set forth, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 The following terms when used in this Agreement shall have the following meanings and terms used in this Agreement and defined in the recitals hereto shall have the meanings given to such terms in such recitals:

“Bank Act” means the *Bank Act* (Canada);

“Bond Trustee” means Computershare Trust Company of Canada, in its capacity as bond trustee under the Trust Deed together with any successor or additional bond trustee appointed from time to time thereunder;

“Canadian Business Day” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Toronto;

“CMHC” means Canada Mortgage and Housing Corporation, a Canadian federal Crown corporation and its successors responsible for administering the Covered Bond Legislative Framework;

“CMHC Guide” means the Canadian Registered Covered Bond Programs Guide published by CMHC, as the same may be amended, supplemented, restated or replaced from time to time;

“Covered Bond” means each covered bond issued or to be issued pursuant to the Dealership Agreement and which is, or is to be, constituted under the Trust Deed;

“Covered Bond Legislative Framework” means the legislative framework established by Part I.1 of the *National Housing Act* (Canada);

“Dealership Agreement” means the dealership agreement entered into on or after the Programme Date, that sets out the arrangements under which Covered Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, dealers;

“Financial Instruments” means cheques, bills of exchange or other similar instruments, whether negotiable or non-negotiable;

“Guarantee Priority of Payments” has the meaning given to it in Section 6.4 of the Guarantor Agreement;

“Guarantor Acceleration Notice” means a notice in writing from the Bond Trustee to the Issuer and the Guarantor, that each Covered Bond of each series is immediately due and repayable and that all amounts payable by the Guarantor in respect of its guarantee shall thereupon immediately become due and payable;

“Guarantor Accounts” means the Standby GIC Account and the Standby Transaction Account and such other accounts as may be maintained by the Standby Account Bank for

the Guarantor pursuant to agreements between, *inter alia*, the Guarantor and the Standby Account Bank and the Standby GIC Provider;

“Guarantor Agreement” means the limited partnership agreement in respect of the Guarantor entered into on the Programme Date by and among EQB Covered Bond (Legislative) GP Inc., as the managing general partner, Equitable Covered Bond (Legislative) LGP Inc., as the liquidation general partner, the Bank, as limited partner, the Bond Trustee and any other parties who accede thereto in accordance with its terms;

“Guarantor Payment Date” means the 17th day of each month or if not a Canadian Business Day the next following Canadian Business Day;

“Issuer” means Equitable Bank;

“Mandate” or **“Mandates”** means the Standby Transaction Account Mandate and/or the Standby GIC Account Mandate and/or the mandates relating to any other Guarantor Accounts with the Standby Account Bank, as the case may be;

“Material Adverse Effect” means an effect that is materially adverse to the ability of the Standby GIC Provider or the Standby Account Bank to perform its obligations under this Agreement or the Standby Guaranteed Investment Contract;

“OSFI” means the Office of the Superintendent of Financial Institutions;

“Person” or **“person”** means a reference to any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, limited liability company, unlimited liability company, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, government or governmental authority or entity, however designated or constituted;

“Post-Enforcement Priority of Payments” has the meaning given to it in Section 4.07 of the Security Agreement;

“Pre-Acceleration Principal Priority of Payments” has the meaning given to it in Section 6.1 of the Guarantor Agreement;

“Pre-Acceleration Revenue Priority of Payments” has the meaning given to it in Section 6.1 of the Guarantor Agreement;

“Priorities of Payments” means the orders of priority for the allocation and distribution of amounts standing to the credit of the Guarantor in different circumstances being the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Priority of Payments and the Guarantee Priority of Payments (see Article 6 of the Guarantor Agreement) and the Post-Enforcement Priority of Payments (see Section 4.07 of the Security Agreement);

“Programme Date” means July 27, 2021;

“Rating Agency” means any of DBRS Limited or Fitch Ratings, Inc. to the extent that at the relevant time it provides ratings in respect of the then outstanding Covered Bonds, or their successors and **“Rating Agencies”** means more than one Rating Agency;

“Rating Agency Condition” means a confirmation by the Rating Agencies that the then current ratings of all series of Covered Bonds then outstanding will not be downgraded or withdrawn as a result of the relevant event or matter;

“Secured Creditors” means, *inter alia*, the Bond Trustee (in its own capacity and on behalf of the holders of the Covered Bonds), the holders of the Covered Bonds, the Standby Account Bank, the Standby GIC Provider, the Cash Manager and any other person that becomes a secured creditor from time to time pursuant to the terms of the Security Agreement;

“Security Agreement” means the general security agreement entered into on the Programme Date by and among, *inter alia*, the Guarantor and the Bond Trustee for itself and the benefit of secured creditors of the Guarantor;

“Standby Account Bank Notice” means a written notice from the Guarantor (or the Cash Manager on its behalf) to the Standby Account Bank stating that the appointment of the Standby Account Bank, under the Standby Bank Account Agreement is to become operative and that the Standby GIC Account and the Standby Transaction Account (if indicated in such notice) are to be opened and held with the Standby Account Bank in the name of the Guarantor;

“Standby Account Bank Threshold Ratings” means the threshold ratings A or R-1(low) (in respect of DBRS Limited; provided that, for greater certainty, only one of such ratings from DBRS Limited is required to be at or above such ratings) and A- or F1 (in respect of Fitch Ratings, Inc.; provided that, for greater certainty, only one of such ratings from Fitch Ratings, Inc. is required to be at or above such ratings), as applicable, of the unsecured, unsubordinated and unguaranteed debt obligations rating (in the case of DBRS Limited) or the issuer default rating (in the case of Fitch Ratings, Inc.), in each case, of the Standby Account Bank by the Rating Agencies;

“Standby GIC Account” means the account in the name of the Guarantor to be opened and held with the Standby Account Bank following delivery of a Standby Account Bank Notice and maintained subject to the terms of this Agreement, the Standby Guaranteed Investment Contract and subject to the security interest granted by the Guarantor in the Security Agreement and includes such additional or replacement Guarantor Account(s) as may be put in place for the Guarantor with the prior written consent of the Bond Trustee and designated as such;

“Standby GIC Account Mandate” means the bank account mandate between the Guarantor and the Standby Account Bank relating to the opening and operation of the Standby GIC Account;

“Standby Guaranteed Investment Contract” means the standby guaranteed investment contract entered into on the Programme Date by and among the Standby GIC Provider, the Standby Account Bank, the Guarantor, the Cash Manager and the Bond Trustee;

“Standby Transaction Account” means the account in the name of the Guarantor to be opened and held with the Standby Account Bank following delivery of a Standby Account Bank Notice and maintained subject to the terms of this Agreement, the Standby Guaranteed Investment Contract and subject to the security interest granted by the Guarantor in the Security Agreement and includes such additional or replacement

Guarantor Account(s) as may be put in place for the Guarantor with the prior written consent of the Bond Trustee and designated as such;

“Standby Transaction Account Mandate” means the bank account mandate between the Guarantor and the Standby Account Bank relating to the opening and operation of the Standby Transaction Account; and

“Trust Deed” means the trust deed entered into on the Programme Date by and among, *inter alia*, the Bond Trustee, the Issuer and the Guarantor in respect of the Programme.

1.2 In this Agreement:

- (a) words denoting the singular number only shall include the plural and *vice versa*;
- (b) words denoting one gender only shall include the other genders;
- (c) words “including” and “includes” mean “including (or includes) without limitation”;
- (d) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding” and if the last day of any such period is not a Canadian Business Day, such period will end on the next Canadian Business Day;
- (e) when calculating the period of time “within” which or “following” which any act or event is required or permitted to be done, notice given or steps taken, the date which is the reference date in calculating such period is excluded from the calculation and if the last day of any period is not a Canadian Business Day, such period will end on the next Canadian Business Day unless otherwise expressly stated;
- (f) references to any statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such re-enactment;
- (g) references to any agreement or other document shall be deemed also to refer to such agreement or document as amended, restated, varied, supplemented or novated from time to time;
- (h) the inclusion of a table of contents, the division into Articles, Sections, clauses, paragraphs and schedules and the insertion of headings are for convenient reference only and are not to affect or be used in the construction or interpretation;
- (i) reference to a statute shall be construed as a reference to such statute as the same may have been, or may from time to time be, amended or re-enacted to the extent such amendment or re-enactment is substantially to the same effect as such statute on the date hereof;
- (j) reference to a time of day shall be construed as a reference to Toronto time unless the context requires otherwise and a “**month**” is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in

the next calendar month save that, where any such period would otherwise end on a day which is not a Canadian Business Day, it shall end on the next Canadian Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the preceding Canadian Business Day provided that, if a period starts on the last Canadian Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Canadian Business Day in that later month (and references to “months” shall be construed accordingly); and

- (k) references to any person shall include references to such person’s heirs, executors, personal administrators, successors, permitted assigns and transferees, as applicable, and any person deriving title under or through such person.

ARTICLE 2 STANDBY TRANSACTION ACCOUNT AND STANDBY GIC ACCOUNT

2.1 Instructions from the Cash Manager

Following delivery of a Standby Account Bank Notice and opening of the Standby Transaction Account and Standby GIC Account in accordance with Section 3.1, the Standby Account Bank shall, subject to Sections 2.4 and 5.3, comply with any direction of the Guarantor (or the Cash Manager on its behalf) given on a Canadian Business Day to effect a payment by debiting any one of the Standby Transaction Account or the Standby GIC Account, as applicable, and any additional or replacement Guarantor Accounts opened from time to time with the prior written consent of the Bond Trustee, if such direction (i) is in writing not later than close of business on the day on which such direction is given, or is given by the internet banking service provided by the Standby Account Bank, and (ii) complies with the Standby Transaction Account Mandate or the Standby GIC Account Mandate as appropriate (such direction shall constitute an irrevocable payment instruction).

2.2 Timing of Payment

The Standby Account Bank agrees that if directed pursuant to Section 2.1 to make any payment then, subject to Sections 2.4 and 5.3 below and applicable law, it will effect the payment specified in such direction not later than the day specified for payment therein and for value on the day specified therein provided that, if any direction specifying that payment be made on the same day as the direction is given is received later than 3:00 p.m. on any Canadian Business Day, the Standby Account Bank shall make such payment at the commencement of business on the following Canadian Business Day for value on such following Canadian Business Day.

2.3 Standby Account Bank Charges and Standby GIC Provider Charges

The charges of the Standby Account Bank and the Standby GIC Provider for the operation of each of the Guarantor Accounts maintained with the Standby Account Bank and the Standby GIC Provider shall be debited to the Standby Transaction Account only (i) to the extent such charges have not been paid by the Cash Manager directly to the Standby Account Bank and Standby GIC Provider, in which case, the Guarantor may directly

reimburse the Cash Manager, at the Cash Manager's request for such amounts on a monthly basis, and (ii) on each Guarantor Payment Date, and the Guarantor by its execution hereof irrevocably agrees that this shall be done. The charges shall be payable in accordance with the relevant Priorities of Payments at rates that are generally applicable to the business customers of the Standby Account Bank and the Standby GIC Provider provided that if there are insufficient funds standing to the credit of the Standby Transaction Account to pay such charges after payment by or on behalf of the Guarantor of any higher ranking obligations in the Priorities of Payments the Standby Account Bank and the Standby GIC Provider shall not be relieved of their obligations in respect of any of the Guarantor Accounts. For greater certainty (i) charges that may be charged by the Standby Account Bank and the Standby GIC Provider hereunder may include any and all fees and service charges relating to the Guarantor Accounts and chargebacks for any cheques, drafts and other payment items dishonoured or otherwise returned to the Standby Account Bank or the Standby GIC Provider in respect of the Guarantor Accounts, (ii) payments to the Standby Account Bank and the Standby GIC Provider rank *pro rata* and *pari passu* with payments to the asset monitor, among others in the Priorities of Payments, and (iii) the Standby Account Bank and the Standby GIC Provider shall not be responsible for determining or enforcing whether payment of charges are in accordance with the relevant Priorities of Payments.

2.4 No Negative Balance

Notwithstanding the provisions of Section 2.1, amounts shall only be paid or withdrawn, as the case may be, from any Guarantor Account to the extent that such payment or withdrawal does not cause the relevant Guarantor Account to have a negative balance.

ARTICLE 3 OPENING OF ACCOUNTS AND MANDATES

3.1 Opening of Standby Transaction Account and Standby GIC Account, Signing and Delivery of Mandates

- (a) Concurrently with the delivery by the Guarantor (or the Cash Manager on its behalf) to the Standby Account Bank of a Standby Account Bank Notice, the Guarantor (or the Cash Manager on its behalf) shall deliver with such Standby Account Bank Notice a completed Standby GIC Account Mandate and Standby Transaction Account Mandate in the form attached hereto as Schedule 1 or such other form as the Standby Account Bank or Standby GIC Provider may from time to time deliver to the Guarantor (or the Cash Manager on its behalf) prior to or within one Canadian Business Day of receipt by the Standby Account Bank and Standby GIC Provider of a Standby Account Bank Notice, provided such additional form is acceptable to the Guarantor (or the Cash Manager on its behalf), acting reasonably.
- (b) Promptly upon receipt by the Standby Account Bank of a Standby Bank Account Notice from the Guarantor (or the Cash Manager on its behalf) together with the completed Standby GIC Account Mandate and Standby Transaction Account Mandate, the Standby Account Bank shall confirm receipt of same to the Bond Trustee and that such Mandates are operative and shall open and hold the Standby Transaction Account and the Standby GIC Account in the name of the Guarantor in accordance with the terms of this Agreement.

- (c) For greater certainty, the Standby Account Bank acknowledges that the Mandates delivered from time to time pursuant to the terms hereof shall be subject to the terms of the Security Agreement, this Agreement and the Standby Guaranteed Investment Contract and to the extent of any inconsistency between the terms of such agreements and such mandates, the terms of such agreements shall govern.
- (d) For greater certainty and notwithstanding (c) above, the Standby Account Bank shall have no responsibility for knowing the contents of the Security Agreement or confirming that any action hereunder complies with the terms of the Cash Management Agreement or Security Agreement.
- (e) Subject to Section 7.3, each of the Standby Account Bank, as it relates to the Standby Transaction Account, and the Standby GIC Provider, as it relates to the Standby GIC Account, will maintain such account as long as the Guarantor is in compliance with the terms of the account documentation with respect thereto.

3.2 Amendment or Revocation

Each of the Standby Account Bank and Standby GIC Provider agrees that it shall notify the Bond Trustee as soon as is reasonably practicable and in accordance with Article 12 if it receives any amendment to or revocation of the Standby GIC Mandate or the Standby Transaction Account Mandate relating to the Guarantor Accounts (other than a change of authorized signatory, which may be made from time to time by the Guarantor (or the Cash Manager on its behalf)) and shall require the prior written consent of the Bond Trustee to any such amendment or revocation (other than a change of authorized signatory, which may be made from time to time by the Guarantor (or the Cash Manager on its behalf)) but, unless such Mandate is revoked, the Standby Account Bank and Standby GIC Provider may continue to comply with the relevant Mandate (as it may from time to time be amended in accordance with the provisions of this Section 3.2) unless it receives notice in writing from the Bond Trustee to the effect that a Guarantor Acceleration Notice has been served on the Guarantor and shall, thereafter, act solely on the instructions of the Bond Trustee or such person as the Bond Trustee may designate and in accordance with the terms of those instructions as provided in Section 5.3 of this Agreement.

ARTICLE 4 ACKNOWLEDGEMENT BY THE STANDBY ACCOUNT BANK

4.1 Restriction on Standby Account Bank's Rights

Notwithstanding anything to the contrary in the Mandates, the Standby Account Bank hereby:

- (a) agrees that, in its capacity as Standby Account Bank, it will not exercise any lien or, to the extent permitted by law, any set-off or transfer any sum standing to the credit of or to be credited to any of the Guarantor Accounts (except pursuant to Section 2.3 of this Agreement) in or towards satisfaction of any liabilities owing to it by any person (including, without limitation, any liabilities owing to it by the Guarantor or the Bond Trustee);
- (b) without prejudice to its rights as a Secured Creditor under the Security Agreement, agrees that it will not, solely in its capacity as Standby Account Bank and Standby

GIC Provider provide, procure, or take any steps whatsoever to recover any amount due or owing to it pursuant to this Agreement which could result in, the winding-up or liquidation of the Guarantor or any of its general partners or the making of an administration order in relation to the Guarantor or any of its general partners in respect of any of the liabilities of the Guarantor or of any of its general partners whatsoever for one year plus one day after all Covered Bonds are paid in full;

- (c) agrees that it will promptly notify the Guarantor, the Bond Trustee and the Cash Manager if compliance with any instruction would cause the relevant Guarantor Account(s) to which such instruction relates to have a negative balance, provided for greater certainty that Section 2.4 of this Agreement shall in any event apply to any such instruction; and
- (d) acknowledges that the Guarantor has, pursuant to the Security Agreement, *inter alia*, assigned by way of security all its rights, title, interest and benefit, present and future, in and to, all sums from time to time standing to the credit of the Guarantor Accounts and all of its rights under this Agreement to the Bond Trustee (for the benefit of the Secured Creditors).

4.2 Monthly Statement

Unless and until directed otherwise by the Bond Trustee, the Standby Account Bank shall and is hereby authorized to provide each of the Cash Manager, the Guarantor and the Bond Trustee with a written statement, to be made available through the Standby Account Bank's online banking platform, in respect of each Guarantor Account delivered in accordance with Article 12 on a monthly basis and also as soon as reasonably practicable after receipt of a written request for a statement.

4.3 Conflict with Mandate

Notwithstanding any other provision in a Mandate to the contrary, in the event of a conflict between the terms of this Agreement and the terms of such Mandate, the terms of this Agreement shall prevail to the extent of such conflict.

ARTICLE 5 INDEMNITY AND GUARANTOR ACCELERATION NOTICE

5.1 Standby Account Bank to Comply with Cash Manager's Instructions

Unless otherwise directed in writing by the Bond Trustee pursuant to Section 5.3, in making any transfer or payment from any Guarantor Account in accordance with this Agreement, the Standby Account Bank shall be entitled to act, without further inquiry, as directed by the Cash Manager pursuant to Section 2.1 and to rely as to the amount of any such transfer or payment on the Cash Manager's instructions in accordance with the relevant Mandate, and the Standby Account Bank shall have no liability hereunder to the Cash Manager, the Guarantor or the Bond Trustee for having acted on such instructions.

5.2 Indemnity

The Issuer, and subject to the prior ranking obligations set out in the relevant Priorities of Payments and to the extent of funds then standing to the credit of the Guarantor Accounts, the Guarantor, shall jointly and severally indemnify the Standby Account Bank and the Standby GIC Provider against any loss, cost, damage, charge or expense incurred by the Standby Account Bank or the Standby GIC Provider in complying with any instruction delivered pursuant to and in accordance with this Agreement or the Standby Guaranteed Investment Contract, respectively, save that this indemnity shall not extend to (i) the charges of the Standby Account Bank or the Standby GIC Provider for the operation of such accounts other than as provided in Section 2.3 of this Agreement; and (ii) any loss, cost, damage, charge or expense arising from any material breach by the Standby Account Bank of its obligations under this Agreement or any material breach by the Standby GIC Provider of its obligations under the Standby Guaranteed Investment Contract, and if necessary, as determined by a court of competent jurisdiction in a final non-appealable decision. For greater certainty payments to the Standby Account Bank and the Standby GIC Provider rank *pro rata* and *pari passu* with each other and with payments to the asset monitor, among others in the relevant Priorities of Payments. The Issuer and the Guarantor shall not amend the Priorities of Payments if such amendment negatively affects any payments (including the priority thereof) to the Standby Account Bank or the Standby GIC Provider without the consent of the Standby Account Bank or the Standby GIC Provider, as the case may be.

5.3 Consequences of a Guarantor Acceleration Notice

The Standby Account Bank acknowledges that, if it receives notice in writing from the Bond Trustee to the effect that the Bond Trustee has served a Guarantor Acceleration Notice on the Guarantor, all right, authority and power of the Cash Manager in respect of each of the Guarantor Accounts shall be terminated and be of no further effect and the Standby Account Bank agrees that it shall, upon receipt of such notice from the Bond Trustee, comply with the directions of the Bond Trustee or its designee in accordance with Section 3.2 in relation to the operation of each of the Guarantor Accounts. Following receipt of such notice, the Standby Account Bank shall be entitled to act, without further inquiry, on any direction received by the Bond Trustee or such designee pursuant to this Section 5.3 and to rely as to the amount of any such transfer or payment on the Bond Trustee's instructions in accordance with the relevant Mandate, and the Standby Account Bank shall have no liability hereunder to the Cash Manager, the Guarantor or the Bond Trustee for having acted on such instructions.

ARTICLE 6 CHANGE OF BOND TRUSTEE OR STANDBY ACCOUNT BANK

6.1 Change of Bond Trustee

- (a) If there is any change in the identity of the Bond Trustee in accordance with the Security Agreement, the Standby Account Bank, the Cash Manager and the Guarantor shall execute such documents and take such action as the successor Bond Trustee and the outgoing Bond Trustee may reasonably require for the purpose of vesting in the successor Bond Trustee the rights and obligations of the outgoing Bond Trustee under this Agreement and under the Security Agreement and releasing the outgoing Bond Trustee from any future obligations under this Agreement. Notice thereof will be given by the Guarantor, or the Cash Manager

on its behalf, to the Rating Agencies for so long as any of the Covered Bonds remain outstanding.

- (b) It is hereby acknowledged and agreed that by its execution of this Agreement the Bond Trustee shall not assume or have any of the obligations or liabilities of the Standby Account Bank, the Cash Manager or the Guarantor under this Agreement and that the Bond Trustee has agreed to become a party to this Agreement for the purpose only of taking the benefit of this Agreement and agreeing to amendments to this Agreement pursuant to Article 17. For the avoidance of doubt, the parties to this Agreement acknowledge that the rights and obligations of the Bond Trustee are governed by the Trust Deed and the Security Agreement. Any liberty or right which may be exercised or determination which may be made under this Agreement by the Bond Trustee may be exercised or made in the Bond Trustee's absolute discretion without any obligation to give reasons therefor, and the Bond Trustee shall not be responsible for any liability occasioned by so acting if acting pursuant to Section 7.03 of the Security Agreement.

6.2 Change of Standby Account Bank

If the identity of the Standby Account Bank changes, the Cash Manager, the Guarantor and the Bond Trustee shall execute such documents and take such actions as the new Standby Account Bank and the outgoing Standby Account Bank and the Bond Trustee may require for the purpose of vesting in the new Standby Account Bank the rights and obligations of the outgoing Standby Account Bank and releasing the outgoing Standby Account Bank from its future obligations under this Agreement.

ARTICLE 7 TERMINATION

7.1 Termination Events

The Guarantor (or the Cash Manager on its behalf):

- (a) may (with the prior written consent of the Bond Trustee, which consent shall not be withheld unless the Bond Trustee determines that the termination of this Agreement would be materially prejudicial to the interests of the holders of the Covered Bonds) terminate this Agreement in the event that the matters specified in paragraph (i), (vi) or (vii) below occur;
- (b) shall (with the prior written consent of the Bond Trustee, which consent shall not be withheld unless the Bond Trustee determines that the termination of this Agreement would be materially prejudicial to the interests of the holders of the Covered Bonds), and the Bond Trustee may in such circumstances, terminate this Agreement in the event that any of the matters specified in paragraphs (iii) to (v) (inclusive) below occur; and
- (c) shall terminate this Agreement in the event that any of the matters specified in paragraph (ii) below occur,

in each case by serving a written notice of termination on the Standby Account Bank in accordance with Article 12 (such termination to be effective three Canadian Business

Days following service of such notice and, in the case of Section 7.1(c), no later than five Canadian Business Days following the occurrence of any of the matters specified therein) which shall direct the Standby Account Bank to transfer all funds held in the Guarantor Accounts to replacement accounts under the terms of a new bank account agreement and a new guaranteed investment contract to be entered into by the parties hereto (excluding the Standby Account Bank and the Standby GIC Provider) substantially on the same terms as this Agreement and the Standby Guaranteed Investment Contract, respectively, with a financial institution which satisfies the Standby Account Bank Threshold Ratings in any of the following circumstances:

- (i) if a deduction or withholding for or on account of any taxes is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on any Guarantor Account;
- (ii) if the applicable ratings of the Standby Account Bank by one or more Rating Agencies fall below the Standby Account Bank Threshold Ratings;
- (iii) if the Standby Account Bank, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (iv) below, ceases or, through an authorized action of the board of directors of the Standby Account Bank, threatens to cease to carry on all or substantially all of its business;
- (iv) if an order is made or an effective resolution is passed for the winding-up of the Standby Account Bank except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction the terms of which have previously been approved in writing by the Guarantor and the Bond Trustee (such approval not to be unreasonably withheld or delayed);
- (v) if proceedings are initiated against the Standby Account Bank under any applicable liquidation, insolvency, bankruptcy, sequestration, composition, reorganisation (other than a reorganisation where the Standby Account Bank is solvent), winding up or other similar laws (including, but not limited to, presentation of a petition for an administration order) and (except in the case of presentation of petition for an administration order) such proceedings are not, in the reasonable opinion of the Guarantor, being disputed in good faith with a reasonable prospect of success or an administration order is granted or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official is appointed in relation to the Standby Account Bank or in relation to the whole or any substantial part of the undertaking or assets of the Standby Account Bank, or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of the Standby Account Bank, or a distress, execution or diligence or other process is levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Standby Account Bank and such possession or process (as the case may be) is not discharged or otherwise ceases to apply within 30 days of its commencement, or the Standby Account Bank initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation,

winding up or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally;

- (vi) default is made by the Standby Account Bank in the performance or observance of any of its covenants and obligations, or a breach by the Standby Account Bank is made of any of its representations and warranties, respectively, under Sections 8.1(d), 8.1(e), 8.1(f), 8.1(g), 8.1(h) and 8.1(i); or
- (vii) if the Standby Account Bank materially breaches its obligations under this Agreement or the Standby Guaranteed Investment Contract, provided that notification to the Rating Agencies of such termination is provided three Canadian Business Days prior to the date that such termination is to become effective,

provided that the Standby Account Bank shall be entitled to rely on any notice of termination delivered by the Guarantor or the Bond Trustee purporting to be delivered pursuant to this Section 7.1 and shall not be responsible for inquiring as to whether any required prior written consent has been obtained or confirming whether the terms of any such replacement arrangements apply. Upon termination pursuant to this Section 7.1, the Guarantor (or the Cash Manager on its behalf) shall not be responsible for any additional fees (other than such fees accrued to the date of termination) or penalties occasioned by such termination.

7.2 Notification of Termination Event

Each of the Guarantor, the Cash Manager, the Standby Account Bank and the Standby GIC Provider undertakes and agrees to notify the Bond Trustee in accordance with Article 12 promptly upon becoming aware thereof of any event which would or could entitle the Bond Trustee to serve a notice of termination pursuant to Section 7.1.

7.3 Automatic Termination

- (a) This Agreement shall automatically terminate (if not terminated earlier pursuant to this Article 7) on the date falling 90 days after the termination of the Guarantor Agreement and notice thereof from the Guarantor or the Cash Manager on its behalf to the other parties to this Agreement, provided that all amounts payable under Section 2.3 and Section 5.2 have been paid in accordance with the terms of this Agreement.
- (b) This Agreement shall automatically terminate (if not terminated earlier pursuant to this Article 7) upon the termination of the Standby Guaranteed Investment Contract pursuant to Article 5 therein.

7.4 Termination by Standby Account Bank

The Standby Account Bank may terminate this Agreement and cease to operate the Guarantor Accounts at any time on giving not less than three months' prior written notice thereof ending on any Canadian Business Day which does not fall on a Guarantor Payment Date or less than 10 Canadian Business Days before a Guarantor Payment Date to each of the other parties hereto provided that such termination shall not take effect (i)

until a replacement Standby Account Bank with applicable ratings by the Rating Agencies equal to or greater than the Standby Account Bank Threshold Ratings has entered into an agreement in form and substance similar to this Agreement; and (ii) the Rating Agency Condition has been satisfied in respect thereof. If the parties to this Agreement other than the Standby Account Bank and Standby GIC Provider have not agreed upon a replacement Standby Account Bank within 10 days of the end of the three-month notice period commencing after receipt by such parties of the Standby Account Bank's termination notice, the Standby Account Bank may petition any court of competent jurisdiction for the appointment of a successor Standby Account Bank and any such resulting appointment shall be binding upon all of the parties hereto. For greater certainty, the Standby Account Bank shall not be responsible for any costs or expenses occasioned by such termination and cessation. In the event of such termination and cessation the Standby Account Bank shall use commercially reasonable efforts to assist the other parties hereto to effect an orderly transition of the banking arrangements documented hereby and, for greater certainty, at no cost to the Standby Account Bank. Notwithstanding the foregoing, nothing in this Agreement shall prevent the Standby Account Bank from terminating this Agreement with a shorter notice period if required by applicable laws.

7.5 Termination by Guarantor or Cash Manager

The Guarantor or Cash Manager may terminate this Agreement at any time on giving not less than three months' prior written notice thereof ending on any Canadian Business Day which does not fall on a Guarantor Payment Date or less than 10 Canadian Business Days before a Guarantor Payment Date to each of the other parties hereto provided that such termination shall not take effect (i) until a replacement Standby Account Bank with applicable ratings by the Rating Agencies equal to or greater than the Standby Account Bank Threshold Ratings has entered into an agreement in form and substance similar to this Agreement; and (ii) the Rating Agency Condition has been satisfied in respect thereof. For greater certainty, the Standby Account Bank shall not be responsible for any costs or expenses occasioned by such termination and cessation. In the event of such termination and cessation the Guarantor or Cash Manager, as applicable, shall use commercially reasonable efforts to assist the other parties hereto to effect an orderly transition of the banking arrangements documented hereby and, for greater certainty, at no cost to the Standby Account Bank.

7.6 Notice of Termination to CMHC

The Guarantor or the Cash Manager shall provide notice to CMHC of the termination or resignation of the Standby Account Bank and of the Standby Account Bank's replacement contemporaneously with the earlier of (i) notice of such termination or resignation and replacement to a Rating Agency, (ii) notice of such termination or resignation and replacement being provided to or otherwise made available to holders of the Covered Bonds and (iii) five Canadian Business Days following such termination or resignation and replacement (unless the replacement has yet to be identified at that time, in which case notice of the replacement may be provided no later than 10 Canadian Business Days thereafter). Any such notice shall include (if known) the reasons for the termination or resignation of the Standby Account Bank, all information relating to the replacement required by the CMHC Guide and a revised and amended copy of this Agreement with such replacement. Notice of termination of the Standby Guaranteed Investment Contract pursuant to Article 5 therein shall be given contemporaneously and in the same form as notice provided herein regarding the Standby Account Bank.

ARTICLE 8 REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 Standby Account Bank Representations, Warranties and Covenants

The Standby Account Bank hereby represents and warrants to, and covenants with, each of the Guarantor and the Bond Trustee at the date hereof, on each date on which an amount is credited to any Guarantor Account held with the Standby Account Bank and on each Guarantor Payment Date, that:

- (a) it is a Schedule I Bank existing under the laws of Canada and duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, except where the failure to qualify would not have a Material Adverse Effect;
- (b) the execution, delivery and performance by the Standby Account Bank of this Agreement (i) are within the Standby Account Bank's corporate powers, (ii) have been duly authorized by all necessary corporate action, and (iii) do not contravene or result in a default under or conflict with (1) the charter or by-laws of the Standby Account Bank, (2) any law, rule or regulation applicable to the Standby Account Bank, or (3) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting the Standby Account Bank or its property;
- (c) it is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (d) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under this Agreement and the other documents in connection with the Programme to which it is a party and it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions hereunder;
- (e) it will comply with the provisions of, and perform its obligations under, this Agreement, the other documents in connection with the Programme to which it is a party and the CMHC Guide;
- (f) it is and will continue to be in good standing with OSFI;
- (g) it is and will continue to be in material compliance with its internal policies and procedures relevant to the services to be provided by it pursuant to this Agreement and the other documents in connection with the Programme to which it is a party;
- (h) it is and will continue to be in material compliance with all laws, regulations and rules applicable to it in relation to the services provided by it pursuant to this Agreement and the other documents in connection with the Programme to which it is a party; and
- (i) the applicable ratings of Standby Account Bank are rated by each of the Rating Agencies at ratings or above the Standby Account Bank Threshold Ratings.

8.2 Notification and Survival

The Standby Account Bank undertakes to notify the Guarantor and the Bond Trustee immediately if, at any time during the term of this Agreement, any of the statements contained in Section 8.1 ceases to be true. The representations, warranties and covenants set out in Section 8.1 shall survive the signing and delivery of this Agreement.

ARTICLE 9 NON-PETITION

Each of the parties hereto agrees that it shall not institute or join any other Person or entity in instituting against, or with respect to, the Guarantor, or any of the general partners of the Guarantor, any bankruptcy or insolvency event so long as any Covered Bonds issued by the Issuer shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any such Covered Bonds shall have been outstanding. The foregoing provision shall survive the termination of this Agreement by any of the parties hereto.

ARTICLE 10 FURTHER ASSURANCE

The parties hereto agree that they will co-operate fully to do all such further acts and things and execute any further documents as may be necessary or reasonably desirable to give full effect to the arrangements contemplated by this Agreement.

ARTICLE 11 CONFIDENTIALITY

None of the parties hereto shall during the term of this Agreement or after its termination disclose to any Person whatsoever (except as provided herein, in accordance with the CMHC Guide, the Covered Bond Legislative Framework or in any other document in connection with the Programme to which it is a party or with the authority of the other parties hereto or so far as may be necessary for the proper performance of its obligations hereunder or unless required by law or any applicable stock exchange requirement or any governmental, regulatory or other taxation authority or ordered to do so by a court of competent jurisdiction or by the Canada Revenue Agency) any information relating to the business, finances or other matters of a confidential nature of any other party hereto of which it may in the course of its duties hereunder have become possessed and each of the parties hereto shall use all reasonable endeavours to prevent any such disclosure.

ARTICLE 12 NOTICES

Any notice, direction or other communication to be given pursuant to this Agreement to any of the parties hereto shall be in writing and given by delivering it or sending it by prepaid first class mail to the registered office of such party set forth above unless an alternative address is provided below, in which case delivery shall be to the address provided below or by facsimile transmission to the facsimile number set forth below, or by electronic mail to the address set forth below, as applicable:

- (a) in the case of the Bank as Cash Manager to:

Equitable Bank
30 St. Clair Avenue West, Suite 700
Toronto, Ontario
Canada M4V 3A1

Attention: Alex Prokoudine, Vice-President, Capital Markets
Fax : 1- 416-515-7001
Email: aprokoudine@eqbank.ca

(b) in the case of the Guarantor to:

EQB Covered Bond (Legislative) Guarantor Limited Partnership
66 Wellington Street West, Suite 5300
TD Bank Tower
Toronto, Ontario
Canada M5K 1E6

Attention: Michael Mignardi
Fax: 1-416-515-7001
Email: mmignardi@eqbank.ca

With a copy to:

Equitable Bank
30 St. Clair Avenue West, Suite 700
Toronto, Ontario
Canada M4V 3A1

Attention: Alex Prokoudine, Vice-President, Capital Markets
Fax: 1-416-515-7001
Email: aprokoudine@eqbank.ca

(c) in the case of the Standby GIC Provider or the Standby Account Bank, to:

The Bank of Nova Scotia
40 King Street West, 66th Floor
Toronto, Ontario
Canada M5H 1H1

Attention: Robert Irvine, Associate Director, Non-Bank Financial Institutions
Sales
Email: robertj.irvine@scotiabank.com
mag@scotiabank.com

(d) in the case of the Bond Trustee to:

Computershare Trust Company of Canada
100 University Avenue
11th Floor

Toronto, Ontario
Canada M5J 2Y1

Attention: Manager, Corporate Trust
Email: corporatetrust.toronto@computershare.com

Notices delivered or transmitted by facsimile, or by electronic mail, to a party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Canadian Business Day prior to 4:00 p.m. local time in the place of delivery or receipt. If any notice is delivered or transmitted by facsimile, or by electronic mail, after 4:00 p.m. local time or if the day is not a Canadian Business Day, then such notice shall be deemed to have been given and received on the next Canadian Business Day. Any party may change its address for notice, or facsimile contact information, or electronic mail contact information, for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such party at its changed address, or facsimile contact information, or electronic mail contact information, as applicable.

ARTICLE 13 INTEREST

- 13.1 In respect of each period from (and including) the first day of each month (or, in respect of the first such period, the first applicable day) to (and including) the last day of each month, the Standby Account Bank shall pay, on the 10th Canadian Business Day after month end, interest in arrears on any cleared credit balances on the Standby Transaction Account and any other accounts opened by the Guarantor with the Standby Account Bank other than the Standby GIC Account at the same rates that are generally applicable to the business customers of the Standby Account Bank.
- 13.2 Notwithstanding Section 13.1 above, interest shall be paid on the Standby GIC Account in accordance with the terms of the Standby Guaranteed Investment Contract.

ARTICLE 14 PAYMENTS AND WITHHOLDING

The parties hereto agree that payments required to be made hereunder shall be made in accordance with Article 2 and that all payments by the Standby Account Bank under this Agreement shall be made in full without any deduction or withholding (whether in respect of set-off, counterclaim, duties, taxes, charges or otherwise whatsoever) unless the deduction or withholding is required by law, in which event the Standby Account Bank shall:

- (a) ensure that the deduction or withholding does not exceed the minimum amount legally required, based on the advice of counsel to the Standby Account Bank;
- (b) pay to the relevant taxation or other authorities within the period for payment permitted by applicable law the full amount of the deduction or withholding;
- (c) furnish to the Guarantor and the Bond Trustee within the period for payment permitted by the relevant law, either:

- (i) an official receipt of the relevant taxation or other authorities involved in respect of all amounts so deducted or withheld; or
 - (ii) if such receipts are not issued by the taxation or other authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding; and
- (d) account to the Guarantor in full by credit to the Standby GIC Account for an amount equal to the amount of any rebate, repayment or reimbursement of any deduction or withholding which the Standby Account Bank has made pursuant to this Article 14 and which is subsequently received by the Standby Account Bank and, for greater certainty, the Standby Account Bank will have no obligations to obtain any rebate, repayment or reimbursement of any such deduction or withholding.

ARTICLE 15 ENTIRE AGREEMENT

This Agreement and the Standby Guaranteed Investment Contract contain the entire agreement and understanding between the parties hereto in relation to the services to be performed hereunder and supersede any prior agreements, understandings, arrangements, statements or representations relating to such services. Nothing in this Article or Agreement will operate to limit or exclude any liability for fraud.

ARTICLE 16 ASSIGNMENT

- (a) Save as provided in or contemplated in this Agreement, no party hereto (other than the Bond Trustee) may assign or transfer any of its rights or obligations hereunder, and the Standby Account Bank may not act through any other branch outside of the Province of Ontario, without the prior written consent of the other parties hereto and the Rating Agency Condition having been satisfied in respect of any such assignment or transfer.
- (b) Notwithstanding the provisions of paragraph (a) above, the parties hereto acknowledge that the Guarantor may assign all its rights, title and interest in this Agreement to the Bond Trustee, for the benefit of the Secured Creditors, in accordance with and pursuant to the terms of the Security Agreement and confirm that satisfaction of the Rating Agency Condition shall not be required in respect thereof.

ARTICLE 17 AMENDMENTS, VARIATION AND WAIVER

- (a) Any amendment, modification or variation to this Agreement or waiver of rights under this Agreement requires the prior written consent of the Standby Account Bank and, subject to Section 8.02 of the Security Agreement, any amendment, modification or variation to this Agreement or waiver of rights under this Agreement will also require the prior written consent of each other party to this Agreement.

- (b) Subject to the following sentence, each proposed amendment, modification, variation or waiver of rights under this Agreement that is considered by the Guarantor to be a material amendment, modification, variation or waiver of rights under this Agreement, shall be subject to satisfaction of the Rating Agency Condition. For certainty, any amendment to (a) the definition of “Standby Account Bank Threshold Ratings” that (i) lowers the ratings specified therein, or (ii) changes the applicable rating type, in each case as provided for in this Agreement, or (b) the consequences of breaching a Standby Account Bank Threshold Rating, 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. The Guarantor (or the Cash Manager on its behalf) shall deliver notice to the Rating Agencies from time to time of any amendment, modification, variation or waiver of rights under this Agreement for which satisfaction of the Rating Agency Condition is not required, provided that failure to deliver such notice shall not constitute a breach of the obligations of the Guarantor under this Agreement.
- (c) Notwithstanding the foregoing, if at any time the Issuer determines that any one rating agency shall no longer be a Rating Agency, then, so long as (i) the Programme is in compliance with the terms of the CMHC Guide, and (ii) each outstanding series of Covered Bonds is rated by at least two Rating Agencies, the ratings triggers for such rating agency will no longer be applicable to the Programme without any action or formality, including for greater certainty confirmation of the satisfaction of the Rating Agency Condition from any Rating Agency or consent or approval of the Bond Trustee or the holders of the Covered Bonds. Any amendments to this Agreement to reflect the foregoing shall be deemed not to be a material amendment and may be made without the requirement for satisfaction of the Rating Agency Condition from any Rating Agency or consent or approval of the Bond Trustee or the holders of the Covered Bonds.
- (d) For greater certainty, this Agreement may only be amended, modified, varied or the rights hereunder waived by written agreement between the parties hereto and any failure or delay by a party hereto in enforcing, or insisting upon strict performance of, any provision of this Agreement will not be considered to be an amendment, modification, variation or waiver of such provision or in any way affect the validity or enforceability of this Agreement.

ARTICLE 18 EXCLUSION OF THIRD PARTY RIGHTS

Except as otherwise expressly provided in this Agreement, the parties hereto intend that this Agreement will not benefit, or create any right or cause of action on behalf of, any Person other than a party hereto and that no Person, other than a party hereto, will be entitled to rely on the provisions of this Agreement in any proceeding.

ARTICLE 19 SCOPE OF DUTY

The Standby Account Bank undertakes to perform only such duties as are expressly set forth in this Agreement and to deal with the Guarantor Accounts with the degree of skill and care that the Standby Account Bank accords to all accounts and funds maintained and held by it on behalf of its customers. Notwithstanding any other provision of this Agreement, the parties hereto agree that the Standby Account Bank shall not be liable for any action taken by it or any of its directors, officers or employees in accordance with this Agreement except, subject to Section 5.1, breach of this Agreement, for its or their own gross negligence or willful misconduct, and if necessary, as determined by a court of competent jurisdiction in a final non-appealable decision. In no event shall the Standby Account Bank be liable for (i) losses or delays resulting from force majeure, computer malfunctions, interruption of communication facilities or other causes beyond the Standby Account Bank's control or for indirect or consequential damages, or (ii) any loss due to any altered, forged, fraudulent or unauthorized Financial Instruments.

ARTICLE 20 WAIVER OF FORMALITIES

The Guarantor hereby waives in favour of the Standby Account Bank certain statutory or other customary formalities of the *Bills of Exchange Act* (Canada) which include, for greater certainty, formalities relating specifically to presentment, protest, noting and notice, with respect to all Financial Instruments prepared, signed or endorsed and delivered to the Standby Account Bank hereunder; and the Standby Account Bank shall not, in any circumstances, be liable for the failure or omission to carry out any such formalities in connection with any Financial Instrument.

ARTICLE 21 COUNTERPARTS AND ELECTRONIC EXECUTION

This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original and all of which taken together shall constitute one and the same Agreement. Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

ARTICLE 22 GOVERNING LAW

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to conflict of law principles.

ARTICLE 23 SUBMISSION TO JURISDICTION

Each of the parties hereto irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario in any action or proceeding arising out of or relating to this Agreement, and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this Agreement hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the courts of the Province of Ontario are an inconvenient forum for the maintenance or hearing of such action or proceeding.

ARTICLE 24 LIABILITY OF LIMITED PARTNERS

EQB Covered Bond (Legislative) Guarantor Limited Partnership is a limited partnership formed under the *Limited Partnerships Act* (Ontario), a limited partner of which is, except as expressly required by law, only liable for any of its liabilities or any of its losses to the extent of the amount that the limited partner has contributed or agreed to contribute to its capital.

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SCHEDULE 1
FORM OF MANDATE

In the form attached

Scotiabank Financial Services Agreement

(Global Banking &
Markets - Canada)



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1. Your Agreement with Us

1.1 You acknowledge that this Agreement is entered into between you and us for valuable consideration and sets out the terms under which we will operate your accounts, carry out your instructions, and provide certain financial products and services to you.

1.2 **“You”, “your” and “Customer”** mean the customer who signs or otherwise agrees to be bound by this Agreement. **“We”, “our”, “us”, the “Bank” and “Scotiabank”** means The Bank of Nova Scotia. Please refer to Section 25 for other definitions used in this Agreement.

1.3 When you sign the Scotiabank Financial Services Agreement Signature Form, you are bound by the terms and conditions of this Agreement in relation to all of your accounts with us and each instruction (including Payment Instructions) given on the account(s). When you sign any Service Agreement, you are bound by the terms and conditions of this Agreement in relation to the account(s) and service(s) described in the Service Agreement, including each instruction given on the account(s) or service(s). Each such account and service subject to the terms and conditions of this Agreement is a “Service”. This Agreement supersedes and replaces any previous Scotiabank Financial Services Agreement between you and us relating to the Services.

1.4 In the event of conflict or inconsistency between any provision of this Agreement and the corresponding provision in any Service Agreement or Service Materials, the applicable provision in this Agreement will always govern and prevail, unless the relevant Service Agreement or Service Material expressly states otherwise.

1.5 If you are a partnership, joint venture or other type of organization that is not incorporated, each individual or entity which is a member (but not the limited partners of a limited partnership) is responsible for all of your obligations, indebtedness and liability to us under this Agreement and each Service Agreement, even if the partnership, joint venture or other organization is dissolved or terminated or the membership or partners or constituting documents change. If you consist of more than one Person, each Person will be jointly and severally responsible for your obligations, indebtedness and liability to us.

2. The Services and Service Materials

2.1 Our agreement to provide any particular Service will be given by notice to you or signified by our starting to provide the requested Service.

2.2 You must: (i) promptly give us any information we reasonably request from you from time to time in connection with any Service or Service Agreement and (ii) immediately notify us of any changes to the information and documentation you give to us.

2.3 You agree not to use any of our Services or give any instructions for any unlawful or improper purpose, or otherwise in violation of applicable laws and rules, including Sanctions. You agree to perform your obligations under this Agreement and each Service Agreement in accordance with applicable laws and rules.

2.4 Except as contemplated in Section 2.5 below, you agree to make your own arrangements to provide the equipment and software you need to meet your desired levels of service, security and reliability. All equipment and software must meet our requirements and specifications for the Service we are providing. All purchase, installation and maintenance costs will be at your expense.

2.5 You agree to follow or use, as applicable, the most current procedures, forms, user guides, software, equipment and other information and materials, whether in written or electronic form (collectively, the **“Service Materials”**) that we provide or make available to you for any Service. The following additional terms apply to the Service Materials:

(a) You will have a non-exclusive license to use the Service Materials solely for the Service(s) for which they are provided. You are not entitled to assign this license and the license for each Service Material will end immediately upon the termination of our provision of the relevant Service(s). You do not acquire any ownership or copyright interests or rights in the Service Materials.

(b) You will not disassemble or reverse engineer any software comprising any part of the Service Materials. You will not copy, remove, modify, transfer, adapt or translate the Service Materials without our consent.

(c) You will treat as confidential any software and written material forming part of the Service Materials and will not disclose them to any third party. This obligation will not apply to information that is in the public domain or that you can obtain from a third party without a breach of any obligation by that third party to us.

2.6 Except as expressly stated in this Agreement, each Service Agreement, and any related Service Materials, no representations, warranties and conditions of any kind, whether express, implied or statutory, are made by the Bank with respect to the Services. We expressly disclaim implied warranties of merchantability and fitness for a particular purpose. We do not warrant that the Services will operate error-free or without interruption or Disabling Codes.

2.7 You confirm that all credits to your account(s) are and will be beneficially owned by you and that the Services will not be used to conduct business on behalf of any Person other than the Customer (except as specified in a Service Agreement or as otherwise agreed in writing by the Bank).

3. Your Instructions and Authorizations

3.1 You authorize us to act on any instruction (including Payment Instructions) received from you or in your name, or on your behalf, or using your Authentication ID with respect to any Service or this Agreement, even if it differs in any way from any previous instruction sent to us, and to rely on such instruction as being valid, correct, authorized by, and binding on you.

3.2 We may at any time without prior notice refuse to act upon any instructions (including Payment Instructions) if: (i) to do so would cause you to exceed any daily processing limits or other restrictions to the applicable Service, (ii) there are not sufficient Cleared Funds in your account(s), (iii) the instructions are incomplete or inconsistent, illegible or do not comply with the rules of any applicable Clearing and Payment System or any other reasonable requirements for completion we specify to you, (iv) to do so may contravene a court order, garnishment, trust provision, or cause us to fail to comply with any laws and rules, or (v) otherwise for any proper or lawful reason.

3.3 We may, but are not obligated to, act on any oral instructions. You authorize us to record any telephone or other verbal communication, and that such recording may be used as conclusive evidence of the content of that communication in any legal proceeding.

3.4 You acknowledge and agree that, if the words and numbers of a Payment Instruction differ, the words shall prevail and be deemed to be correct. If there is a discrepancy between any Payment Instruction and the written confirmation of it or any such instruction is otherwise ambiguous, such instruction as we understood it will be taken as correct.

3.5 You must: (i) ensure that all your instructions to us meet our requirements with regard to form (and formatting requirements), signatures, verification and authorization, and (ii) give us specific authorization or additional information if reasonably required by us.

3.6 We are authorized to rely on any signature appearing on an instruction that is, or purports to be, a signature of the Customer or any Representative of the Customer, including any signature affixed by mechanical, electronic, or other non-manual means, as being valid, authorized by, and binding on, the Customer.

3.7 You shall be solely responsible for all instructions from, and actions of, your Representatives in relation to each Service.

4. Your Payment Obligations

4.1 You are responsible for settling payment of your Payment Instructions. Unless you have made specific arrangements with us, you will ensure that your accounts have sufficient Cleared Funds to settle any Payment Instructions at the time that you give us the instruction. The reported balances for your account may include amounts which are not Cleared Funds.

4.2 We may process your Payment Instructions and any charges to your accounts in any order we determine for efficient processing and that complies with applicable laws and rules. Where more than one Payment Instruction is presented for payment on your account, the order of processing may affect whether any such Payment Instruction is honoured if there are insufficient Cleared Funds in the account.

4.3 You acknowledge that we must clear Payment Instructions using one or more Clearing and Payment Systems and are bound by the rules of any Clearing and Payment Systems we use. These rules affect the procedures we must follow to settle your Payment Instructions and clear funds for you.

4.4 We reserve the right to clear and transfer Payment Instructions through any financial institution, Clearing and Payment System, or other Person, and in any manner, we deem appropriate, whether they are drawn on your account or negotiated by you. You agree to grant us sufficient time to settle all instructions and acknowledge that we may, in our discretion, delay crediting your account or place a hold on any credit to your account until we receive the Cleared Funds for the Payment Instruction.

4.5 If we cannot charge a payment, chargeback, fee or expense to your account(s) with us because of insufficient funds or for any other reason, or if we ask you to, you must immediately pay us any amounts you are required to pay under this Agreement or any Service Agreement, plus interest at the overdraft rate published in the Schedule of Rates or such other rate as may be agreed from time to time between you and us. Interest will be calculated on a daily basis and will be payable monthly or as we may otherwise require.

4.6 We may, but are not required to, confirm or obtain endorsements for Instruments. If a Service we provide involves accepting and processing unendorsed third party cheques, we may do so. You will reimburse us for any amount we cannot collect as a result of a problem in clearing an unendorsed third party cheque.

4.7 You waive presentment, notice of dishonour, protest, and notice of protest of any Instrument. You will be liable to us on any Instrument as if it had been duly presented, protested and notice of dishonour and protest had been given as provided by applicable laws and rules.

5. Cancellation of Payment Instructions

5.1 We may treat all Payment Instructions as final when given to us.

5.2 You may not reverse, change, recall, stop or cancel (collectively called "Cancel") any Payment Instruction without our consent. We will use commercially reasonable efforts to comply with your cancellation instructions, but you acknowledge that: (i) we must follow the rules of all applicable Clearing and Payment Systems and (ii) we will have no obligation to hold the affected funds or return the funds to you unless we are able to have the Payment Instruction cancelled and Cleared Funds are returned to us.

5.3 Each cancellation instruction must follow the procedures and forms set out in the Service Materials, or such other procedures or forms we may provide to you from time to time for this purpose, and must be received by us before final settlement.

5.4 You are responsible for any cost of a cancellation at the rates set out in the Schedule of Rates or such other rates as we may agree with you from time to time.

6. Debits (including Chargeback and Set-Off)

6.1 You irrevocably authorize us to charge and debit the following to, and against, any of your accounts with us:

- (a) the amount you ask us to pay in any Payment Instruction;
- (b) the amount of any Payment Instruction we have paid to you or credited to any of your accounts that is dishonored, rejected, returned or reversed (or otherwise not paid) in whole or in part for any reason (including fraud, loss or endorsement error) together with all related costs;
- (c) the amount of any counterfeit or otherwise invalid currency deposited or transferred to any of your accounts;
- (d) payment of any amount you owe us, including fees, charges, costs, expenses, and taxes; and
- (e) the amount of any deposit credited to any of your accounts in error or otherwise improperly.

6.2 We may at any time and from time to time, without notice to you, set-off and apply any credit balance you may have in any of your accounts with us or any other obligation of any kind that we or any of our affiliates may have to you (whether or not presently due), against any indebtedness, liability or obligation of any kind that you may have to us or to any of our affiliates (whether or not presently due) and you hereby irrevocably authorize us to do so. This right is in addition to any other rights that we may have with respect to set-off or combining accounts.

7. Foreign Currency

7.1 We may, in our discretion, accept payments or permit Payment Instructions to be given on your account in a currency other than the currency of the applicable account, but upon doing so, we may convert the incoming currency to the currency of the applicable account and in that regard, we may sell to you or purchase from you the amount of the other currency required to settle your

instruction. The sale or purchase will be at our customer rate of exchange in effect at the time. Any costs for this exchange will be added to the sale amount payable by you or deducted from the purchase amount otherwise payable to you. We will charge the resulting total sale amount or credit the resulting net purchase amount to your account. We are not responsible for any loss you may incur due to changes in foreign currency exchange rates or funds not being available due to foreign currency restrictions.

8. Overdrafts

8.1 On occasion we may allow, in our discretion, one or more of your accounts with us to be overdrawn even though you do not have an overdraft facility. Interest is calculated daily on the closing overdrawn balance at the overdraft rate published in the Schedule of Rates. In addition, an overdraft handling fee applies for each Payment Instruction or other item which places your account in an overdrawn position and for each additional item that is paid while the account is overdrawn (normal transaction fees still apply). The overdraft handling fee is also published in the Schedule of Rates. Each such overdraft, together with accrued interest and related fees, will be immediately due and payable in full.

9. Verifying Your Accounts

9.1 We will provide you with periodic statements of your accounts in printed or electronic form.

9.2 You must review each statement carefully to check and verify all entries have been properly recorded. If you believe there are any errors, omissions or other discrepancies of any kind whatsoever, whether or not arising from unlawful or improper actions, you must tell us in writing within 30 days of the statement date. Except for errors, omissions and discrepancies that you identify to us in writing within that 30 day period (but in that case, subject to Section 16 of this Agreement), and except for amounts mistakenly or improperly credited to your account (which we may correct at any time), after that 30 day period it will be conclusively settled that:

- (a) all entries and the balance shown in your statement is correct;
- (b) all instructions affecting your account are authentic, duly authorized, properly issued and otherwise valid; and
- (c) the use of any Service shown is correct.

9.3 After that 30 day period, you cannot claim, for any purpose, that any entry on your statement is incorrect and will have no claim against us for reimbursement relating to an entry, even if the instruction charged to your account was forged, unauthorized or fraudulent or was improperly charged for any other reason whatsoever.

9.4 We will tell you in the Service Materials or by way of written or electronic notice if the nature of any Service requires more frequent statements, exchange of information, reports or verification than described generally for the account. The account verification conditions described above will apply regardless of the reporting frequency.

9.5 We will mail your statements of account to your latest address on our records or make them available for pick-up at the branch or electronically, as may be agreed in writing from time to time. You will notify us promptly, in writing, of any change of your address. If

you do not receive a statement, or pick it up where this has been agreed, within 10 days after the end of the statement period, you must let us know within 15 days after the end of the statement period. If you do not let us know, you will be deemed to have received the statement 5 days after the end of the statement period, for all purposes, including the 30 day period to review the statement and advise us of any error.

10. Security Procedures

10.1 You agree to comply with all security procedures we communicate to you from time to time in relation to the Services, including those in this Agreement, each Service Agreement, and the Service Materials.

10.2 You agree to keep any tokens, keys, access codes, security devices, digital certificates, passwords, PIN, and verification procedures created or issued in relation to the Services (collectively, your “**Authentication ID**”) safe and confidential, and change them at least as often as specified in the security procedure.

10.3 We may, at our option, with no obligation to do so, establish and use procedures as we deem appropriate to verify the source and authenticity of instructions given to us, including contacting any of your authorized signatories, before acting on it.

10.4 You must immediately inform the Bank of any actual or suspected unauthorized use of any Service and if any of your Authentication ID becomes known to any third person who is not authorized to possess and use such Authentication ID, and you must promptly report to the Bank any other errors or irregularities in any Service. You agree to provide us with all information necessary for us to investigate any actual or suspected unauthorized use, error or irregularity in relation to any Service, including any documentation or testimony we may reasonably request.

10.5 You agree to maintain security systems, procedures and controls to effectively prevent and detect:

- theft of funds and Instruments;
- forged, fraudulent and unauthorized instructions (including Payment Instructions); and
- losses due to fraud, forgery, unauthorized access to any Service or other improper or unlawful actions (including unauthorized access to your Authentication IDs and equipment used in giving instructions).

10.6 The Customer is responsible for advising all applicable Persons of the delivery methods which may be used in connection with the Services. The Customer agrees with and assumes full responsibility for the risks associated with the communication methods used in connection with the Services, including the risks that the use of mail, courier, or unencrypted electronic communications (including fax and email): (i) may not be secure, private and confidential, (ii) may not be reliable and may not be received by the intended recipient promptly or at all, and (iii) may be subject to interception, loss and alteration.

11. Electronic Communications and Electronic Signatures

11.1 You authorize us to accept electronic communications and electronic signatures from you or on your behalf, and consent to

receiving electronic communications from us, in relation to this Agreement, any Service Agreement, and the Services.

11.2 You agree that all electronic communications shall have the same legal effect as if in paper format with handwritten signatures and will constitute a "writing" for the purposes of all applicable laws and rules.

11.3 You acknowledge that (i) the form, format and delivery of each electronic communication will permit you to retain, store and subsequently access and retrieve such electronic communication without the requirement of any specialized or proprietary equipment or software from us and (ii) it is your responsibility to acquire and maintain the necessary computer equipment and software to deliver, receive, store, retain and subsequently access each electronic communication. You acknowledge that we may, but are not obligated to, store and maintain, and may delete, at our discretion, any electronic communication.

11.4 Our methods of storing, maintaining and retrieving any electronic communication, including any electronic signatures associated with such electronic communication, and our data systems, maintain the integrity of the electronic communication. You agree that electronic communications maintained by us will be admissible in any legal or other proceedings as conclusive evidence as to the contents of those electronic communications in the same manner as an original paper document. To the fullest extent permitted by applicable laws and rules, you waive any defence, or waiver of liability, based on the absence of a written document in paper format, with handwritten signatures.

11.5 At our discretion, we may require: (i) electronic communications be delivered using technology acceptable to the Bank including the use of a secure electronic signature, and (ii) any electronic communication from you or on your behalf to be delivered to us in paper format or with handwritten signatures. If we require that you acknowledge your agreement by clicking the appropriate button, you will follow any instructions that we provide to indicate your agreement (which may include typing your name and/or clicking "I Agree" or similar button).

11.6 When your handwritten or electronic signature is delivered by facsimile, email or other electronic or digital transmission, such transmission shall constitute delivery of an executed copy of the document. If you use an electronic signature to indicate your agreement, you shall ensure that your electronic signature is attached to or associated with the relevant electronic communication.

11.7 In accordance with our internal documents retention policies as amended and replaced from time to time, we may retain a copy (in any form, including photocopy, electronic image, and CD-ROM) of any and all documents in respect of your Services, instead of any original paper copies. You agree that our records containing such copies will be considered to be conclusive evidence of the original documents and their contents for all purposes.

12. Our Service Obligations

12.1 Subject to Section 14, we are under no obligation to provide you with any Service. Each Service will be provided in our sole discretion.

12.2 You authorize us to retain the services of any financial institution, Clearing and Payment Services provider, delivery service, communications provider, or other third party service provider as we consider necessary or desirable in connection with the Services.

12.3 You acknowledge that our provision of each Service will be subject to applicable laws and rules and agree that we may comply with: (i) any lawful demand from a governmental or regulatory authority, Clearing and Payment System, or to the extent applicable to the provision of any Service to you, any other Person and (ii) any garnishment, attachment, levy, administrative order, subpoena, summons, or other legal or administrative process.

13. Fees and Charges

13.1 You agree to pay the fees, charges and interest promptly when due, as set out in the Schedule of Rates or any other agreed fee arrangement, any Service Agreement, and each statement relating to your accounts. You also agree to pay all taxes we must collect on the Services we provide to you. If any Service to you is cancelled in the first 15 days of a month, you will be charged, and you agree to pay, a prorated fee for that month equal to 50% of the average monthly billed amount for such Service over the prior 3 month period. If any Service to you is cancelled after the 15th day of a month, you will be charged and you agree to pay a monthly fee for that month equal to 100% of the average monthly billed amount for such Service over the prior 3 month period.

13.2 We may change any of our fees, charges or interest rates. If we do, we will give you notice at least 30 days before they go into effect.

13.3 We will advise you of fees, charges, interest and other amounts we deduct from your accounts.

13.4 You agree to pay us for any out-of-pocket or other expenses we incur at your request or in the course of providing a Service to you. These expenses include communication charges, transmission charges, and transportation or delivery charges incurred by us.

13.5 If the fees and charges you pay are based on your agreement to maintain a specified level of transaction volumes or deposits, you agree that:

- (a) we reserve the right to revise the fees and charges if actual transaction volumes during any 12 month period differ by more than 15% from the specified levels;
- (b) we reserve the right to revise the fees and charges if actual average deposit balances during any 12 month period (beginning 3 months after the contract starting date) differ by more than 15% from the specified levels; or
- (c) if you cancel the applicable Service under this arrangement before the first anniversary of the Service Agreement, we reserve the right to collect the full amount of fees and charges that you would have been expected to pay over the full 12 month period.

13.6 If we pay you interest on your deposit balances based on your agreement to maintain a specified level of transaction volumes or deposits, you agree that we reserve the right to revise the interest arrangement if:

- (a) actual transaction volumes during any 12 month period differ by more than 15% from the specified levels, or
- (b) actual average deposit balances during any 12 month period (beginning 3 months after the contract starting date) differ by more than 15% from the specified levels.

14. Holds, Changes, Suspensions and Termination

14.1 We have the right to make additions, deletions or other changes to any Service and to amend or replace any Service Materials. We will give you notice at least 30 days before making any such changes that materially alters the nature of a Service. Your continued use of the relevant Service after the effective date of the change is an acknowledgement by you that you agree to and accept such change.

14.2 We will give you at least 30 days' prior notice of any amendment we make to the terms of any Service Agreement or this Agreement. Your continued use any Service after the effective date of such amendment, you will be deemed to have accepted the amendment.

14.3 This Agreement and any Service Agreement may be terminated by you or us for any reason upon at least 30 days' prior written notice to the other, subject to our overriding right of termination in Section 14.4. Any notice of termination of this Agreement will be deemed to also constitute written notice of termination of any outstanding Services and Service Agreements.

14.4 We may immediately cancel or suspend any or all Services and terminate any Service Agreement and this Agreement (including freezing or placing a hold on any funds in any account) at any time without notice if: (i) required by any law and rules, (ii) you default on any obligations to us under this or any other agreement to which you and we are parties, and applicable grace periods (if any) in such agreement shall have lapsed, (iii) any representation or warranty made by you to us in this Agreement or any other agreement is or becomes untrue, (iv) you become insolvent or bankrupt, (v) a receiver is appointed over a significant amount of your assets, (vi) we have reason to suspect that you are engaged in any improper or unlawful activity in connection with the Services, or are the victim of fraud or identity theft, (vii) we have notice of a possible claim or interest under any court order, statutory demand, or other governmental legislation, or (viii) we believe that it is necessary to terminate our relationship with you in order to protect our customers or employees from physical harm, harassment or other abuse, or any other circumstance or event which we believe has created or could create reputational risk or harm to the Bank.

14.5 If any Service is cancelled, you will be liable for all instructions (including Payment Instructions and pre authorized payments) issued before it was cancelled and for all payments required to be made by this Agreement and the relevant Service Agreement (if any).

14.6 If any Service is cancelled, you will promptly: (i) delete from your computer hardware any Service Materials for the Service consisting of software and (ii) return to us in good condition any keys, equipment and Service Materials which we have provided to you regarding the Service.

15. Inactive Accounts

15.1 We may elect not to send a statement to you regarding any account if there is no activity other than charges assessed or interest accrued, as applicable, in the account since either the date it was opened or the date of the last statement we have sent you.

15.2 If you have not had any contact with us concerning an account for at least one year, we may elect to designate the account as inactive. Inactive accounts cannot be accessed through any

automated banking machine or similar Service. You will need to contact the Scotiabank branch where the account is located to reactivate access to an inactive account. We may charge reasonable service fees to maintain an inactive account. We may close an account if you have not had any contact with us concerning the account and there has been no activity in the account for at least one year, and the balance of the account is nil. We will comply with applicable laws and rules concerning abandoned accounts, which may require us to transfer balances to the federal government.

16. Limits of our Liability

16.1 You acknowledge that our fees for Services may be small in relation to the value of your instructions from time to time and our willingness to provide the Services is based on the liability limitations contained in this Agreement and the Service Agreements. Without limiting the effect of any greater limitations on our liability provided elsewhere in this Agreement or in any Service Agreement, you agree that Scotiabank's liability for any Loss you suffer or incur in connection with the provision of any Service, or refusal to provide any Service, shall be limited exclusively to actual proven damages arising directly from Scotiabank's gross negligence or wilful misconduct. Under no circumstances will Scotiabank be liable for any indirect, consequential, incidental, special, punitive, aggravated, or exemplary Losses (including loss of data, lost profit, and opportunity costs), anticipated or actual, and whether or not the likelihood of such Loss was or ought to have been known to us at any time during the provision of the relevant Service. Any Loss for which we may be liable to you will be calculated from the time we should have made the funds available to you until the time we did make them available, or until you should have reasonably have discovered their loss, whichever is earlier.

16.2 Notwithstanding the foregoing, Scotiabank will not be liable for, and is hereby released from, any Loss resulting (in whole or in part) from:

- (a) the actions of, or failure to act by, you and your Representatives, including your failure to fulfil any of your obligations under this Agreement or any Service Agreement, or to comply with any instruction we may provide to you from time to time in connection with any Service;
- (b) the actions of, or failure to act by, correspondent banks, Clearing and Payment Systems, delivery service, utility or communications provider, or any other Person (excluding only if we are grossly negligent in our selection of, or instruction to, any third party service provider, and then our liability is subject to the other provisions of this Agreement and any applicable Service Agreement);
- (c) mistakes, errors, omissions, inaccuracies in or inadequacies of any information furnished to or obtained by Scotiabank in connection with the Services;
- (d) any Instrument or instruction that is forged (in whole or in part), has a material alteration or is otherwise fraudulent or unauthorized;
- (e) any cause beyond our control, including Force Majeure or electrical, computer, mechanical or telecommunications malfunction or failure;

- (f) a breach of any applicable laws and rules by you, or any Compliance Action taken by us, in relation to your use of any Services, including resulting from any instruction by you to us; and
- (g) the transmission of any Disabling Code and any related damage to your or any other Person's computer system.

17. Indemnity

17.1 Except to the extent caused directly from our gross negligence or wilful misconduct, you agree to indemnify and hold Scotiabank harmless from any and all Losses suffered or incurred by Scotiabank arising out of or relating to the Services, including:

- (a) any Compliance Action;
- (b) any Payment Instruction honoured, processed, negotiated, settled, changed, cancelled, reversed or refused;
- (c) your failure to properly provide information or comply with this Agreement or any Service Agreement or any breach of a representation or warranty made by you to us; or
- (d) our compliance with any garnishment, attachment, levy, administrative order, subpoena, summons, or other legal or administrative process.

17.2 Scotiabank will notify you if any claim arises for which you have agreed to indemnify us. We will each cooperate in dealing with the claim, including making available all necessary information, documentation, and witnesses. You agree that any costs (including any legal fees, disbursements, third party costs, or monies paid as a result of judgment or settlement) will be at your expense. You may defend a claim on our behalf subject to the following conditions: (i) you obtain our prior written consent before commencing the defence, (ii) your interests must not conflict with ours, (iii) you will not cause us to be exposed to further possible Loss, and (iv) you will not agree to any settlement of the claim without our prior written consent.

18. Notices

18.1 Except as otherwise provided in this Agreement or any Service Agreement, we may give you any notices by any means of written or electronic communication, or by posting notice in our branches or on our website, and any of those will be adequate delivery of such notice. We will use your last contact information on our records and, except as otherwise provided by laws and rules, you will be deemed to receive such notice five days after mailing, or at the time of delivery of a personal delivery, the sending of an electronic communication, or the posting of the notice in our branches or on our website.

18.2 You designate electronic mail and the internet banking services to which you have subscribed or will subscribe (each a "**Designated Information System**") as information systems through which we can deliver notices, documents and other information that we are required by applicable laws and rules to provide to you in relation to the Services, including product and service features, rates, fees, and our policies, procedures and practices ("**Regulatory Notices**"). With immediate effect, you consent to receiving Regulatory Notices through the Designated Information System. You may revoke your consent at any time. You are responsible for informing us of any changes to your Designated Information System, including any changes made to your contact information related to the Designated Information System. It may take up to 10 Banking Days for your revocation or notice of change to take effect. Regulatory Notices through a Designated

Information System will be retained by us and made available to you for 7 years. You are responsible for printing or downloading a copy of each Regulatory Notice.

18.3 Unless otherwise specified in an applicable Service Agreement, you must deliver any notices or communications concerning this Agreement or any Service to the branch where your applicable account is located.

19. No Assignment

19.1 You may not assign this Agreement or any Service Agreement without our prior written consent.

19.2 The terms and conditions in this Agreement and each Service Agreement are binding on you and your heirs, executors, administrators and other legal representatives, successors and permitted assigns, as applicable.

20. Collection, Use, Disclosure and Retention of Information

20.1 You authorize us to collect, use, disclose and retain information about you from time to time for any purpose relating to our relationship with you, including:

- to open and operate your account(s) and provide other Services to you;
- to comply with regulatory requirements (including "know your customer" requirements);
- to verify the information you have given from time to time;
- to comply with valid requests for information about you from regulators, government agencies, public bodies, auditors, and other Persons who have a right to issue such requests;
- identifying products and services of our affiliates or subsidiaries that may be of interest to you;
- to prevent or protect against any fraud or illegality, or as otherwise required or permitted by applicable laws and rules;
- to comply with legal process or subpoena;
- in response to credit enquiries from financial institutions or any other Persons with whom you have or propose to have financial or other business dealings;
- to maintain the accuracy and integrity of information held by credit reporting agencies;
- if it is otherwise reasonably necessary to protect our interest under this Agreement or any Service; and
- as otherwise set out in the Scotiabank Privacy Agreement.

You also authorize any Person we may contact in connection with the above purposes to provide us with such information.

20.2 If you have dealings with any of our affiliates or subsidiaries, you authorize us and such affiliates and subsidiaries to (where not prohibited by applicable laws and rules) share information about you in our respective records with each other so that we may each consolidate information about you for use by each of us for any of the purposes described in Sections 20.1.

20.3 You request and authorize us and our affiliates and subsidiaries to each communicate with you directly, including via electronic communications, with information and offers on products or services we or they offer from time to time that may be of

interest to you. You may choose not to receive such communications from us, or our affiliates and subsidiaries, by notifying the branch at which your account with us is maintained or as otherwise instructed in the communication. You will not be refused any Services or other benefits if you withdraw your consent.

20.4 You represent and warrant to us that, to the extent any information we obtain about you from time to time consists of personal information of your employees, officers, directors, authorized signatories or other Representatives, you have obtained the consent of such individuals for the collection, use and disclosure by us and our affiliates and subsidiaries of their personal information for the purposes you have authorized in this Section 20, including their consent to receive communications set out in Section 20.3.

20.5 You may obtain more information about our privacy practices, including how we collect, use and disclose personal information, by contacting the branch at which you maintain an account with us or by reading the Scotiabank Privacy Agreement available at www.Scotiabank.com.

21. Your Representations and Warranties

21.1 You represent and warrant to us on a continuing basis for the term of this Agreement:

- (a) all written information and data you have provided to us in connection with this Agreement or in any Service Agreement (as updated from time to time) are true and correct in all material respects and do not omit to state a material fact necessary in order to make the statements contained in such information and data, taken as a whole, not misleading;
- (b) the Customer and each Person using a Service on the Customer's behalf possess the necessary signing authority and other power and authority to bind the Customer; and
- (c) to the best of your knowledge, neither you nor any of your subsidiaries, directors, officers, employees, agents, or affiliates is a Sanctioned Person nor do you, nor any such other entity or individual, operate, possess, own, charter, or use a vessel that is listed, designated or sanctioned under any Sanctions.

22. Compliance Action – Sanctions

22.1 You acknowledge and agree that:

- (a) we and our affiliates and subsidiaries and third party service providers are required to act in accordance with, and it is our policy to comply with, the laws and rules of various jurisdictions, including those which relate to Sanctions and the prevention of money laundering, terrorist financing, bribery, corruption and tax evasion; and
- (b) we may take any action (a "**Compliance Action**") that we, in our sole discretion, consider appropriate to act in accordance with Sanctions or other laws and rules. Such Compliance Action may include the interception and investigation of any payment, communication or instruction, or other information; the making of further enquiries as to whether a Person is subject to any Sanctions; and the refusal to process any transaction or instruction that does not conform with Sanctions.

23. Tax Status

23.1 Customer represents and certifies that it is a Canadian resident for tax purposes, unless it has advised Scotiabank otherwise in writing. If Customer becomes a non-resident of Canada for Canadian tax purposes, Customer will notify Scotiabank promptly (but in any event within 30 days of becoming a non-resident) and advise of its new country of residence.

23.2 If the Customer is a non-resident of Canada, Customer acknowledges that transactions outside Canada may have tax consequences in Canada. Prior written advice should be obtained for such transactions from qualified tax advisors in Customer's domicile. A copy of such advice may be requested by Scotiabank prior to opening of accounts, permitting a transaction, or anytime thereafter. Scotiabank will withhold taxes only where required to do so by law, otherwise Customer is responsible for any taxation that may be incurred on accounts or transactions.

23.3 Unless the Customer informs Scotiabank otherwise in writing, Customer represents and warrants that it is not a US Person for the purposes of the US Federal income tax and Customer is not acting for, or on behalf of, a US Person. Customer acknowledges that a false statement or misrepresentation of tax status by a US Person could lead to penalties under US law. If Customer is or becomes a US Person, Customer agrees to notify Scotiabank promptly (but in any event within 30 days of becoming a US person) and file such additional forms and take all other steps as Scotiabank shall request, including providing Scotiabank with a completed IRS Form W-9.

23.4 You acknowledge that the information you may have provided regarding your tax jurisdiction and Tax Identification Number (TIN) is true and complete and that you undertake to advise Scotiabank immediately of any change in circumstance that causes the information provided to be incorrect. This information may be reported to the Canada Revenue Agency who may in turn provide the information to the appropriate tax authorities of any additional country in which you have tax filing obligations.

24. Intellectual Property

24.1 Unless otherwise indicated, all trademarks, logos and other intellectual property rights in or relating to the Services are the property Scotiabank. Except as provided in this Agreement or any Service Agreement and related Service Materials, you shall not reproduce, transmit, sell, display, distribute, establish any hyperlink to, provide access to, modify, or commercially exploit in whole or in part any part of a Service or Service Material, without our prior written consent.

24.2 Neither party will use the other's name, trademarks or other intellectual property in any advertisement, marketing or other public message without the other party's prior written consent.

25. Definitions

25.1 As used in this Agreement, the following words and phrases have the following meanings:

"**Agreement**" means this Financial Services Agreement, as amended, extended, restated or otherwise modified from time to time.

"**Authentication ID**" has the meaning ascribed to it in Section 10.2.

“Banking Day” means any day that is not a Saturday, Sunday, statutory or civic holiday (federal or provincial), or any other day on which banks are required or permitted to be closed in the Province(s) or Territory(ies) where the applicable account(s) is located and/or Service is provided.

“Cancel” has the meaning ascribed to it in Section 5.2 and **“cancellation”** has the comparable meaning.

“Cleared Funds” means cash or any funds from any deposit which have been finally settled through the Clearing and Payments System that we use for settling payments in connection with Payment Instructions.

“Clearing and Payment Systems” means the payment and clearing settlement systems applicable to any of the Services, including the Payments Canada, NACHA, S.W.I.F.T., and CDS Clearing and Depository Services Inc.

“Compliance Action” has the meaning ascribed to it in Section 22.1(b).

“Designated Information System” has the meaning ascribed to it in Section 18.2.

“Disabling Code” means any contaminating or other destructive code, design, routine or other mechanism (including clock, timer, counter, virus, worm, software lock, drop dead device, Trojan horse routine, trap door, or time bomb) that may be used to access, modify, replicate, distort, delete, damage or disable any electronic or other digital channel, including any related hardware or software.

“electronic communication” means any agreement, transaction, instruction, document, information, disclosure, notice, confirmation, inquiry, request, response, or other communication that is sent or stored by means of any electronic or other digital transmission.

“electronic signature” means a signature that consists of one or more letters, characters, numbers or other symbols in digital form incorporated in, attached to or associated with an electronic communication and includes a secure electronic signature as may be prescribed by applicable law or otherwise required by us.

“Force Majeure” means any event, act or omission beyond the reasonable control of such party (exercising reasonable foresight and diligence), including labour dispute, act of God, flood, fire, lightning, severe weather, earthquake, act of terrorism, war, revolution, civil commotion, act of public enemies, blockade, embargo, pandemic disease, or the application of any laws or rules.

“instructions” means a request, direction, or other instruction with respect to any Service or this Agreement, and includes where the context applies, any Payment Instruction.

“Instrument” means any document evidencing or that can be used to evidence a Payment Instruction, including cheques, money orders, promissory notes and other bills of exchange and other orders (written or electronic) for the payment of money, clearing item or other value item (including any image or reproduction).

“laws and rules” means as to any Person or Service: (a) the laws, statutes, codes, acts, ordinances, orders, regulations, directives, guidelines, and other requirements of all domestic and foreign governmental and regulatory authorities having jurisdiction over the Person or Service (including the Office of the Superintendent of Financial Institutions (Canada) and any Province, Territory or other government of Canada) and (b) the rules, standards, conditions, and other requirements of any Clearing and Payment Systems

applicable to the Person or Service (including Rule H-1 and Rule F-1 of the Payments Canada applicable to cash management pre-authorized debits); each as may be amended or replaced from time to time. You can access the rules of Payments Canada available to the public on the internet at www.Payments.ca.

“Losses” means all liabilities, losses, damages, claims and demands (including third party claims and demands), fines, damages, penalties, expenses incurred (including legal expenses based on the solicitor’s fees charged) and other costs claimed against or sustained or incurred by any Person.

“OFAC” means the Office of Foreign Assets Control (of the US Department of the Treasury).

“Payment Instruction” means a request to transfer funds to or from, or receive funds in, any of your accounts with us, whether in Canadian dollars or other currency agreed to by us, whether pursuant to Instruments, endorsements, pre-authorized payments, deposits, electronic transfers, electronic data transmissions, or any other orders for the payment or receipt of money, including transfers between accounts and which may have the signature electronically or mechanically produced or imprinted as an alternative to handwritten signature but in all cases must be given by a method that is acceptable to us, in our discretion, at the time they are given.

“Person” means, as the context requires, any individual, firm, partnership, company, corporation or other body corporate, government, governmental body, agency, trust, instrumentality, unincorporated body of persons or association.

“Regulatory Notices” has the meaning ascribed to it in Section 18.2.

“Representatives” in relation to the Customer, includes the Customer’s employees, officers, directors, co-ordinators, users, cardholders, contacts, delegates, and agents.

“Sanctioned Country” means at any time a country, region or territory which itself is the subject or target of any Sanctions.

“Sanctioned Person” means a Person that is, or is directly or indirectly owned or controlled by a Person or Persons that is, listed, designated or sanctioned under any Sanctions or any Person operating, organized or resident in a Sanctioned Country.

“Sanctions” means any trade, economic or financial sanctions laws, regulations, executive orders, embargoes or restrictive measures imposed, administered or enforced by a Sanctions Authority.

“Sanctions Authority” means any one or a combination of: (a) the United Nations; (b) the United States of America; (c) Canada; (d) the United Kingdom and each respective member of the European Union; and (e) the governments and official institutions or agencies of any of (a) to (d) above, including the Security Council of the United Nations, OFAC, the United States Department of State, Global Affairs Canada and Her Majesty’s Treasury of the United Kingdom.

“Schedule of Rates” means the schedule, guide or other document we deliver to you or otherwise make available to you in our branches or on Scotiabank’s website (as updated from time to time) setting out the standard fees, interest, and other charges applicable to the Services, which document shall be deemed to comprise part of this Agreement.

“Service” has the meaning ascribed to it in Section 1.3.

“Service Materials” has the meaning ascribed to it in Section 2.5.

“Service Agreement” means each offer letter or agreement (including

each Cash Management and Payment Services Agreement and the service schedules attached thereto, or otherwise comprising a part thereof, from time to time) from time to time signed by you, or otherwise accepted by the Bank from you, for the provision of one or more financial products or services to you and made subject to the terms and conditions of this Agreement; each as may be amended, extended, restated or otherwise modified from time to time.

“US Person” means a US person as defined under the US Internal Revenue Code, including as applicable: (i) a US citizen (including persons with dual citizenships), (ii) US lawful permanent resident (e.g., a person who has obtained a green card or who has been granted the right to lawful permanent residence in the US), (iii) persons who meet the substantial presence test for US residency for US tax purposes, (iv) US corporation, (v) US partnership, and (vi) any trust (revocable or irrevocable) of which one or more US persons have the authority to control all substantial decisions and a US court can exercise primary supervision over the administration.

25.2 In this Agreement and each Service Agreement: (i) the words “include”, “includes”, and “including” will be interpreted to mean “including, without limitation”, (ii) headings of particular sections are inserted only for convenience and will not be applicable to the interpretation of the section, (iii) where the context requires, words and phrases written in the singular will be construed to include the plural and vice versa, and (iv) when the laws of the Province of Quebec are applicable, the words “joint and several” shall mean “solidarily”.

26. Other General Terms

26.1 This Agreement and each Service Agreement is governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

26.2 If any provisions of this Agreement or any Service Agreement is unlawful or unenforceable for any reason, each such will be without force or effect without invalidating or affecting the validity and enforceability of the remaining provisions of this Agreement or the Service Agreement, as applicable. To the extent permitted by applicable law, each of you and we hereby waive any provision of law that renders any provision in this Agreement or any Service Agreement unenforceable.

26.3 You acknowledge and agree that nothing in this Agreement or any Service Agreement creates any agency, fiduciary, joint venture or partnership relationship between us and you or any other Person. This Agreement and each Service Agreement is only for the benefit of Scotiabank and the Customer, and is not intended to confer any legal rights, benefits, or remedies on any other Person except to the extent otherwise provided in this Agreement or any Service Agreement.

26.4 To the extent that you have or hereafter acquire any immunity (including sovereign, crown or similar immunity) from jurisdiction of any court, suit or legal process (whether from service of notice, injunction, attachment, execution or enforcement of any judgment or otherwise), you irrevocably waive and agree not to claim such immunity.

26.5 You agree to do, execute, acknowledge and deliver such acts, deeds and agreements as may be reasonably necessary or desirable to give effect to the terms of this Agreement and each Service Agreement as we may request from time to time.

26.6 We retain all our rights under any law respecting loans, set-off, deposits and banking matters, even if they are not described in this Agreement or any Service Agreement.

26.7 Our rights under this Agreement, each Service Agreement, and applicable law are cumulative, and we can exercise any right without losing any other right. We can delay enforcing any right without losing that right. We can also waive any right on one occasion, or on multiple occasions, without losing our ability to exercise that right in the future.

26.8 Notwithstanding any termination of this Agreement, Sections 13, 14.5, 14.6, 16, 17, 18, 19.2, 20, 25, and 26 shall survive and remain in full force and effect.

26.9 This Agreement and each Service Agreement (including any signature forms, schedules, or other related documents) may be executed in one or more counterparts, each of which when taken together shall comprise one and the same agreement. This Agreement and each Service Agreement, once signed by you and accepted by us, shall be a binding agreement between us.

26.10 It is the express wish of the parties that this Agreement, and every Service Agreement, and any supplemental documents be drawn up and executed in English. C'est la volonté expresse des parties que cet accord et chaque contrat de Service et tout document complémentaire être élaboré et exécuté en anglais.

 (MM/DD/YYYY)

In this form, *you* and *your* means the customer and *we*, *our* and *us*, *the Bank* and *Scotiabank* mean The Bank of Nova Scotia.

Customer Legal Name _____

Business/Trading Style _____ (if applicable)

By signing this form, you certify the following are authorized to give instructions for your account and the Services in the number and combination as specified below:

FOR PARTNERSHIPS
AND ACCOUNTS WITH
JOINT PARTICIPANTS
ONLY

By signing this signature form, you acknowledge, agree, and consent:

- to the terms and conditions of the *Scotiabank Financial Services Agreement* and agree they will apply to all Services we may provide to you now and in the future;
- you have been given and read a copy of the *Scotiabank Financial Services Agreement* and had the opportunity to ask any questions which you had about the Agreement;
- to receiving Regulatory Notices through the Designated Information Systems as set out in Section 18.2 of the *Scotiabank Financial Services Agreement*;
- you have been given a copy of, or electronic access to, the Schedule of Rates;
- your tax status representations and obligations as set out in Section 23;
- you have been given a copy of, or electronic access to, the Scotiabank Privacy Agreement; and
- the terms and conditions of the *Scotiabank Financial Services Agreement* apply to this signature form, including (i) the definitions in Section 25 and (ii) the application of Section 11 to any signing of this form by electronic signature and/or delivery of your signed form to us by facsimile, email or other electronic or digital transmission.

Witness: _____

Signature: _____

Witness: _____

Signature: _____

Witness: _____

Signature: _____

Witness: _____

Signature: _____

Witness: _____

Signature: _____

DATE RECEIVED
.....
RECORDED.....
APPROVED.....
E.O.
AUDITOR.....

(I/We have authority to bind the Customer)