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Prospectus dated 16 April 2024

This Prospectus has been approved by SIX Exchange Regulation Ltd in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act (*Finanzdienstleistungsgesetz*, the FinSA) on 4 June 2024.

The Issuer is relying on article 51(2) of the FinSA as described on page 3 of this Prospectus under "Important Information".



Fédération des caisses Desjardins du Québec

CHF 265,000,000 1.355% Covered Bonds 2024 – 2027, Series CBL23
(the "2027 Covered Bonds")

CHF 175,000,000 1.420% Covered Bonds 2024 – 2030, Series CBL24
(the "2030 Covered Bonds" and together with the 2027 Covered Bonds, the "Covered Bonds")

Programme for the issuance of Covered Bonds:	The Covered Bonds are issued under the C$26,000,000,000 Global Covered Bond Programme (the "**Programme**") of Fédération des caisses Desjardins du Québec.
Issuer's Name and registered office:	Fédération des caisses Desjardins du Québec, 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5 (the "**Issuer**" or the "**Federation**", the Issuer and its subsidiaries, the member caisses in Québec, the Fonds de sécurité Desjardins and the Caisse Desjardins Ontario Credit Union Inc. the "**Desjardins Group**").
Covered Bond Guarantor's Name and registered office:	CCDQ Covered Bond (Legislative) Guarantor Limited Partnership, 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, Ontario, Canada M5K 1E6 (the "**Covered Bond Guarantor**").
Interest Rate:	2027 Covered Bonds: 1.355% p.a., payable annually in arrears on 18 April, for the first time on 18 April 2025 for the period up to the Maturity Date. For the period from the Maturity Date up to the Extended Due for Payment Date, CHF SARON Compound 1m Floating Rate payable monthly in arrear applying an observation period with a lookback (shift) of 2 days, at CHF SARON + 32 bps with a minimum interest rate of 0%; Actual/360; modified following adjusted business day convention. 2030 Covered Bonds: 1.420% p.a., payable annually in arrears on 18 April, for the first time on 18 April 2025 for the period up to the Maturity Date. For the period from the Maturity Date up to the Extended Due for Payment Date, CHF SARON Compound 1m Floating Rate payable monthly in arrear applying an observation period with a lookback (shift) of 2 days, at CHF SARON + 35 bps with a minimum interest rate of 0%; Actual/360; modified following adjusted business day convention.
Issue Price:	The Lead Manager has purchased the Covered Bonds at 100.00% of the nominal amount (before commission and expenses).
Placement Price:	The Placement Price of the Covered Bonds will be fixed in accordance with supply and demand.

Issue Date:	18 April 2024
Maturity Date:	2027 Covered Bonds: 18 April 2027, redemption at par. 2030 Covered Bonds: 18 April 2030, redemption at par.
Extended Due for Payment Date:	2027 Covered Bonds: 18 April 2028, redemption at par. 2030 Covered Bonds: 18 April 2031, redemption at par.
Early Redemption:	For taxation reasons or illegality only, at par in accordance with the terms and conditions of the Covered Bonds.
Reopening of the Issue:	The Issuer reserves the right to reopen these issues according to the terms and conditions of the Covered Bonds.
Denominations:	CHF 5,000 nominal and multiples thereof.
Form of the Covered Bonds:	The Covered Bonds will be documented by Permanent Global Covered Bonds and registered as intermediated securities (*Bucheffekten*) in the main register (*Hauptregister*) with SIX SIS Ltd. Investors do not have the right to request the printing and delivery of definitive Covered Bonds.
Covered Bonds Guarantee	Payment of interest and principal in respect of the Covered Bonds when Due for Payment will be irrevocably guaranteed by the Covered Bond Guarantor. The obligations of the Covered Bond Guarantor to make payment in respect of the Guaranteed Amounts when Due for Payment are subject to the condition that a Covered Bond Guarantee Activation Event has occurred. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee will accelerate against the Covered Bond Guarantor upon the service of a Guarantor Acceleration Notice. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee constitute direct obligations of the Covered Bond Guarantor secured against the assets of the Covered Bond Guarantor, including the Covered Bond Portfolio. Payments made by the Covered Bond Guarantor under the Covered Bond Guarantee will be made subject to, and in accordance with, the applicable Priorities of Payment.
Covenants:	Pari Passu and Cross Default, in accordance with the terms and conditions of the Covered Bonds.
Listing and Trading:	Listing will be applied for in accordance with the standard for bonds of the SIX Swiss Exchange. The Covered Bonds have been provisionally admitted to trading on the SIX Swiss Exchange on 16 April 2024. The last trading day of the Covered Bonds is expected to be the second business day prior to the respective Maturity Date or respective Extended Due for Payment Date.
Governing Law and Jurisdiction:	The Covered Bonds and the Covered Bond Guarantee are governed by, and construed in accordance with laws of Ontario and the federal laws of Canada. Place of jurisdiction for the Covered Bonds and the Covered Bond Guarantee and all related contractual documentation shall be the courts of Ontario or Canada.
Selling Restrictions:	In particular U.S.A., U.S. persons, European Economic Area, United Kingdom, Canada, Australia, Hong Kong, France, Italy, Ireland, Japan, New Zealand, Norway, Singapore, South Korea, Belgium and the Netherlands.
Rating:	The Covered Bonds are expected to be rated "Aaa" by Moody's and "AAA" by Fitch.
Security Number/ ISIN/Common Code:	2027 Covered Bonds: 133.111.358 / CH1331113584 / 280459917 2030 Covered Bonds: 133.111.359 / CH1331113592 / 280460613

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. THE COVERED BONDS ARE NOT GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

UBS Investment Bank

IMPORTANT INFORMATION

The Issuer is relying on article 51(2) of the Swiss Financial Services Act of 15 June 2018 (the "FinSA"). Accordingly, in accordance with article 40(5) of the FinSA, prospective investors in the Covered Bonds are hereby notified that this Prospectus has not been reviewed or approved by a competent Swiss review body pursuant to article 52 of the FinSA. The Covered Bonds will be issued on the basis of this Prospectus, which will be submitted to SIX Exchange Regulation Ltd in its capacity as Swiss review body pursuant to article 52 of the FinSA (the "Review Body") for review only after completion of the offering of the Covered Bonds

This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of any approval by the Review Body. Consequently, neither the delivery of this Prospectus nor the offering, sale or delivery of any Covered Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue of the Covered Bonds is correct as of any time subsequent the date indicated in the document containing the same.

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Covered Bonds and for the admission to trading and listing of the Covered Bonds on the SIX Swiss Exchange. The Issuer has not authorized the use of this Prospectus for any other purpose.

This Prospectus is to be read in conjunction with all documents incorporated by reference herein. This Prospectus shall be read and construed on the basis that such documents are incorporated into and form part of this Prospectus. See "General Information – Documents Incorporated by Reference" on page 11 of this Prospectus.

An investment in the Covered Bonds will involve certain risks. For a discussion of certain risks that potential investors should carefully consider before deciding to invest in any Covered Bonds, see "Risk Factors" beginning on page 10 of this Prospectus.

The Lead Manager

The Lead Manager has not verified the information contained herein. Additionally, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Lead Manager as to the accuracy or completeness of the information contained or incorporated by reference herein or any other information provided by the Issuer in connection with the Covered Bonds.

To the fullest extent permitted by law, the Lead Manager accepts no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Lead Manager or on its behalf in connection with the Issuer or the issuance, offering and admission to trading or listing of the Covered Bonds. The Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) that it might otherwise have in respect of this Prospectus or any such statement.

The Lead Manager and certain of its affiliates have provided, and/or may provide in the future, investment banking, commercial banking, advisory and other financial services for the Issuer and its affiliates in the ordinary course of business for which they have received and will receive customary fees and reimbursement of expenses.

Furthermore, in the ordinary course of their business activities, the Lead Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may, at any time, hold long or short positions in such investments and securities. Such investment and securities activities may involve the securities and/or instruments of the Issuer. The Lead Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold (for their own account or for the account of their customers), or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

SUMMARY

The following summary (the "Summary") is to be understood as an introduction to this Prospectus and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Prospectus, including the discussion under "Risk Factors" and the financial information, which are included elsewhere in this Prospectus.

Investors are required to base their investment decision on the information in this Prospectus in its entirety and not on the Summary.

Liability for the Summary is limited to cases where the information contained therein is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

A. Information on the Issuer and on the Covered Bond Guarantor

Issuer's Name, registered office and legal form	Fédération de caisses Desjardins du Québec The Issuer is a federation of financial services cooperatives that was amalgamated on 1 January 2017 under the *Act* respecting financial services cooperatives (Québec) (the "**Cooperatives Act**"). Its registered office is at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.
Legal Entity Identifier of the Issuer	549300B2Q47IR0CR5B54
Auditor / Auditor Supervision of the Issuer	The auditor of the Issuer is PricewaterhouseCoopers LLP, 1250 René Lévesque Boulevard West, Suite 2500, Montréal, Québec, Canada H3B 4Y1 (the "**Auditor**"). Potential Investors are informed that the Auditor is supervised by the Canadian Public Accountability Board (CPAB), which is recognised by the Swiss Federal Council.
Covered Bond Guarantor's Name, registered office and legal form	CCDQ Covered Bond (Legislative) Guarantor Limited Partnership is a limited partnership formed and existing under the *Limited Partnerships Act* (Ontario). The head office and principal place of business of the Covered Bond Guarantor is 214 Montreal Road, 3rd floor, Ottawa, Ontario, K1L 8L8, the registered office 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, Ontario, Canada M5K 1E6.
Legal Entity Identifier of the Covered Bond Guarantor	635400V9HJAD2QWJJM91
Asset Monitor / Auditor Supervision of the Covered Bond Guarantor	The Asset Monitor of the Covered Bond Guarantor is PricewaterhouseCoopers LLP, 1250 René Lévesque Boulevard West, Suite 2500, Montréal, Québec, Canada H3B 4Y1. Potential Investors are informed that the Asset Monitor is supervised by the Canadian Public Accountability Board (CPAB), which is recognised by the Swiss Federal Council.

B. Information on the Terms of the Covered Bonds

Nature of Covered Bonds	Senior unsecured fixed rate covered bonds
Volume	2027 Covered Bonds: CHF 265,000,000 2030 Covered Bonds: CHF 175,000,000
Payment Date	18 April 2024
Maturity Date	2027 Covered Bonds: 18 April 2027, redemption at par 2030 Covered Bonds: 18 April 2030, redemption at par
Extended Due for Payment Date	2027 Covered Bonds: 18 April 2028, redemption at par 2030 Covered Bonds: 18 April 2031, redemption at par

Interest Rate and Interest Payment Dates	2027 Covered Bonds: The Covered Bonds bear interest at a fixed rate of 1.355% p.a., payable annually in arrears on 18 April of each year for the period up to the Maturity Date. For the period from the Maturity Date up to the Extended Due for Payment Date CHF SARON Compound 1m Floating Rate payable monthly in arrear on the last day of each month subject to the modified following business day convention and applying an observation period with a lookback (shift) of 2 days, at CHF SARON + 32 bps with a minimum interest rate of 0%, commencing (if applicable) on 18 May 2027. 2030 Covered Bonds: The Covered Bonds bear interest at a fixed rate of 1.420% p.a., payable annually in arrears on 18 April of each year for the period up to the Maturity Date. For the period from the Maturity Date up to the Extended Due for Payment Date CHF SARON Compound 1m Floating Rate payable monthly in arrear on the last day of each month subject to the modified following business day convention and applying an observation period with a lookback (shift) of 2 days, at CHF SARON + 35 bps with a minimum interest rate of 0%, commencing (if applicable) on 18 May 2030.
Denomination	CHF 5,000 nominal and multiples thereof.
Status of the Covered Bonds	The Covered Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations, ranking *pari passu* with all deposit liabilities of Desjardins Group.
Form of the Covered Bonds	The Covered Bonds will be documented by Permanent Global Covered Bonds and registered as intermediated securities (*Bucheffekten*) in the main register (*Hauptregister*) with SIX SIS Ltd. Investors do not have the right to request the printing and delivery of definitive Covered Bonds.
Reopening of the Issue	The Issuer reserves the right to reopen these issues according to the terms and conditions of the Covered Bonds.
Covenants	Pari Passu and Cross Default in accordance with the terms and conditions of the Covered Bonds.
Principal Paying Agent	UBS AG
Governing Law and Jurisdiction	The Covered Bonds and the Covered Bond Guarantee are governed by, and construed in accordance with laws of Ontario and the federal laws of Canada. Place of jurisdiction for the Covered Bonds and the Covered Bond Guarantee and all related contractual documentation shall be the courts of Ontario or Canada.

C. Information on the Offering

Public Offer	The Covered Bonds will be offered to prospective investors by way of (i) a public offering in Switzerland, and (ii) private placements in certain jurisdictions outside of Switzerland, other than the United States or other jurisdictions where an offering would be prohibited by applicable law.
Issue Price	100% of the aggregate nominal amount of the Covered Bonds (before commissions and expenses).
Placement Price	The Placement Price of the Covered Bonds will be fixed in accordance with supply and demand.
Clearing and Settlement	SIX SIS Ltd
Net Proceeds / Use of Net Proceeds	The net proceeds of the Covered Bonds, being the amount of (i) in respect of the 2027 Covered Bonds, CHF 264,354,500 and (ii) in respect of the 2030 Covered Bonds, CHF 174,456,250 (together, the "**Net Proceeds**") will be used by the Issuer for the purpose of carrying out its functions as treasurer and financial agent of Desjardins Group including meeting the liquidity, loss absorbing capacity, regulatory capital and capital base diversification needs and requirements of Desjardins Group and offering financing, banking and international services to its clients and members, including institutions and organizations (governments,

	municipalities, school districts, etc.), large and medium size businesses and the various entities of Desjardins Group.
Swiss Security Number	2027 Covered Bonds: 133.111.358
	2030 Covered Bonds: 133.111.359
ISIN	2027 Covered Bonds: CH1331113584
	2030 Covered Bonds: CH1331113592
Common Code	2027 Covered Bonds: 280459917
	2030 Covered Bonds: 280460613
Selling Restrictions	In particular U.S.A., U.S. persons, European Economic Area, United Kingdom, Canada, Australia, Hong Kong, France, Italy, Ireland, Japan, New Zealand, Norway, Singapore, South Korea, Belgium and the Netherlands
Lead Manager	UBS AG

D. Information on the Admission to Trading and Listing

Swiss Trading Venue	SIX Swiss Exchange
Admission to Trading and Listing	The Covered Bonds have been provisionally admitted to trading on the SIX Swiss Exchange as of 16 April 2024. The last trading day of the Covered Bonds is expected to be the second business day prior to the respective Maturity Date or the respective Extended Due for Payment Date. Listing will be applied for in accordance with the standard for bonds of the SIX Swiss Exchange.

E. Information on Prospectus Approval

Swiss Review Body	SIX Exchange Regulation Ltd, Hardturmstrasse 201, 8005 Zurich, Switzerland.
Submission for Approval	The Issuer is relying on article 51(2) of the FinSA. Accordingly, in accordance with article 40(5) of the FinSA, prospective investors in the Covered Bonds are hereby notified that this Prospectus has not been reviewed or approved by a competent Swiss review body pursuant to article 52 of the FinSA. This Prospectus will be submitted to the Review Body for review only after completion of the offering of the Covered Bonds.
Prospectus Date and Approval	This Prospectus is dated 16 April 2024, and has been approved by the Swiss Review Body on the date appearing on the cover page of this Prospectus. This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of the approval by the Swiss Review Body**.**

SELLING RESTRICTIONS

In particular U.S.A., U.S. persons, European Economic Area, United Kingdom, Canada, Australia, Hong Kong, France, Italy, Ireland, Japan, New Zealand, Norway, Singapore, South Korea, Belgium and the Netherlands. For further information and the full text, which is solely relevant, please refer to pages 256 to 267 of the Base Prospectus attached hereto as Annex A.

FORWARD LOOKING STATEMENTS

This Prospectus contains or incorporates by reference statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the current prospects, expectations, estimates, plans, strategic aims, vision statements, and projections of the Issuer and the Covered Bond Guarantor and are based on information currently available to them. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results of operations, financial condition, performance or achievements of the Issuer and the Covered Bond Guarantor to be materially different from any future results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Terms and phrases such as "will", "believe", "expect", "anticipate", "intend", "plan", "predict", "estimate", "project", "target", "assume", "may" and "could", and variations of these words and similar expressions, are intended to identify prospects and/or other forward-looking statements but are not the exclusive means of identifying such prospects and other statements. The Issuer and the Covered Bond Guarantor, in reliance on article 69(3) FinSA, hereby caution you that any such prospects, expectations, estimates, plans, strategic aims, vision statements, and projections contained or incorporated by reference in this Prospectus are not historical in nature but are forward-looking based on information and assumptions the Issuer and the Covered Bond Guarantor consider to be reasonable. Such statements are inherently uncertain and subject to a variety of circumstances, many of which are beyond the control of the Issuer and the Covered Bond Guarantor and could cause actual results to differ materially from what the Issuer and the Covered Bond Guarantor anticipate. Due to the uncertainty of future developments, to the fullest extent permitted by applicable law, neither the Issuer, nor the Covered Bond Guarantor, nor the Lead Manager assume any liability in respect to or in connection with such prospects or other forward-looking statements contained or incorporated by reference herein.

Except as required by the FinSA or other applicable securities laws, neither the Issuer, nor the Covered Bond Guarantor, nor the Lead Manager undertake an obligation to update any prospects or forward-looking statements after the date hereof, even if new information, future events or other circumstances have made them incorrect or misleading.

For further information, please refer to pages 8-9 of the Base Prospectus attached hereto as Annex A.

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RISK FACTORS

Prospective investors should consider carefully, in light of their financial circumstances and investment objectives, the risk factors referred to below (which do not describe all the risks of an investment in the Covered Bonds but which the Issuer and/or Covered Bond Guarantor, in its reasonable opinion, believe represent or may represent the risk factors known to them which may affect the Issuer's and/or the Covered Bond Guarantor's ability to fulfil their obligations under the Covered Bonds) and the other information contained in this Prospectus prior to making any investment decision with respect to the Covered Bonds. Certain documents incorporated by reference in this Prospectus also contain useful information pertaining to the risk factors relating to the Issuer and/or Covered Bond Guarantor and their operations.

Terms used but not defined in section referred to will have the same meaning given to them in section "Terms and Conditions of the Covered Bonds" in Annex A hereto.

Risk Factors relating to the Issuer and Desjardins Group, principal emerging risks, other risks that could impact future results and risks related to the regulatory situation

For the discussion of (i) factors relating to the business and activities of the Issuer and Desjardins Group, (ii) principal emerging risks that could have a significant impact on the Issuer's and Desjardins Group's financial condition and would likely affect their reputation, the volatility of their results and/or the adequacy of their capitalization or liquidities in the event they were to fully materialize, (iii) other risks that could impact future results, and (iv) the Issuer's and the Guarantor's legal and regulatory situation, please refer to pages 29 to 40 and 68 to 71 of the Base Prospectus attached hereto in Annex A.

Risk Factors relating to the Covered Bond Guarantor

For the discussion of factors which are material for the purpose of assessing risks related to the Covered Bond Guarantor's ability to fulfil its commitment under the guarantee, please refer to pages 40 to 43 of the Base Prospectus.

Risk Factors relating to the Covered Bonds

For the discussion of factors which are material for the purpose of assessing risks related to the Covered Bonds, please refer to pages 43 to 68 and 71 to 73 of the Base Prospectus.

GENERAL INFORMATION

Notice to Investors

Except as otherwise specified herein, terms defined in the base prospectus dated 19 December 2023, the 1st base prospectus supplement dated 27 February 2024 and the 2nd base prospectus supplement dated 21 March 2024 (together, the "**Base Prospectus**") shall have the same meaning in this prospectus (the "**Prospectus**"). The Final Terms dated 16 April 2024 (the "**Final Terms of the 2027 Covered Bonds**" and the "**Final Terms of the 2030 Covered Bonds**", together the "**Final Terms**") and the Base Prospectus in Annexes A to C hereof form integral parts of this Prospectus.

The specific terms of these Covered Bonds set out in the Final Terms of this Prospectus must be read in conjunction with the information provided in the Base Prospectus. Investors are advised to familiarise themselves with the entire content of this Prospectus.

The financial institution involved in the issuance and offering of the Covered Bonds is a bank, which directly or indirectly has participated, or may participate, in financing transactions and/or other banking business with the Issuer, which are not disclosed herein.

Documents Available

Copies of this Prospectus (or of the documents incorporated by reference see section below) are available in electronic or printed form, free of charge, upon request at UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, 8098 Zurich, Switzerland, or can be ordered by telephone +41-44-239 47 03 (voicemail), fax +41-44-239 69 14 or by e-mail swiss-prospectus@ubs.com. The documents incorporated by reference herein are also available on the website of the Issuer.

Documents incorporated by reference

The following documents shall be deemed to be incorporated in, and form part of this Prospectus (copies of the documents incorporated by reference are available upon request at the address indicated in the preceding paragraph):

- Annual report of Desjardins Group for the year ended 31 December 2023 (the "**Annual Report**")
- The Issuer's Annual Information Form dated 12 March 2024 (the "**Annual Information Form**")

Prospectus

This Prospectus is available in the English language only and provides information about the Issuer, the Covered Bond Guarantor and the Covered Bonds. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Covered Bonds.

No person has been authorized to give any information or make any representation in connection with the offering of the Covered Bonds other than as stated herein and any other information or representation if given or made should not be relied upon as having been authorised by the Issuer, the Covered Bond Guarantor, the Lead Manager or any of the Dealers (as defined in the Programme). Neither the delivery of this Prospectus, nor the issue of the Covered Bonds nor any sale thereof shall, in any circumstances, create any implication that there has been no material adverse change in the affairs of the Issuer and/or the Covered Bond Guarantor since the date hereof.

INFORMATION ON THE COVERED BONDS

Authorisation

Pursuant to the authorisation given under the Programme and the Subscription Agreement dated 16 April 2024 between the Issuer and the Covered Bond Guarantor on one side and UBS AG, acting through its business division UBS Investment Bank ("**UBS AG**" or the "**Lead Manager**") on the other side, the Issuer has decided to issue the 2027 Covered Bonds of CHF 265,000,000 to be paid on 18 April 2024 and maturing on 18 April 2027 and the 2030 Covered Bonds of CHF 175,000,000 to be paid on 18 April 2024 and maturing on 18 April 2030.

Use of Net Proceeds

The net proceeds of the Covered Bonds, being the amount of (i) in respect of the 2027 Covered Bonds, CHF 264,354,500 and (ii) in respect of the 2030 Covered Bonds, CHF 174,456,250 (together the "**Net Proceeds**") will be used by the Issuer for the purpose of carrying out its functions as treasurer and financial agent of Desjardins Group including meeting the liquidity, loss absorbing capacity, regulatory capital and capital base diversification needs and requirements of Desjardins Group and offering financing, banking and international services to its clients and members, including institutions and organizations (governments, municipalities, school districts, etc.), large and medium size businesses and the various entities of Desjardins Group.

The Lead Manager shall not have any responsibility for, or be obliged to concern itself with, the application of the Net Proceeds of the Covered Bonds.

Offering, Issue Price and Placement Price

The Covered Bonds will be offered to prospective investors by way of (i) a public offering in Switzerland, and (ii) private placements in certain jurisdictions outside of Switzerland, other than the United States or other jurisdictions where an offering would be prohibited by applicable law.

The issue price of the Covered Bonds has been set at 100.00% of the principal amount, before commissions and expenses.

The placement price of the Covered Bonds will be fixed in accordance with supply and demand.

Clearing System and Security Numbers

The uncertificated securities representing the Covered Bonds will be registered with SIX SIS. The Swiss Security Numbers, the International Securities Identification Numbers ("**ISIN**") and the Common Codes of the Covered Bonds are as follows:

2027 Covered Bonds

Swiss Security Number	ISIN	Common Code
133.111.358	CH1331113584	280459917

2030 Covered Bonds

Swiss Security Number	ISIN	Common Code
133.111.359	CH1331113592	280460613

Transferability / Tradability

No restrictions. For certain selling restrictions with respect to the Covered Bonds, see "Selling Restrictions".

Notices

So long as the Covered Bonds are listed on SIX Swiss Exchange and so long as the rules of SIX Swiss Exchange so require, all notices in relation to the Covered Bonds and/or the Issuer (with respect to the Covered Bonds) will be published in electronic form on the internet site of the SIX Swiss Exchange under the section headed Official Notices (currently: https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html#/).

Representation

In accordance with Article 58a of the Listing Rules of the SIX Swiss Exchange, UBS AG has been appointed by the Issuer as representative to lodge the listing application with the SIX Swiss Exchange.

Admission to Trading and Listing

The Covered Bonds have been provisionally admitted to trading on the SIX Swiss Exchange as of 16 April 2024. The last trading day is expected to be the second business day prior to the respective Maturity Date or the respective Extended Due for Payment Date.

Listing will be applied for in accordance with the standard for bonds of the SIX Swiss Exchange.

INFORMATION ON THE ISSUER

Name, registered office, incorporation, duration, system of law, legal form

The Issuer, Fédération des caisses Desjardins du Québec, is a federation of financial services cooperatives that was amalgamated on 1 January 2017 under the Cooperatives Act.

The registered head office of the Issuer is located at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.

The *Autorité des marchés financiers* (Québec) ("**AMF**") is the agency responsible for the supervision, control and annual inspection of the Issuer. The Cooperatives Act governs the control exercised by the AMF with regard to the management, transactions and solvency of the Issuer as well as in respect of rules on conflicts of interest and related party transactions. The AMF is also the securities regulatory authority with principal regulatory oversight of the Issuer for the purposes of Canadian securities laws and regulations.

The duration term of the Issuer is indefinite in accordance with the Cooperatives Act.

Purpose

In accordance with the applicable corporate law, including but not limited to the Cooperatives Act, the Issuer's purpose is not reflected in its constating documents.

The Federation is the cooperative entity responsible for orientation, framework, coordination, treasury and development activities for Desjardins Group. It also serves as a financial agent on the Canadian and international markets and offers its member caisses various technical, financial and administrative services.

The Federation's mission is to manage risk and capital for Desjardins Group and see to the financial health of the Groupe coopératif Desjardins (which comprises the Desjardins caisses in Québec, the Federation and the Fonds de sécurité Desjardins ("**FSD**")) and ensure its sustainability in accordance with the Cooperatives Act.

Constating Documents

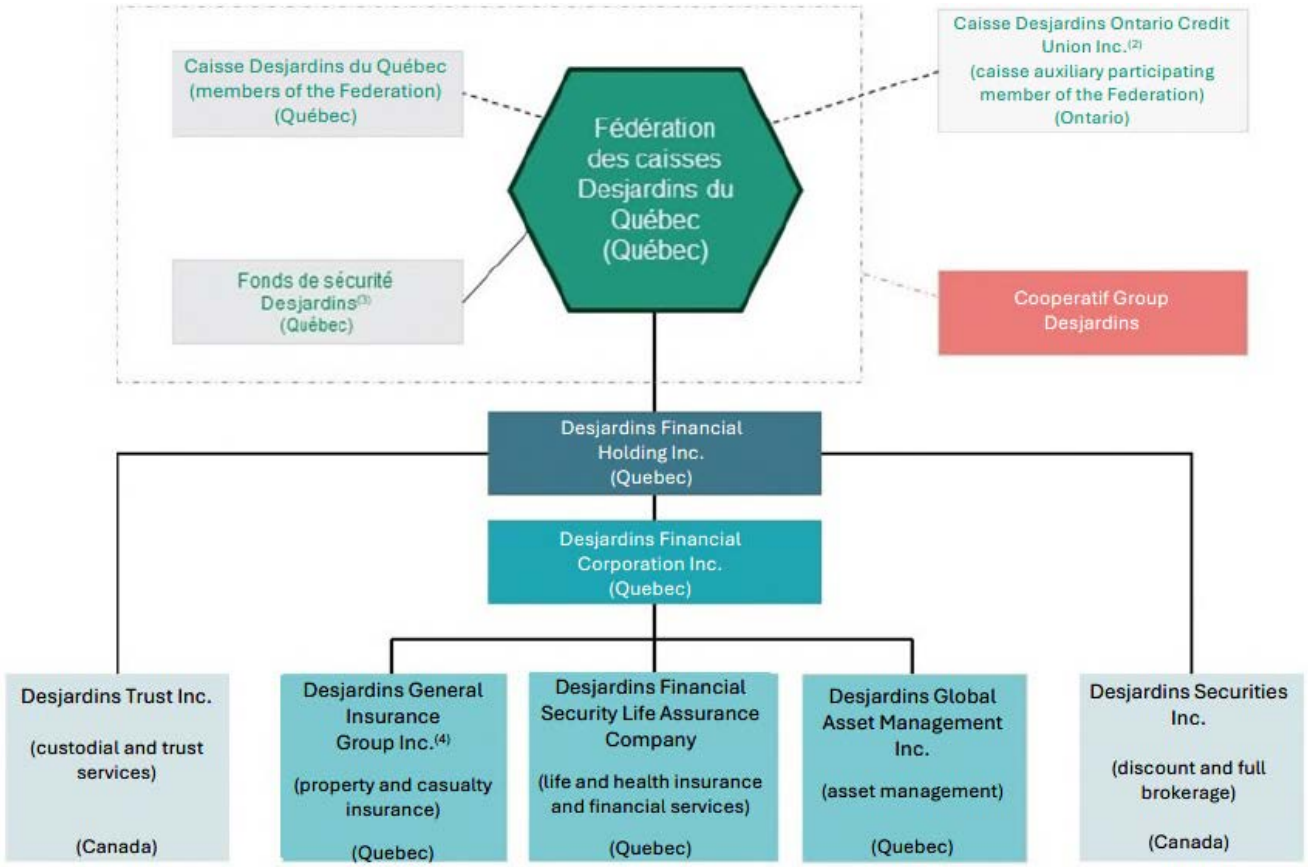
The constating documents of the Issuer consist of the amalgamation by absorption agreement between the Issuer and La Caisse centrale Desjardins du Québec ("**CCDQ**"), dated 28 November 2016, the general by-laws of the Issuer, last updated as of 1 January 2022, the capital stock by-law of the Issuer, last updated as of 1 January 2022, the by-laws of Groupe coopératif Desjardins, last updated as of 24 March 2024 and the certificate of amalgamation of the Issuer and CCDQ, and the articles of amalgamation of the Issuer and CCDQ, each effective as of 1 January 2017.

Register

The Issuer is duly registered with the Registraire des entreprises du Québec since 3 July 2001 under the Québec enterprise number 1160196300.

Group

Simplified organization chart of Desjardins Group's legal structure[1]



(1) As defined in the AFSC, Desjardins Group and the Cooperative Group are not legal entities but are a financial group and a cooperative group, respectively. The Federation, the caisses Desjardins du Québec and Caisse Desjardins Ontario Credit Union Inc. are cooperative entities.

(2) Caisse Desjardins Ontario Credit Union Inc. ("**CDO**") is the product of the merger of the *Fédération des caisses populaires de l'Ontario Inc.* and its eleven member caisses populaires on January 1, 2020.

(3) The FSD is a legal person governed by the AFSC. It is controlled by the Federation and is part of the Cooperative Group. By virtue of the powers conferred on it by the AFSC, the FSD must ensure, among other elements of its mission, that the distribution of capital and other assets between the legal persons belonging to the Cooperative Group allows each of those legal persons to perform its obligations to its depositors and other creditors in full, correctly and without delay. For details, see the Sub-Section entitled "Fonds de sécurité Desjardins" in the Annual Information Form.

(4) This entity is 90% owned by Desjardins Financial Corporation Inc. and 10% owned by *Groupe des Assurances du Crédit Mutuel SA* (France) as at the date of the Annual Information Form. In addition, Desjardins Financial Corporation Inc., *Groupe des Assurances du Crédit Mutuel SA* (France) and State Farm Mutual Automobile Insurance Company (United States) hold non-voting preferred shares series 1 issued by this entity as at the date of the Annual Information Form.

For further information on Desjardins Group, please refer to pages 165 et seq. of the Base Prospectus.

Change of Issuer

For information on the Change of Issuer, please refer to Condition 18 (Substitution) on page 131 of the Base Prospectus.

Board of Directors / Management

For information on the Board of Directors / Management, please refer to pages 159 et seq. of the Base Prospectus.

Auditor / Auditor Supervision

The auditor of the Issuer is PricewaterhouseCoopers LLP, 1250 René Lévesque Boulevard West, Suite 2500, Montréal, Québec, Canada H3B 4Y1 (the "**Auditor**").

Potential Investors are informed that the Auditor is supervised by the Canadian Public Accountability Board (CPAB), which is recognised by the Swiss Federal Council.

Business activities

For information on business activities, please refer to pages 157 et seq. of the Base Prospectus.

Patents and licenses

The Federation has not entered into any contracts outside the ordinary course of the Federation's business which could result in it or any member of Desjardins Group being under an obligation or entitlement that is material to the Federation's ability to meet its obligations in respect of any Covered Bonds to be issued by the Federation other than, with respect to any Covered Bonds, the contracts described in the Base Prospectus in "*Subscription and Sale and Transfer and Selling Restrictions*", "*Terms and Conditions of the Covered Bonds*" and "*Summary of the Principal Documents*".

Court, arbitral and administrative proceedings

Save as disclosed in this Prospectus (including all documents incorporated by reference), the Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

Capital structure

For information on the capital structure, please refer to page 163 of the Base Prospectus and the Annual Report, Note 23 and Note 24.

Outstanding bonds

For information on outstanding bonds, please refer to pages 84-85 of the Annual Report and Note 20 therein.

Own equity securities

The Issuer does not hold any own shares.

Annual financial statements

According to an exemptive relief obtained from and confirmed by the securities regulatory authorities in each of the provinces of Canada, the SEC, the Central Bank of Ireland and SIX Exchange Regulation, the Issuer is exempt from publishing standalone financial statements. The requirements of art 49 listing rules of the SIX Swiss Exchange shall be fulfilled by way of publication of combined Desjardins Group financial information.

Desjardins Group combined financial statements are a combination of the accounts of the Issuer and its subsidiaries, the Desjardins caisses, including CDO and the FSD.

Recent developments and main business prospects

For information on recent developments, please refer to the Annual Report, which is incorporated by reference herein.

For information on the strategic orientations and financial objectives of the Issuer and Desjardins Group for the years until 2024, please refer to "1.4 Strategic orientations and financial objectives" on pages 14 et seq. of Desjardins Group Management's Discussion and Analysis, which is part of the Annual Report incorporated by reference herein. Except as disclosed in this Prospectus (including all documents incorporated by reference), there is no additional material information in relation to the main business outlook of the Issuer to be disclosed.

This information is subject to uncertainty.

Material changes since the most recent financial statements

Except as disclosed in this Prospectus, there has been no material adverse change in the financial condition or operations of the Issuer since 31 December 2023, which would materially affect its ability to carry out its obligations under the Covered Bonds.

INFORMATION ON THE BOND TRUSTEE

Brief Profile of the Trustee

Computershare Trust Company of Canada, acting through its offices located at 650 De Maisonneuve Boulevard West, Montréal, Québec, Canada H3A 3T2 (the "**Trustee**"), has been appointed to act as Bond Trustee on behalf of the Covered Bondholders in respect of the Covered Bonds and holds the benefit of, inter alia, the Covered Bond Guarantee on behalf of the Covered Bondholders pursuant to the terms of the Trust Deed and the Terms and Conditions of the Covered Bonds. Moreover, the Trustee acts as trustee on numerous Eurobond issues and other debt securities.

Authority of the Trustee

For the authority of the Bond Trustee to take action on behalf of the Covered Bond holders in certain circumstances, please refer to pages 53 and 177 of the Base Prospectus.

Conditions under which the Trustee may be replaced

For provisions relating to the substitution of the Bond Trustee, please refer to the section "Retirement, Removal and Replacement of the Bond Trustee" on page 178 of the Base Prospectus.

Applicable law, jurisdiction and availability of the Trust Deed

For the governing law and the place of jurisdiction of the Trust Deed, please refer to Condition 21 on page 133 of the Base Prospectus.

Information on the availability of the Trust Deed for inspection please refer to "General Information 7." on page 269 of the Base Prospectus.

INFORMATION ON THE COVERED BOND GUARANTOR

For information on the Covered Bond Guarantor, please refer to pages 169 to 171 of the Base Prospectus.

Investors are informed that the Covered Bond Guarantor does not independently meet the listing requirements pursuant to the Listing Rules and its implementing provisions, and that these listing requirements are not applicable to the Covered Bond Guarantor.

TAXATION

The following is a summary of certain tax implications under the laws of Switzerland as they may affect investors. It applies only to persons who are beneficial owners of Covered Bonds and may not apply to certain classes of persons. The Issuer makes no representations as to the completeness of the information nor undertakes any liability of whatsoever nature for the tax implications for investors. Potential investors are strongly advised to consult their own professional advisers in light of their particular circumstances.

Swiss Federal Withholding Tax

Payment of interest on the Covered Bonds and repayment of principal of the Covered Bonds are not subject to Swiss withholding tax, provided that the Issuer does not have its registered head office in Switzerland, is not recorded in a commercial register in Switzerland and is at all times resident and managed outside Switzerland for Swiss tax purposes.

Swiss Federal Securities Turnover Tax

The issue and the sale of a Covered Bond on the issuance day (primary market transaction) are not subject to Swiss federal securities turnover tax (*Umsatzabgabe*). Secondary market dealings in Covered Bonds may be subject to the Swiss federal securities turnover tax at a rate of up to 0.30% of the purchase price of the Covered Bonds, however, only if a securities dealer in Switzerland or Liechtenstein, as defined in the Swiss federal stamp duty act (*Bundesgesetz über die Stempelabgaben*), is a party or acts as an intermediary to the transaction and no exemption applies.

The Covered Bonds of non-Swiss issuers shall remain subject to Swiss federal securities turnover tax.

Income Taxation on Principal or Interest

a) Covered Bonds Held by Non-Swiss Holders

Payments of interest and repayment of principal by the Issuer to, and gain realized on the sale or redemption of Covered Bonds by, a holder of Covered Bonds who is not a resident of Switzerland and who during the current taxation year has not engaged in a trade or business through a permanent establishment in Switzerland to which such Covered Bond is attributable will not be subject to any Swiss federal, cantonal or communal income tax in respect of such Covered Bond.

b) Covered Bonds Held as Private Assets by a Swiss Resident Holder

Individuals who are resident in Switzerland and who hold Covered Bonds as private assets are required to include all payments of interest on such Covered Bonds in their personal income tax return for the relevant tax period and will be taxable on any net taxable income for such tax period.

In principle a capital gain, including a gain relating interest accrued realized on the sale or redemption of Covered Bonds by such a Swiss resident holder, is a tax-free private capital gain, and, conversely, a respective loss on the Covered Bond is a non-tax-deductible private capital loss. Some exceptions are described below.

Covered Bonds without a "predominant one-time interest payment": Holders of Covered Bonds without a predominant onetime interest payment (the yield-to-maturity predominantly derives from periodic interest payments and not from a onetime interest payment) who are individuals receive payments of interest on Covered Bonds (either in the form of periodic interest payments or as a one-time-interest-payment such as an issue discount or a repayment premium) are required to include such payments in their personal income tax return and will be taxable on any net taxable income (including the payments of interest on the Covered Bonds) for the relevant tax period. The Holder who receives the one-time-interest-payment on redemption date is taxed on the whole one-time-interest-payment irrespective of when he or she purchased the Covered Bond.

c) Covered Bonds Held as Swiss Business Assets and by Private Persons Classified as Professional Securities Dealers

Individuals who hold Covered Bonds as part of a business in Switzerland and Swiss resident corporate taxpayers and corporate taxpayers resident abroad holding Covered Bonds as part of a permanent establishment in Switzerland, are required to recognize the payments of interest and any gain realized on the sale or redemption of such Covered Bonds (including a gain relating to interest accrued) and any loss on such Covered Bonds in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period. The same taxation treatment also applies to Swiss resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, inter alia, frequent dealings and leveraged investments in securities.

Automatic Exchange of Information in Tax Matters

The Automatic Exchange of Information in Tax Matters ("**AEI**") is a global initiative led by the Organization of Economic Co-Operation and Development ("**OECD**"). It aims to establish a universal standard for automatic exchange of tax information and to increase tax transparency. Jurisdictions that are committed to implement or have implemented the AEI (such as Switzerland, the EU member countries and many other jurisdictions worldwide) require their Reporting Financial Institutions in accordance with the respective local implementing law to determine the tax residence(s) of their account holders and controlling persons (as applicable) and, in case of reportable accounts, report certain identification information, account information and financial information (including the account balance and related payments such as interest, dividends, other income and gross proceeds) to the local tax authority which will then exchange the information received with the tax authorities in the relevant reportable jurisdictions.

More specifically, Switzerland has concluded a multilateral AEI agreement with the EU (replacing the EU savings tax agreement) and has concluded bilateral AEI agreements with several non-EU countries. In accordance with such multilateral agreements and bilateral agreements and the implementing laws of Switzerland, Switzerland has begun exchange data so collected, and such data may include data about payments made in respect of the Covered Bonds.

RESPONSIBILITY STATEMENT

Fédération des caisses Desjardins du Québec, 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5 accepts responsibility for the content of this Prospectus and declares that the information contained herein is, to the best of its knowledge, correct and no material facts or circumstances have been omitted herefrom.

Lévis, 16 April 2024

FINAL TERMS OF THE 2027 COVERED BONDS

Final Terms dated April 16, 2024



FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

Legal Entity Identifier: 549300B2Q47IR0CR5B54

Issue of CHF 265,000,000 1.355 per cent. Covered Bonds due April 18, 2027
under the

C$26,000,000,000
Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
CCDQ COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP
(a limited partnership formed under the laws of Ontario)

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THESE FINAL TERMS. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

THE COVERED BONDS AND THE COVERED BOND GUARANTEE HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY OTHER SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE COVERED BONDS AND THE COVERED BOND GUARANTEE OR APPROVED THIS BASE PROSPECTUS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

No prospectus is required in accordance with the Prospectus Regulation or the UK Prospectus Regulation (each as defined below) for this issue of Covered Bonds. The Covered Bonds which are the subject of these final terms are not compliant with the Prospectus Regulation or the UK Prospectus Regulation and the Central Bank of Ireland has neither approved nor reviewed the information contained in these final terms.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 (as amended) as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PART A—CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated December 19, 2023 as supplemented by the 1st Base Prospectus Supplement dated February 27, 2024 and 2nd Base Prospectus Supplement dated March 21, 2024 (together the "**Prospectus**") which are incorporated in the Swiss Prospectus dated April 16, 2024 (the "**Swiss Prospectus**"). This document constitutes the Final Terms of the Covered Bonds described herein and must be read in conjunction with the Prospectus and the Swiss Prospectus. Full information on the Issuer, the Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms, the Prospectus and the Swiss Prospectus. Copies of the Swiss Prospectus, together with all documents incorporated by reference therein may be obtained from the specified offices or address, respectively of the Issuer and UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, CH-8098 Zurich, Switzerland, E-Mail: swiss-prospectus@ubs.com as set out at the end of these Final Terms.

1.	(i) Issuer:	Fédération des caisses Desjardins du Québec (the "**Federation**" or the "**Issuer**")
	(ii) Guarantor:	CCDQ Covered Bond (Legislative) Guarantor Limited Partnership
2.	(i) Series Number:	CBL23
	(ii) Tranche Number:	1
	(iii) Date on which Covered Bonds became fungible:	Not Applicable
3.	Specified Currency or Currencies: (Condition 1.10)	Swiss Francs (CHF)
4.	Aggregate Principal Amount:	CHF 265,000,000
	(i) Series:	CHF 265,000,000
	(ii) Tranche:	CHF 265,000,000
5.	Issue Price:	100.00% of the Aggregate Principal Amount
6.	(a) Specified Denominations: (Condition 1.08 or 1.09)	CHF 5,000
	(b) Calculation Amount:	CHF 5,000
7.	(i) Trade Date:	March 27, 2024
	(ii) Issue Date:	April 18, 2024
	(iii) Interest Commencement Date:	Issue Date
8.	(i) Final Maturity Date:	April 18, 2027
	(ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	Interest Payment Date falling in or nearest to April 18, 2028
9.	Interest Basis:	1.355 per cent. per annum Fixed Rate from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date If applicable in accordance with item 15 below, SARON for a 1-month Observation Period + 0.32 per cent. per annum Floating Rate from (and including) the Final Maturity Date to (but excluding) the Extended Due for Payment Date, subject to a minimum interest rate of 0.000 per cent. (further particulars specified in item 15 below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest Basis:	Applicable. See Item 9 above.
12.	Put/Call Options:	Not Applicable
13.	Date Board approval for issuance of Covered Bonds obtained:	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Covered Bond Provisions: (Condition 5.02)	Applicable from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date
	(i) Rate of Interest:	1.355 per cent per annum payable annually in arrears on each Interest Payment Date during the period from (and

		including) the Interest Commencement Date to (but excluding) the Final Maturity Date
	(ii) Interest Payment Date(s):	April 18 in each year adjusted in accordance with the Business Day Convention up to and including the Final Maturity Date, commencing April 18, 2025
	(iii) Business Day Convention:	Following Business Day Convention, unadjusted
	(iv) Fixed Coupon Amount[(s)]:	CHF 67.75 per Calculation Amount
	(v) Broken Amount(s):	Not Applicable
	(vi) Day Count Fraction:	30/360
	(vii) Determination Dates:	Not Applicable
	(viii) Financial Centre(s):	Zurich, Montréal, Toronto
15.	Floating Rate Covered Bond Provisions: (Condition 5.03)	Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date
	(i) Interest Period(s):	The first Interest Period shall comprise the period from and including the Final Maturity Date to but excluding the first Specified Interest Payment Date. The Interest Periods shall, thereafter, be the period from and including each Specified Interest Payment Date to but excluding the next following Specified Interest Payment Date.
	(ii) Specified Interest Payment Dates:	The Specified Interest Payment Dates shall be monthly on the 18th day of each month from but excluding the Final Maturity Date to and including the Extended Due for Payment Date, unless redeemed in full prior to such Extended Due for Payment Date; and subject, in each case, to adjustment in accordance with the Business Day Convention specified in item 15(iii) below.
	(iii) Business Day Convention:	Modified Following Adjusted Business Day Convention
	(iv) Financial Centre(s):	Zurich, Montréal, Toronto
	(vi) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
	(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent):	The Swiss Principal Paying Agent shall be the Calculation Agent
	(viii)Screen Rate Determination:	Applicable
	— Reference Rate:	SARON
	—Calculation Method:	SARON 1 month Compound Rate
	— Observation Method:	Shift
	— Observation Shift Period:	2 Zurich Banking Days
	— Interest Determination Date(s):	Fifth Zurich Banking Day prior to the end of each Interest Period
	— Relevant Screen Page:	https://www.six-group.com/exchanges/indices/data_centre/swiss_reference_rates/compound_rates_de.html
	— Relevant Time:	Not Applicable
	— Reference Banks:	Not Applicable
	— 2021 ISDA Definitions:	Not Applicable
	(ix) ISDA Determination:	Not Applicable
	(x) Margin(s):	+0.32 per cent per annum
	(a) Linear Interpolation (Condition 5.10)	Not Applicable
	(xi) Minimum Rate of Interest: (Condition 5.05)	0.00 per cent per annum
	(xii) Maximum Rate of Interest: (Condition 5.05)	60.00 per cent per annum
	(xiii)Day Count Fraction:	Actual/360
16.	Zero Coupon Covered Bond Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

17.	Call Option (Condition 6.03):	Not Applicable
18.	Put Option (Condition 6.06):	Not Applicable
19.	Final Redemption Amount of each Covered Bond:	CHF 5,000 per Calculation Amount
20.	Early Redemption Amount: Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default: (Conditions 6.02, 6.13 or 7)	CHF 5,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21.	Form of the Covered Bonds:	The Covered Bonds and all rights in connection therewith are documented in the form of a Global Covered Bond which shall be deposited with SIX SIS Ltd. or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the Global Covered Bond has been deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Covered Bonds will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Each holder of the Covered Bonds shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Global Covered Bond to the extent of the holder's claim against the Issuer, provided that for so long as the Global Covered Bond remains deposited with the Intermediary the co-ownership interest shall be suspended and the Covered Bonds may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by entry of the transferred Covered Bonds in a securities account of the transferee. The records of the Intermediary will determine the number of Covered Bonds held through each participant in that Intermediary. In respect of the Covered Bonds held in the form of Intermediated Securities, the holders of the Covered Bonds will be the persons holding the Covered Bonds in a securities account. Holders of the Covered Bonds do not have the right to effect or demand the conversion of the Global Covered Bond into, or the delivery of, uncertificated securities (*Wertrechte*) or Definitive Covered Bonds (*Wertpapiere*). The Global Covered Bond shall not be exchangeable in whole or in part for definitive bearer Covered Bonds.
22.	New Global Covered Bond:	No
23.	Exclusion of compensation and set-off:	Not Applicable
24.	Financial Centre(s) or other special provisions relating to payment dates:	Zurich, Montréal, Toronto
25.	Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): (Condition 1.06)	No
26.	Details relating to Instalment Covered Bonds: amount of each instalment, date on which each payment is to be made: (Condition 6.12)	Not Applicable

THIRD PARTY INFORMATION

The ratings explanations set out in Item 2. "Ratings" of Part B have been extracted from websites of Moody's and Fitch. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Moody's and Fitch, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: _____

Duly authorized

By: _____

Duly authorized

Signed on behalf of the Managing GP for and on behalf of the Guarantor:

By: _____

Duly authorized

PART B—OTHER INFORMATION

1. **LISTING**

(i) Listing/Admission to trading:	Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be provisionally admitted to the SIX Swiss Exchange trading on standard for Bonds with effect from April 16, 2024.
(ii) Estimate of total expenses related to admission to trading:	CHF 7,150

2. **RATINGS**

The Covered Bonds to be issued are expected to be rated:

Ratings:

Moody's: Aaa

Obligations rated "Aaa" are judged to be of the highest quality, with minimal risk. (Source: Moody's, https://ratings.moodys.io/ratings)

Fitch: AAA

Obligations rated "AAA" denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events. (Source: Fitch, https://www.fitchratings.com/products/rating-definitions)

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save as discussed in "*Subscription and Sale and Transfer and Selling Restrictions*", so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the issue.

4. **FIXED RATE COVERED BONDS ONLY—YIELD**

Indication of yield based on the Issue Price:	1.355% in respect of the period from (and including) the Issue Date to (but excluding) the Final Maturity Date

5. **DISTRIBUTION**

(i) Stabilizing Manager(s) (if any):	Not Applicable
(ii) U.S. Selling Restrictions:	Regulation S compliance Category 2; TEFRA D Rules apply in accordance with usual Swiss market practice; Not Rule 144A eligible
(iii) Additional Selling Restrictions:	The Covered Bonds may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada. The Covered Bonds are not intended to be offered, sold or otherwise made available in the UK to, and should not be offered, sold or otherwise made available in the UK to, any person in a principal amount of less than £100,000 (or its equivalent in CHF).
(iv) Singapore sales to institutional and accredited investors only:	Applicable
(v) Prohibition of Sales to EEA Retail Investors:	Applicable
(vi) Prohibition of Sales to UK Retail Investors:	Applicable

6. **OPERATIONAL INFORMATION**

(i) ISIN Code:	CH1331113584

(ii) Common Code:	280459917
(iii) Swiss Security Number	133.111.358
(iv) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking SA or DTC or CDS, their addresses and the relevant identification number(s):	SIX SIS AG
(v) Delivery:	Delivery against payment
(vi) Name(s) and address(es) of initial Paying Agent(s), Registrars, Exchange Agent and Transfer Agents:	UBS AG Bahnhofstrasse 45 8001 Zurich Switzerland
(vii) Name(s) and address(es) of additional or substitute Paying Agent(s) or Transfer Agent(s):	Not Applicable
(viii) Intended to be held in a manner which would allow Eurosystem eligibility:	No

7. UNITED STATES TAX CONSIDERATIONS

Not Applicable

8. PROCEEDS

(i)	Use of net proceeds:	As specified in the Swiss Prospectus
(ii)	Estimated net proceeds:	CHF 264,354,500

Final Terms dated April 16, 2024



FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

Legal Entity Identifier: 549300B2Q47IR0CR5B54

Issue of CHF 175,000,000 1.420 per cent. Covered Bonds due April 18, 2030
under the

C$26,000,000,000
Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
CCDQ COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP
(a limited partnership formed under the laws of Ontario)

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THESE FINAL TERMS. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

THE COVERED BONDS AND THE COVERED BOND GUARANTEE HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY OTHER SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE COVERED BONDS AND THE COVERED BOND GUARANTEE OR APPROVED THIS BASE PROSPECTUS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

No prospectus is required in accordance with the Prospectus Regulation or the UK Prospectus Regulation (each as defined below) for this issue of Covered Bonds. The Covered Bonds which are the subject of these final terms are not compliant with the Prospectus Regulation or the UK Prospectus Regulation and the Central Bank of Ireland has neither approved nor reviewed the information contained in these final terms.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 (as amended) as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PART A—CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated December 19, 2023 as supplemented by the 1st Base Prospectus Supplement dated February 27, 2024 and 2nd Base Prospectus Supplement dated March 21, 2024 (together the "**Prospectus**") which are incorporated in the Swiss Prospectus dated April 16, 2024 (the "**Swiss Prospectus**"). This document constitutes the Final Terms of the Covered Bonds described herein and must be read in conjunction with the Prospectus and the Swiss Prospectus. Full information on the Issuer, the Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms, the Prospectus and the Swiss Prospectus. Copies of the Swiss Prospectus, together with all documents incorporated by reference therein may be obtained from the specified offices or address, respectively of the Issuer and UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, CH-8098 Zurich, Switzerland, E-Mail: swiss-prospectus@ubs.com as set out at the end of these Final Terms.

1.	(i) Issuer:	Fédération des caisses Desjardins du Québec (the "**Federation**" or the "**Issuer**")
	(ii) Guarantor:	CCDQ Covered Bond (Legislative) Guarantor Limited Partnership
2.	(i) Series Number:	CBL24
	(ii) Tranche Number:	1
	(iii) Date on which Covered Bonds became fungible:	Not Applicable
3.	Specified Currency or Currencies: (Condition 1.10)	Swiss Francs (CHF)
4.	Aggregate Principal Amount:	CHF 175,000,000
	(i) Series:	CHF 175,000,000
	(ii) Tranche:	CHF 175,000,000
5.	Issue Price:	100.00% of the Aggregate Principal Amount
6.	(a) Specified Denominations: (Condition 1.08 or 1.09)	CHF 5,000
	(b) Calculation Amount:	CHF 5,000
7.	(i) Trade Date:	March 27, 2024
	(ii) Issue Date:	April 18, 2024
	(iii) Interest Commencement Date:	Issue Date
8.	(i) Final Maturity Date:	April 18, 2030
	(ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	Interest Payment Date falling in or nearest to April 18, 2031
9.	Interest Basis:	1.420 per cent. per annum Fixed Rate from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date If applicable in accordance with item 15 below, SARON for a 1-month Observation Period + 0.35 per cent. per annum Floating Rate from (and including) the Final Maturity Date to (but excluding) the Extended Due for Payment Date, subject to a minimum interest rate of 0.000 per cent. (further particulars specified in item 15 below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest Basis:	Applicable. See Item 9 above.
12.	Put/Call Options:	Not Applicable
13.	Date Board approval for issuance of Covered Bonds obtained:	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Covered Bond Provisions: (Condition 5.02)	Applicable from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date
	(i) Rate of Interest:	1.420 per cent per annum payable annually in arrears on each Interest Payment Date during the period from (and

		including) the Interest Commencement Date to (but excluding) the Final Maturity Date
	(ii) Interest Payment Date(s):	April 18 in each year adjusted in accordance with the Business Day Convention up to and including the Final Maturity Date, commencing April 18, 2025
	(iii) Business Day Convention:	Following Business Day Convention, unadjusted
	(iv) Fixed Coupon Amount[(s)]:	CHF 71.00 per Calculation Amount
	(v) Broken Amount(s):	Not Applicable
	(vi) Day Count Fraction:	30/360
	(vii) Determination Dates:	Not Applicable
	(viii) Financial Centre(s):	Zurich, Montréal, Toronto
15.	Floating Rate Covered Bond Provisions: (Condition 5.03)	Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date
	(i) Interest Period(s):	The first Interest Period shall comprise the period from and including the Final Maturity Date to but excluding the first Specified Interest Payment Date. The Interest Periods shall, thereafter, be the period from and including each Specified Interest Payment Date to but excluding the next following Specified Interest Payment Date.
	(ii) Specified Interest Payment Dates:	The Specified Interest Payment Dates shall be monthly on the 18th day of each month from but excluding the Final Maturity Date to and including the Extended Due for Payment Date, unless redeemed in full prior to such Extended Due for Payment Date; and subject, in each case, to adjustment in accordance with the Business Day Convention specified in item 15(iii) below.
	(iii) Business Day Convention:	Modified Following Adjusted Business Day Convention
	(iv) Financial Centre(s):	Zurich, Montréal, Toronto
	(vi) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
	(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent):	The Swiss Principal Paying Agent shall be the Calculation Agent
	(viii)Screen Rate Determination:	Applicable
	— Reference Rate:	SARON
	—Calculation Method:	SARON 1 month Compound Rate
	— Observation Method:	Shift
	— Observation Shift Period:	2 Zurich Banking Days
	— Interest Determination Date(s):	Fifth Zurich Banking Day prior to the end of each Interest Period
	— Relevant Screen Page:	https://www.six-group.com/exchanges/indices/data_centre/swiss_reference_rates/compound_rates_de.html
	— Relevant Time:	Not Applicable
	— Reference Banks:	Not Applicable
	— 2021 ISDA Definitions:	Not Applicable
	(ix) ISDA Determination:	Not Applicable
	(x) Margin(s):	+0.35 per cent per annum
	(b) Linear Interpolation (Condition 5.10)	Not Applicable
	(xi) Minimum Rate of Interest: (Condition 5.05)	0.00 per cent per annum
	(xii) Maximum Rate of Interest: (Condition 5.05)	60.00 per cent per annum
	(xiii)Day Count Fraction:	Actual/360
16.	Zero Coupon Covered Bond Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

17.	Call Option (Condition 6.03):	Not Applicable
18.	Put Option (Condition 6.06):	Not Applicable
19.	Final Redemption Amount of each Covered Bond:	CHF 5,000 per Calculation Amount
20.	Early Redemption Amount: Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default: (Conditions 6.02, 6.13 or 7)	CHF 5,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21.	Form of the Covered Bonds:	The Covered Bonds and all rights in connection therewith are documented in the form of a Global Covered Bond which shall be deposited with SIX SIS Ltd. or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the Global Covered Bond has been deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Covered Bonds will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Each holder of the Covered Bonds shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Global Covered Bond to the extent of the holder's claim against the Issuer, provided that for so long as the Global Covered Bond remains deposited with the Intermediary the co-ownership interest shall be suspended and the Covered Bonds may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by entry of the transferred Covered Bonds in a securities account of the transferee. The records of the Intermediary will determine the number of Covered Bonds held through each participant in that Intermediary. In respect of the Covered Bonds held in the form of Intermediated Securities, the holders of the Covered Bonds will be the persons holding the Covered Bonds in a securities account. Holders of the Covered Bonds do not have the right to effect or demand the conversion of the Global Covered Bond into, or the delivery of, uncertificated securities (*Wertrechte*) or Definitive Covered Bonds (*Wertpapiere*). The Global Covered Bond shall not be exchangeable in whole or in part for definitive bearer Covered Bonds.
22.	New Global Covered Bond:	No
23.	Exclusion of compensation and set-off:	Not Applicable
24.	Financial Centre(s) or other special provisions relating to payment dates:	Zurich, Montréal, Toronto
25.	Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): (Condition 1.06)	No
26.	Details relating to Instalment Covered Bonds: amount of each instalment, date on which each payment is to be made: (Condition 6.12)	Not Applicable

THIRD PARTY INFORMATION

The ratings explanations set out in Item 2. "Ratings" of Part B have been extracted from websites of Moody's and Fitch. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Moody's and Fitch, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: _____
Duly authorized

By: _____
Duly authorized

Signed on behalf of the Managing GP for and on behalf of the Guarantor:

By: _____
Duly authorized

PART B—OTHER INFORMATION

1. **LISTING**

(i) Listing/Admission to trading:	Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be provisionally admitted to the SIX Swiss Exchange trading on standard for Bonds with effect from April 16, 2024.
(ii) Estimate of total expenses related to admission to trading:	CHF 6,250

2. **RATINGS**

The Covered Bonds to be issued are expected to be rated:

Ratings:

Moody's: Aaa

Obligations rated "Aaa" are judged to be of the highest quality, with minimal risk. (Source: Moody's, https://ratings.moodys.io/ratings)

Fitch: AAA

Obligations rated "AAA" denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events. (Source: Fitch, https://www.fitchratings.com/products/rating-definitions)

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save as discussed in "*Subscription and Sale and Transfer and Selling Restrictions*", so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the issue.

4. **FIXED RATE COVERED BONDS ONLY—YIELD**

Indication of yield based on the Issue Price:	1.420% in respect of the period from (and including) the Issue Date to (but excluding) the Final Maturity Date

5. **DISTRIBUTION**

(i) Stabilizing Manager(s) (if any):	Not Applicable
(ii) U.S. Selling Restrictions:	Regulation S compliance Category 2; TEFRA D Rules apply in accordance with usual Swiss market practice; Not Rule 144A eligible
(iii) Additional Selling Restrictions:	The Covered Bonds may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada. The Covered Bonds are not intended to be offered, sold or otherwise made available in the UK to, and should not be offered, sold or otherwise made available in the UK to, any person in a principal amount of less than £100,000 (or its equivalent in CHF).
(iv) Singapore sales to institutional and accredited investors only:	Applicable
(v) Prohibition of Sales to EEA Retail Investors:	Applicable
(vi) Prohibition of Sales to UK Retail Investors*:*	Applicable

6. **OPERATIONAL INFORMATION**

(i) ISIN Code:	CH1331113592
(ii) Common Code:	280460613
(iii) Swiss Security Number	133.111.359
(iv) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking SA or DTC or CDS, their addresses and the relevant identification number(s):	SIX SIS AG
(v) Delivery:	Delivery against payment
(vi) Name(s) and address(es) of initial Paying Agent(s), Registrars, Exchange Agent and Transfer Agents:	UBS AG Bahnhofstrasse 45 8001 Zurich Switzerland
(vii) Name(s) and address(es) of additional or substitute Paying Agent(s) or Transfer Agent(s):	Not Applicable

	(viii) Intended to be held in a manner which would allow Eurosystem eligibility:	No

7. **UNITED STATES TAX CONSIDERATIONS**

Not Applicable

8. **PROCEEDS**

(i)	Use of net proceeds:	As specified in the Swiss Prospectus
(ii)	Estimated net proceeds:	CHF 174,456,250



NOT FOR DISTRIBUTION TO ANY U.S. PERSON (AS DEFINED BELOW) OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS AND INSTITUTIONAL ACCREDITED INVESTORS (EACH AS DEFINED BELOW)

IMPORTANT: You must read the following before continuing. The following applies to the prospectus following this page (the "**Base Prospectus**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access. You acknowledge that you will not forward this electronic form of the Base Prospectus to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER (AS DEFINED BELOW) IN ANY JURISDICTION WHERE SUCH OFFER OR SOLICITATION IS PROHIBITED. THE FOLLOWING BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: The Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Base Prospectus to any other person. By accepting this email and accessing the Base Prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the Base Prospectus by electronic transmission, (c) you are either (i) not a U.S. person (within the meaning of Regulation S under the Securities Act) nor acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia or (ii) (A) a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act or (B) an institutional "accredited investor" within the meaning of Rule 501(a) under the Securities Act and (d) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments qualifying as an investment professional within the meaning of Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005 (the "**Order**") and/or (ii) is a high net worth entity falling within Article 49(2)(a) to (e) of the Order. This document and the accompanying Base Prospectus are not a "prospectus" for purposes of Section 12(a)(2) or any other provisions of the Securities Act.

The Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Barclays Bank PLC (the "**Arranger**"), the Fédération des caisses Desjardins du Québec (the "**Federation**" or the "**Issuer**"), nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from Barclays Bank PLC. Where the context requires, the expression "Federation" refers to the Fédération des caisses Desjardins du Québec and its direct and indirect subsidiaries, its predecessor entities or the entities controlled by it, the expression "Groupe coopératif Desjardins" refers to, together, the Federation, the member caisses in Québec and the *Fonds de sécurité Desjardins* ("**Groupe coopératif Desjardins**"), and the expression "**Desjardins Group**" refers to the financial group to which the Issuer belongs and is comprised of the Federation and its subsidiaries, the member caisses in Québec, the *Fonds de sécurité Desjardins* and the Caisse Desjardins Ontario Credit Union Inc., as described under "Desjardins Group" below.

Each investor confirms its express wish that all documents evidencing or relating to the sale of the securities and all other contracts and related documents be drafted in the English language. *Chaque investisseur confirme sa volonté expresse que tous les documents*

attestant de la vente des titres ou s'y rapportant ainsi que tous les autres contrats et documents s'y rattachant soient rédigés en langue anglaise.

The language of the Base Prospectus is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the Base Prospectus.

BASE PROSPECTUS DATED DECEMBER 19, 2023



FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

C$26,000,000,000
Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
CCDQ COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP
(a limited partnership formed under the laws of Ontario)

Under this C$26 billion global covered bond programme (the "**Programme**"), the Fédération des caisses Desjardins du Québec (the "**Federation**" or the "**Issuer**") may from time to time issue Covered Bonds (as defined herein) denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined in this Base Prospectus).

CCDQ Covered Bond (Legislative) Guarantor Limited Partnership (the "**Guarantor**") has agreed to guarantee payments of interest and principal under the Covered Bonds, pursuant to a direct and, following the occurrence of a Covered Bond Guarantee Activation Event (as defined elsewhere in this Base Prospectus), unconditional and irrevocable guarantee (the "**Covered Bond Guarantee**") which is secured by the assets of the Guarantor, including the Covered Bond Portfolio (as defined elsewhere in this Base Prospectus). Recourse against the Guarantor under the Covered Bond Guarantee is limited to the aforementioned assets and the Guarantor will not have any other source of funds available to meet its obligations under the Covered Bond Guarantee.

The Covered Bonds may be issued in registered or bearer form. The maximum aggregate nominal amount of all Covered Bonds outstanding at any one time under the Programme will not exceed C$26 billion (or its equivalent in other currencies calculated as described in the Dealership Agreement described herein) subject to any increase as described herein. The price and amount of the Covered Bonds to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

An investment in Covered Bonds issued under the Programme involves certain risks. See "Risk Factors**" for a discussion of certain risk factors to be considered in connection with an investment in the Covered Bonds. The Covered Bonds are not guaranteed under the *Deposit Institutions and Deposit Protection Act* (Québec) (the "Deposit Institutions and Deposit Protection Act")** or the Canada Deposit Insurance Corporation Act.

Unless otherwise specified in the applicable Final Terms, the Issuer, at its executive offices located in Montréal, Québec, Canada, will accept investments evidenced by the Covered Bonds but without prejudice to the provisions of Condition 9 (see "*Terms and Conditions of the Covered Bonds—Payments*").

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**") for covered bonds (the "**Covered Bonds**") issued under the Programme described in this Base Prospectus. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Guarantor or the quality of the Covered Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Covered Bonds. Application will be made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Covered Bonds issued under the Programme within 12 months of this Base Prospectus to be admitted to the official list of Euronext Dublin (the "**Official List**") and trading on its regulated market (the "**Regulated Market**"). The Regulated Market is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"). Such approval relates only to the Covered Bonds which are to be admitted to trading on a regulated market for the purposes of MiFID II and/or which are to be offered to the public in any Member State of the European Economic Area.

This Base Prospectus is valid (where an offer of Covered Bonds requires a prospectus for the purposes of Article 3(3) of the Prospectus Regulation) for a period of twelve months from the date of approval. The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Covered Bonds to be issued under the Programme, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Covered Bonds. The obligation to prepare a supplement to this Base Prospectus in the event of any significant new factor, material mistake or material inaccuracy does not apply when the Base Prospectus is no longer valid.

In the case of any Covered Bonds which are to be admitted to trading on a regulated market within the European Economic Area (the "**EEA**") or offered to the public in a member state of the EEA in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation, the minimum denomination shall be at least €100,000 (or its equivalent in any other currency as at the date of issue of the Covered Bonds). In the case of any Covered Bonds which are to be admitted to trading on a regulated market within the United Kingdom or offered to the public in the United Kingdom in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation as it forms part of United Kingdom domestic law (the "**UK Prospectus Regulation**") by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**EUWA**"), the minimum denomination shall be at least €100,000 (or its equivalent in any other currency as at the date of issue of the Covered Bonds).

This prospectus comprises a base prospectus (this "**Base Prospectus**") for the purposes of Article 8 of the Prospectus Regulation.

On January 29, 2014, La Caisse centrale Desjardins du Québec ("**CCDQ**") was registered as a registered issuer in the registry (the "**Registry**") established by Canada Mortgage and Housing Corporation ("**CMHC**") pursuant to Section 21.51 of Part I.1 of the *National Housing Act* (Canada). On January 29, 2014, the Programme was registered in the Registry. Effective January 1, 2017 (the "**Amalgamation Date**"), the Issuer, as the absorbing federation, continued as the issuer for the Programme. Following the Amalgamation Date, the Issuer was registered as a registered issuer in the Registry and the Programme continued to be registered in the Registry.

Amounts payable under the Covered Bonds may be calculated by reference to the Euro Inter-Bank Offered Rate ("**EURIBOR**"), the Sterling Overnight Index Average ("**SONIA**"), the Secured Overnight Financing Rate ("**SOFR**"), the Euro Short-term Rate ("**€STR**") or Swiss Average Rate Overnight ("**SARON**") which are provided by the European Money Markets Institute ("**EMMI**"), the Bank of England, the Federal Reserve Bank of New York (the "**FRBNY**"), the European Central Bank and SIX Index AG, respectively. As at the date of this Base Prospectus, the EMMI appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Association ("**ESMA**") pursuant to Article 36 of the Benchmarks Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). As at the date of this Base Prospectus, neither the Bank of England nor the FRBNY appears on the register of administrators and benchmarks established and maintained by ESMA. As far as the Issuer is aware, the Bank of England as administrator of SONIA, the FRBNY as administrator of SOFR, and the European Central Bank, as administrator of €STR, are not required to be registered by virtue of Article 2 of the Benchmarks Regulation.

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

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CMHC NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

THE COVERED BONDS AND THE COVERED BOND GUARANTEE HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY OTHER SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE COVERED BONDS AND THE COVERED BOND GUARANTEE OR APPROVED THIS BASE PROSPECTUS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

The Covered Bonds and the related Covered Bond Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Covered Bonds and the related Covered Bond Guarantee may not be offered, sold or delivered, directly or indirectly, within the United States or to or for the account or benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Covered Bonds are being offered only (i) in offshore transactions to non-U.S. persons in reliance upon Regulation S under the Securities Act and (ii) in the case of Legended Covered Bonds (as defined herein) only to (a) "qualified institutional buyers" within the meaning of and in reliance upon Rule 144A under the Securities Act and/or (b) institutional "accredited investors" within the meaning of Rule 501(a) under the Securities Act. See "*Form of the Covered Bonds*" for a description of the manner in which Covered Bonds will be issued. Legended Covered Bonds are subject to certain restrictions on transfer. See "*Subscription and Sale and Transfer and Selling Restrictions*". Covered Bonds may be subject to U.S. tax law requirements.

Covered Bonds issued under the Programme are expected on issue to be assigned a rating of "Aaa" by Moody's Investors Service Inc. ("**Moody's**") and a rating of "AAA" by Fitch Ratings, Inc. ("**Fitch**") unless otherwise specified in the applicable Final Terms. Investors are cautioned to evaluate each rating independently of any other rating. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning agency and each rating should be evaluated independently of any other. The rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Covered Bonds will be issued by a credit rating agency established in the European Union or the United Kingdom and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**EU CRA Regulation**") or the EU CRA Regulation as it forms part of United Kingdom domestic law by virtue of the EUWA (the "**UK CRA Regulation**" and together with the EU CRA Regulation, the "**CRA Regulations**"), as applicable, will be disclosed in the applicable Final Terms. The credit ratings included and referenced in this Base Prospectus have been issued by S&P Global Ratings ("**S&P**"), Moody's, Fitch and DBRS, none of which is established in the European Union or the United Kingdom but each of which has an affiliate established in the European Union or the United Kingdom and registered under the applicable CRA Regulation. See "*Credit Rating Agencies*" on page 7.

In general, EEA regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such credit ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (an "**EU Registered CRA**") (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EU Registered CRA or the relevant third country non-EEA credit rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation (a "**UK Registered CRA**" and together with an EU Registered CRA, a "**Registered CRA**"). In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK Registered CRA; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

Arranger for the Programme

BARCLAYS

IMPORTANT NOTICES

This prospectus supersedes the prospectus of the Issuer dated December 19, 2022 except that Covered Bonds issued on or after the date of this document which are to be consolidated and form a single series with Covered Bonds issued prior to the date hereof will be subject to the Conditions of the Covered Bonds applicable on the date of issue for the first tranche of Covered Bonds of such series.

You should rely only on the information contained or incorporated by reference in this document. The Issuer and the Guarantor have not authorized anyone to provide you with different information. The Issuer and the Guarantor are not, and none of the Arranger or Dealers are, making an offer of these Covered Bonds in any state or jurisdiction where such offer is not permitted.

Copies of Final Terms for Covered Bonds that are admitted to trading on a regulated market in the EEA in circumstances requiring publication of a prospectus in accordance with the Prospectus Regulation (i) can be viewed on the website of Euronext Dublin under the name of the Issuer, (ii) will be available without charge from the Issuer at the head office of the Issuer located at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5 and the specified office of each Paying Agent set out at the end of this Base Prospectus, see "Terms and Conditions of the Covered Bonds**" and (iii) can be viewed on the Issuer's website maintained in respect of the Programme in French at http://www.desjardins.com/a-propos/relations-investisseurs/investisseurs-titres-revenu-fixe/obligations-securisees-ccd-modalites-acces/index.jsp and in English at http://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/ccd-covered-bonds-terms-access/index.jsp.**

The Issuer and the Guarantor accept responsibility for the information in this Base Prospectus and the Final Terms for each Tranche of Covered Bonds issued under the Programme. To the best of the knowledge of the Issuer and the Guarantor, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

This Base Prospectus should be read and construed with any amendment or supplement hereto approved by the Central Bank and with any other documents which are specifically incorporated herein or therein by reference and shall be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus. Any reference in this document to Base Prospectus means this prospectus together with the documents incorporated herein, any supplementary prospectus approved by the Central Bank and any documents specifically incorporated by reference therein. In relation to any Tranche or Series (as such terms are defined herein) of Covered Bonds, this Base Prospectus shall also be read and construed together with the applicable Final Terms.

No person has been authorized by the Issuer, the Guarantor, the Bond Trustee, the Arranger or any of the Dealers to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any amendment or supplement hereto or any document incorporated herein or therein by reference or entered into in relation to the Programme or any information supplied by the Issuer or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer, the Guarantor, the Arranger, any Dealer or the Bond Trustee.

No representation or warranty is made or implied by the Arranger or the Dealers or any of their respective affiliates, and neither the Arranger nor the Dealers nor any of their respective affiliates make any representation or warranty or accept any responsibility or any liability, as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus and any other information provided by the Issuer and the Guarantor in connection with the Programme. Neither the Arranger, the Dealers nor the Bond Trustee accepts any responsibility or liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer and the Guarantor in connection with the Programme. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Covered Bond shall, in any circumstances, create any implication that the information contained or incorporated by reference herein is true subsequent to the date hereof, the date indicated on such document incorporated by reference herein or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer or the Guarantor since the date hereof, the date indicated on such document incorporated by reference herein or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

None of this Base Prospectus nor any Final Terms nor any financial statements nor any further information supplied in connection with the Programme constitutes an offer or an invitation to subscribe for or purchase any Covered Bonds, nor are they intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation

by the Issuer, the Guarantor, the Arranger, the Dealers, the Bond Trustee or any of them that any recipient of this Base Prospectus, any supplement hereto, any information incorporated by reference herein or therein, any other information provided in connection with the Programme and, in respect to each Tranche of Covered Bonds, the applicable Final Terms, should subscribe for or purchase any Covered Bond. Each investor contemplating purchasing Covered Bonds should determine for itself the relevance of the information contained or incorporated by reference in this Base Prospectus, should make its own independent investigation of the condition (financial or otherwise) and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor and should consult its own legal and financial advisors prior to subscribing for or purchasing any of the Covered Bonds. Each investor's or purchaser's purchase of Covered Bonds should be based upon such investigation as it deems necessary. Potential purchasers cannot rely, and are not entitled to rely, on the Arranger, the Dealers or the Bond Trustee in connection with their investigation of the accuracy of any information or their decision whether to subscribe for, purchase or invest in the Covered Bonds. None of the Arranger, the Dealers or the Bond Trustee undertakes any obligation to advise any investor or potential investor in or purchaser of the Covered Bonds of any information coming to the attention of any of the Arranger, the Dealers or the Bond Trustee, as the case may be.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Covered Bonds in certain jurisdictions may be restricted by law. In particular, no action has been taken by the Issuer or the Guarantor or the Arranger or the Dealers which would permit a public offering of the Covered Bonds or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Covered Bonds may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the Prospectus Regulation and any other applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor, the Bond Trustee, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Covered Bonds in Canada, the United States, the EEA (including France, Italy, Ireland, Belgium and the Netherlands), Switzerland, the United Kingdom, Hong Kong, Singapore, South Korea, Japan, Australia and New Zealand (see "Subscription and Sale and Transfer and Selling Restrictions**" below). Neither this Base Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.**

This Base Prospectus has been prepared on the basis that any offer of Covered Bonds in any member state of the EEA or the United Kingdom (each, a "Relevant State") will be made pursuant to an exemption under the Prospectus Regulation or the UK Prospectus Regulation, as applicable, from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly, any person making or intending to make an offer in that Relevant State of Covered Bonds which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or section 85 of the Financial Services and Markets Act 2000, as amended (the "FSMA"), as applicable, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or UK Prospectus Regulation, as applicable, in each case, in relation to such offer. None of the Issuer, the Guarantor, the Bond Trustee, the Arranger or any Dealer has authorized, nor do they authorize, the making of any offer of Covered Bonds in circumstances in which an obligation arises under the Prospectus Regulation or the UK Prospectus Regulation for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Covered Bonds may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

UK MiFIR PRODUCT GOVERNANCE – TARGET MARKET – The Final Terms in respect of any Covered Bonds may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**UK distributor**") should take into consideration the target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product**

Governance Rules") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Covered Bonds is a UK manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a UK manufacturer for the purpose of the UK MiFIR Product Governance Rules.

NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the "**SFA**") – Unless otherwise stated in the applicable Final Terms, all Covered Bonds issued or to be issued under the Programme shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT – PROHIBITION OF SALE TO EEA RETAIL INVESTORS – If the Final Terms in respect of any Covered Bonds includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – PROHIBITION OF SALE TO UK RETAIL INVESTORS – If the Final Terms in respect of any Covered Bonds includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 (as amended) as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This Base Prospectus has not been submitted for clearance to the Autorité des marchés financiers in France.

All references in this Base Prospectus to "U.S.$" or "U.S. dollars" are to the currency of the United States of America, to "$", "C$", "CAD" or "Canadian dollars" are to the currency of Canada and to "euro" and "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. In the documents incorporated by reference in this Base Prospectus, unless otherwise specified herein or the context otherwise requires, references to "$" are to Canadian dollars.

All references in this Base Prospectus to the "*European Economic Area*" or "*EEA*" are to the Member States of the European Union (the "EU") together with Iceland, Norway and Liechtenstein and Member State shall be construed accordingly.

All references to "Condition(s)" are to the conditions described in this Base Prospectus under "Terms and Conditions of the Covered Bonds".

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF COVERED BONDS UNDER THE PROGRAMME, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILIZING MANAGER(S) IN THE APPLICABLE FINAL TERMS (OR PERSONS ACTING ON BEHALF OF ANY STABILIZING MANAGER(S)) (THE "STABILIZING MANAGER(S)") MAY OVER-ALLOT COVERED BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE COVERED BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC

DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF COVERED BONDS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF COVERED BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF COVERED BONDS. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILIZING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILIZING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

None of the Dealers, the Guarantor nor the Issuer makes any representation to any investor in the Covered Bonds regarding the legality of its investment under any applicable laws. Any investor in the Covered Bonds should satisfy itself that it is able to bear the economic risk of an investment in the Covered Bonds for an indefinite period of time. Investors whose investment authority is subject to legal restrictions should consult their legal advisors to determine whether and to what extent the Covered Bonds constitute legal investments for them. See "The Covered Bonds May Not Be A Suitable Investment For All Investors—Legal investment considerations may restrict certain investments**".**

The Covered Bonds may not be a suitable investment for all investors. The purchase of Covered Bonds may involve substantial risks and may be suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Covered Bonds. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, (i) all the information set forth in this document and in the documents incorporated by reference herein and, in particular, the considerations set forth below and (ii) all the information set forth in the applicable final terms. Prospective investors should make such enquiries as they deem necessary without relying on the Issuer or any Dealer.

U.S. INFORMATION

The Covered Bonds and the Covered Bond Guarantee have not been approved or disapproved by the SEC or any other securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Covered Bonds and the Covered Bond Guarantee or approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is a criminal offense in the United States.

This Base Prospectus is being provided on a confidential basis in the United States to a limited number of persons reasonably believed to be "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**") or institutional "accredited investors" as defined in Rule 501(a) under the Securities Act ("**Institutional Accredited Investors**") for informational use solely in connection with their consideration of the purchase of the Covered Bonds being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents be disclosed to anyone other than the prospective investors to whom it is originally submitted.

Legended Covered Bonds may be offered or sold within the United States only to QIBs or Institutional Accredited Investors, in either case in transactions exempt from the registration requirements of the Securities Act. Each prospective U.S. purchaser of Legended Covered Bonds is hereby notified that the offer and sale of any Legended Covered Bonds to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act. Purchasers of Definitive IAI Registered Covered Bonds will be required to execute and deliver an IAI Investment Letter (as defined below). Each purchaser or holder of Definitive IAI Registered Covered Bonds and Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) sold in private transactions to QIBs in accordance with the requirements of Rule 144A (together "**Legended Covered Bonds**") will be deemed, by its acceptance or purchase of any such Legended Covered Bonds, to have made certain representations and agreements intended to restrict the resale or other transfer of such Covered Bonds as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Covered Bonds*" and "*Subscription and Sale and Transfer and Selling Restrictions*".

CREDIT RATING AGENCIES

Moody's is not established nor is it registered in the EU or the UK but: (1) Moody's Investors Service Ltd., its Registered CRA affiliate (i) is established in the UK; (ii) is registered under the UK CRA Regulation; and (iii) is permitted to endorse credit ratings of Moody's used in specified third countries, including the United States and Canada, for use in the UK by relevant market participants; and (2) Moody's Deutschland GmbH., its Registered CRA affiliate: (i) is established in the EU; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to endorse credit ratings of Moody's used in specified third countries, including the United States and Canada, for use in the EU by relevant market participants.

Fitch is not established nor is it registered in the EU or the UK but: (1) Fitch Ratings Limited, its Registered CRA affiliate: (i) is established in the UK; (ii) is registered under the UK CRA Regulation; and (iii) is permitted to endorse credit ratings of Fitch used in specified third countries, including the United States and Canada, for use in the UK by relevant market participants; and (2) Fitch Ratings Ireland Limited, its Registered CRA affiliate: (i) is established in the EU; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to endorse credit ratings of Fitch used in specified third countries, including the United States and Canada, for use in the EU by relevant market participants.

DBRS is not established nor is it registered in the EU or the UK but: (1) DBRS Ratings Limited, its Registered CRA affiliate: (i) is established in the UK; (ii) is registered under the UK CRA Regulation; and (iii) is permitted to endorse credit ratings of DBRS used in specified third countries, including the United States and Canada, for use in the UK by relevant market participants and (2) DBRS Ratings GmbH, its Registered CRA affiliate: (i) is established in the EU; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to endorse credit ratings of DBRS used in specified third countries, including the United States and Canada, for use in the EU by relevant market participants.

S&P Global Ratings, a subsidiary of S&P Global, Inc. is not established nor is it registered in the EU or the UK but: (1) S&P Global Ratings UK Limited, its Registered CRA affiliate: (i) is established in the UK; (ii) is registered under the UK CRA Regulation; and (iii) is permitted to endorse credit ratings of S&P Global Ratings used in specified third countries, including the United States and Canada, for use in the UK by relevant market participants; and (2) S&P Global Ratings Europe Limited, its Registered CRA affiliate: (i) is established in the EU; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to endorse credit ratings of S&P Global Ratings used in specified third countries, including the United States and Canada, for use in the EU by relevant market participants.

ESMA is obliged to maintain on its website a list of credit rating agencies registered in accordance with the EU CRA Regulation. This list must be updated within 5 working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the EU CRA Regulation. The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. ESMA's website address is https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation. Please note that this website and its contents do not form part of this Base Prospectus.

The FCA is obliged to maintain on its website a list of credit rating agencies registered in accordance with the UK CRA Regulation. The list of registered and certified rating agencies published by the FCA on its website in accordance with the UK CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated FCA list. The FCA's website address is https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras. Please note that this website and its contents do not form part of this Base Prospectus.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with any resales or other transfers of Covered Bonds that are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, the Issuer has undertaken in the Trust Deed to furnish, upon the request of a holder of such Covered Bonds or any beneficial interest therein, to such holder or to a prospective purchaser designated by it, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of request, the Issuer is neither subject to reporting under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

By requesting copies of any of the documents referred to herein, each potential purchaser agrees to keep confidential the various documents and all written information labelled "Confidential" which from time to time have been or will be disclosed to it concerning the Guarantor or the Issuer or any of their affiliates, and agrees not to disclose any portion of the same to any person.

Notwithstanding anything herein to the contrary, investors (and each employee, representative or other agent of the investors) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the offering and all materials

of any kind (including opinions or other tax analyses) that are provided to the investors relating to such tax treatment and tax structure (as such terms are defined in U.S. Treasury regulation § 1.6011-4). This authorization of tax disclosure is retroactively effective to the commencement of discussions between the Issuer, the Guarantor, the Arranger, the Dealers or their respective representatives and a prospective investor regarding the transactions contemplated herein.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Forward-looking statements are contained in this Base Prospectus and in the documents incorporated by reference herein and include, but are not limited to, comments about Desjardins Group's objectives regarding financial performance, priorities, operations, the review of economic conditions and financial markets, the outlook for the Québec, Canadian, U.S. and global economies, and the impact of the COVID-19 pandemic on its operations, its results and its financial position, as well as on economic conditions and financial markets. Such forward-looking statements are typically identified by words or phrases such as "target", "objective", "believe", "expect", "count on", "anticipate", "intend", "estimate", "plan", "forecast", "aim", "propose", "should" and "may", words and expressions of similar import, and future and conditional verbs.

By their very nature, such statements involve assumptions, uncertainties and inherent risks, both general and specific. Desjardins Group cautions investors against placing undue reliance on forward-looking statements since a number of factors, many of which are beyond Desjardins Group's control and the effects of which can be difficult to predict, could influence, individually or collectively, the accuracy of the assumptions, predictions, forecasts or other forward-looking statements in this Base Prospectus and in the documents incorporated by reference herein. It is also possible that these assumptions, predictions, forecasts or other forward-looking statements as well as Desjardins Group's objectives and priorities may not materialize or may prove to be inaccurate, and that actual results differ significantly.

The factors that may affect the accuracy of the forward-looking statements in this Base Prospectus include those discussed in the section "Risk Factors" such as credit, market, liquidity, operational, insurance, strategic and reputational risk, environmental or social risk, and regulatory risk.

Such factors also include those related to security breaches, the housing market and household and corporate indebtedness, technological advancement and regulatory developments, including changes to liquidity and capital adequacy guidelines, and requirements relating to their presentation and interpretation, as well as interest rate fluctuations, inflation, climate change, biodiversity loss and geopolitical uncertainty. Furthermore, there are factors related to general economic and business conditions in regions in which Desjardins Group operates; monetary policies; the critical accounting estimates and accounting standards applied by Desjardins Group; new products and services to maintain or increase Desjardins Group's market share; geographic concentration; acquisitions and joint arrangements; credit ratings; reliance on third parties; the ability to recruit and retain talent; tax risk and the COVID-19 pandemic. Other factors include interest rate benchmark reform, unexpected changes in consumer spending and saving habits, the potential impact of international conflicts on operations, public health crises, such as pandemics and epidemics, or any other similar disease affecting the local, national or global economy, as well as Desjardins Group's ability to anticipate and properly manage the risks associated with these factors despite a disciplined risk management environment. Additional information about these factors is found in the section "*Risk Factors*".

It is important to note that the above list of factors that could influence future results is not exhaustive. Other factors could have an effect on Desjardins Group's results. Additional information about these and other factors is found in the section "*Risk Factors*".

Although Desjardins Group believes that the expectations expressed in these forward-looking statements are reasonable and founded on valid bases, it cannot guarantee that these expectations will materialize or prove to be accurate. Desjardins Group cautions investors against placing undue reliance on these forward-looking statements when making decisions, given that actual results, conditions, actions or future events could differ significantly from the targets, expectations, estimates or intentions advanced in them, explicitly or implicitly. Investors who rely on these forward-looking statements must carefully consider these risk factors and other uncertainties and potential events, including the uncertainty inherent in forward-looking statements.

The significant economic assumptions underlying the forward-looking statements in this document are described in Section 1.5 "*Economic environment and outlook*" of the DG 2022 MD&A and of DG 2023 Q3 MD&A incorporated by reference in this Base Prospectus. These assumptions may also be updated in the quarterly management's discussion and analysis incorporated by reference in this Base Prospectus from time to time, in the "*Economic environment and outlook*" section. Investors are cautioned to consider the foregoing factors when reading this section. When relying on forward-looking statements to make decisions about Desjardins Group, investors should carefully consider these factors, as well as other uncertainties and contingencies. To determine its economic growth forecasts in general, and for the financial services sector in particular, Desjardins Group mainly uses historical economic data provided by recognized and reliable organizations, empirical and theoretical relationships between economic and financial variables, expert judgment and identified upside and downside risks for the domestic and global economies.

Any forward-looking statements contained in this Base Prospectus or the documents incorporated by reference herein represent the views of management only as at the date hereof (or, in the case of information contained in a document incorporated by reference herein, at the date of that document), and are presented for the purpose of assisting investors in understanding and interpreting Desjardins Group's financial position as at the dates indicated or its results for the periods then ended, as well as its strategic priorities and objectives as considered as at the date hereof. These forward-looking statements may not be appropriate for other purposes. Desjardins Group does not undertake to update any oral or written forward-looking statements that could be made from time to time by or on behalf of Desjardins Group, except as required under applicable securities legislation.

THE COVERED BONDS MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS

Each of the risks highlighted herein could adversely affect the trading price of any Covered Bonds or the rights of investors under any Covered Bonds and, as a result, investors could lose some or all of their investment. The Issuer believes that the factors described herein represent the material risks inherent in investing Covered Bonds issued under the Programme, but the Issuer may be unable to pay or deliver amounts in connection with any Covered Bonds for other reasons and the Issuer does not represent that the statements herein regarding the risks of holding any Covered Bonds are exhaustive. Additional information about these factors can be found under "*Risk Factors*".

Each potential investor in the Covered Bonds must determine the suitability of that investment in light of his or her own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, the merits and risks of investing in the Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement or Final Terms;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact the Covered Bonds will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) at the time of initial investment and on an ongoing basis possible economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Covered Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Covered Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effect on the value of the Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Covered Bonds are legal investments for it, (ii) Covered Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

Obligations under the Covered Bonds

The Covered Bonds will not represent an obligation or be the responsibility of any of the Dealers, the Arranger, the Bond Trustee, or any other person involved in or associated with the Programme, or their officers, directors, employees, security holders or incorporators, other than the Issuer and, after a Covered Bond Guarantee Activation Event, the Guarantor. The Issuer will be liable solely in its corporate capacity, the Managing GP and Liquidation GP will be liable solely as general partners of the Guarantor in

their corporate capacity and the Limited Partner of the Guarantor will be liable in its corporate capacity solely to the extent of its interests in the Guarantor, for their respective obligations in respect of the Covered Bonds and the Covered Bond Guarantee, as applicable, and such obligations will not be the obligations of any of their respective officers, directors, employees, security holders or incorporators, as the case may be. The Covered Bonds are not insured under the Deposit Institutions and Deposit Protection Act, the *Canada Deposit Insurance Corporation Act* or by any governmental agency.

LIMITATIONS ON ENFORCEMENT OF U.S. LAWS AGAINST THE ISSUER, ITS MANAGEMENT AND OTHERS

The Issuer is a financial services cooperative created under the laws of the Province of Québec, the Guarantor is a limited partnership formed under the laws of the Province of Ontario and a substantial portion of their assets are located outside the United States. The Issuer's and the Guarantor's directors and executive officers and some of the experts named in this document are resident outside the United States and all or a substantial portion of the assets of such persons are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon such persons to enforce against them judgments of the courts of the United States predicated upon, among other things, the civil liability provisions of the federal securities laws of the United States. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the United States, among other things, civil liabilities predicated upon such securities laws.

The Issuer and the Guarantor have been advised by their Canadian counsel, McCarthy Tétrault LLP, that a judgment of a U.S. court predicated solely upon civil liability of a compensatory nature under such laws and that would not be contrary to public policy would probably be enforceable under applicable Canadian law if the United States court in which the judgment was obtained has a basis for jurisdiction in the matter that was recognized by a Canadian court for such purposes and if all other substantive and procedural requirements for enforcement of a foreign judgment in the applicable Canadian jurisdiction were more generally satisfied. The Issuer and the Guarantor have also been advised by such counsel, however, that there is some residual doubt whether an original action could be brought successfully in Canada predicated solely upon such civil liabilities.

LEGALITY OF THE COVERED BONDS

The legality of the Covered Bonds will be passed upon by McCarthy Tétrault LLP as to matters of Canadian law.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, information contained elsewhere in this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Covered Bonds, the applicable Final Terms. Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings in this overview. A glossary of certain defined terms is contained at the end of this Base Prospectus.

This overview constitutes a general description of the Programme for the purposes of Article 25 of Commission Regulation (EU) 2019/980 (as amended) supplementing Regulation (EU) 2017/1129.

Issuer:	Fédération des caisses Desjardins du Québec (the "**Issuer**" or the "**Federation**")
Issuer Legal Entity Identifier:	549300B2Q47IR0CR5B54
Guarantor:	CCDQ Covered Bond (Legislative) Guarantor Limited Partnership
Guarantor Legal Entity Identifier:	635400V9HJAD2QWJJM91
Arranger:	Barclays Bank PLC.
Dealers:	The Arranger, Barclays Capital Inc. and/or any other dealers appointed from time to time by the Issuer generally in respect of the Programme or in relation to a particular Series or Tranche of Covered Bonds.
Seller:	The Issuer and any New Seller who may from time to time accede to the Hypothecary Loan Sale Agreement and sell Loans and their Related Security or New Loans and their Related Security to the Guarantor.
Servicer:	The Issuer, subject to replacement in accordance with the terms of the Servicing Agreement.
Cash Manager:	The Issuer, subject to replacement in accordance with the terms of the Cash Management Agreement.
Issuing and Paying Agent and Calculation Agent:	The Bank of New York Mellon, London Branch, acting through its office at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom, unless such other party is named herein or in the Final Terms.
European Exchange Agent and Transfer Agent:	The Bank of New York Mellon, London Branch, acting through its office at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom.
European Registrar and Transfer Agent:	The Bank of New York Mellon SA/NV, Luxembourg Branch, acting through its office at Vertigo Building – Polaris, 2-4 rue Eugene Ruppert, L-2453 Luxembourg, R.C. Luxembourg No. B 67.654.
U.S. Registrar, U.S. Transfer Agent, U.S. Exchange Agent and Paying Agent:	The Bank of New York Mellon, acting through its offices at 240 Greenwich, 7th Floor, New York, New York, 10286, United States.
Listing Agent:	Arthur Cox Listing Services Limited
Bond Trustee:	Computershare Trust Company of Canada, acting through its offices located at 650 De Maisonneuve Boulevard West, 7th Floor, Montréal, Québec, Canada, H3A 3T2
Asset Monitor:	PricewaterhouseCoopers LLP, acting through its offices located at 1250 René Lévesque Boulevard West, Suite 2500, Montréal, Québec, Canada H3B 4Y1

Custodian:	Computershare Trust Company of Canada, acting through its offices located at 650 De Maisonneuve Boulevard West, 7th Floor, Montréal, Québec, Canada, H3A 3T2
Interest Rate Swap Provider:	The Issuer, subject to replacement in accordance with the terms of the Interest Rate Swap Agreement.
Covered Bond Swap Provider:	The Issuer, subject to replacement in accordance with the terms of the Covered Bond Swap Agreement.
GIC Provider:	Initially, the Issuer.
Account Depository Institution:	Initially, the Issuer.
Standby Account Depository Institution:	Royal Bank of Canada, acting through its branch located at 200 Bay Street, Toronto, Ontario, Canada M5J 2J5
Standby GIC Provider:	Royal Bank of Canada, acting through its branch located at 200 Bay Street, Toronto, Ontario, Canada M5J 2J5
Covered Bond Legislative Framework:	CCDQ and the Programme were registered in the Registry in accordance with the Covered Bond Legislative Framework and the CMHC Guide on January 29, 2014 and January 29, 2014, respectively. Effective the Amalgamation Date, the Issuer, as the absorbing federation, continued as the issuer for the Programme. Following the Amalgamation Date, the Issuer was registered as a registered issuer in the Registry and the Programme continued to be registered in the Registry.
Certain Restrictions:	Each Series or Tranche of Covered Bonds denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*").
Programme Size:	Up to C$26,000,000,000 (or its equivalent in Specified Currencies), outstanding at any time, subject to increase. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealership Agreement. Covered Bonds denominated in a currency other than CAD shall be translated into CAD at the exchange rate specified in the Covered Bond Swap Agreement relating to such Covered Bonds, or if the Covered Bond Swap Agreement has terminated, the applicable spot rate of exchange for the purchase of such currency against payment of CAD being quoted by the Issuing and Paying Agent on the date of the agreement to issue such Covered Bonds was made which, where the parties enter into a subscription agreement in respect of the Covered Bonds, shall be the date of execution thereof, and in all other cases, the date of the applicable Final Terms.
Distribution:	Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis, subject to the restrictions set forth in "*Subscription and Sale and Transfer and Selling Restrictions*".
Issuance of Series:	Covered Bonds will be issued in series (each, a "**Series**"). Each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") issued on different issue dates. The Covered Bonds of each Series will all be subject to identical terms, except that (i) the issue date and the amount of the first payment of interest may be different in respect of different Tranches and (ii) a Series may comprise Covered Bonds in bearer form and Covered Bonds in registered form and Covered Bonds in more than one denomination. The Covered Bonds of each Tranche will be subject to identical terms in all respects, save that a Tranche may comprise Covered Bonds in bearer form and Covered Bonds in registered form and may comprise Covered Bonds of different denominations. Each holder of a Definitive N Covered Bond shall hold its own series.

Specified Currencies:	Covered Bonds may be denominated in any currency or currencies subject to compliance with all applicable legal and/ or regulatory and/or central bank requirements, such currencies to be agreed upon between the Issuer, the relevant Dealer(s) or the Covered Bondholder, as the case may be, and the Bond Trustee (as set out in the applicable Final Terms). Payments in respect of Covered Bonds may, subject to compliance as described above, be made in and/or linked to, any currency or currencies other than the currency in which such Covered Bonds are denominated as may be specified in the applicable Final Terms.
Denomination:	Covered Bonds may be issued on a fully-paid basis at any price and in such denominations as may be agreed between the Issuer and the relevant Dealer(s) or the Covered Bondholder, as the case may be, and as indicated in the applicable Final Terms, save that the minimum denomination of each Covered Bond to be admitted to trading on a regulated market within the EEA will be at least €100,000 (or, if the Covered Bonds are denominated in a currency other than euros, at least the equivalent amount in such currency as at the Issue Date of such Covered Bonds) or such other higher amount as may be required from time to time by the relevant regulator (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. The minimum denomination of each Definitive IAI Registered Covered Bond, each Definitive Rule 144A Covered Bond and each Definitive N Covered Bond will be as stated in the applicable Final Terms in U.S. dollars (or its approximate equivalent in other Specified Currencies).
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer(s) or the Covered Bondholder, as the case may be, and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant regulator (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Form of the Covered Bonds:	The Covered Bonds will be issued in bearer or registered form or in such other form as shall be agreed upon by the Guarantor, the Issuer, the relevant Dealer(s) or Covered Bondholder(s), as the case may be, and the Bond Trustee as described in "*Form of the Covered Bonds*". Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds and vice versa. Each Tranche of Bearer Covered Bonds will be issued in the form of either a Temporary Global Covered Bond or a Permanent Global Covered Bond deposited with the Common Safekeeper for Euroclear and Clearstream, Luxembourg (in the case of Bearer Covered Bonds intended to be issued in NGCB form) or otherwise with a Common Depositary for Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. A Temporary Global Covered Bond will be exchangeable for a Permanent Global Covered Bond or, if so specified in the applicable Final Terms, Bearer Definitive Covered Bonds. A Permanent Global Covered Bond will be exchangeable for Bearer Definitive Covered Bonds only in limited circumstances, or on notice, in each case, as specified in "*Terms and Conditions of the Covered Bonds*". Registered Covered Bonds sold in reliance on Regulation S under the Securities Act will be issued in the form of Regulation S Global Covered Bonds, while Registered Covered Bonds sold in reliance on Rule 144A under the Securities Act will be issued in the form of Rule 144A Global Covered Bonds (together, the "**Registered Global Covered Bonds**"). If a Registered Global Covered Bond is held under the new safekeeping structure for registered global securities which are intended to constitute eligible collateral for Eurosystem Monetary policy and intraday operations (the "**NSS**"), the Registered Global Covered Bond will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg and registered in the name of a nominee of the Common Safekeeper. Registered Global Covered Bonds not held under the NSS will either be deposited with a custodian for, or registered in the name of a nominee for, The Depository Trust Company ("**DTC**"), CDS or Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms.

Registered Global Covered Bonds will be exchangeable for Registered Definitive Covered Bonds in limited circumstances, or on notice, in each case, as specified in "*Terms and Conditions of the Covered Bonds*".

Any reference herein to DTC, Euroclear and/or Clearstream, Luxembourg, shall, whenever the context so permits, except in relation to Covered Bonds issued in NGCB form or held under the NSS for registered global securities, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Term or as otherwise may be approved by the Issuer, Issuing and Paying Agent and the Bond Trustee.

Registered Covered Bonds sold to Institutional Accredited Investors in reliance upon the exemption from the registration requirements provided by section 4(a)(2) of the Securities Act will be issued in definitive form in the name of the holder thereof in minimum denominations of $250,000 or as specified in the applicable Final Terms.

Definitive N Covered Bonds will be issued to each holder by a deed of issuance (a "**Definitive N Covered Bonds Deed**").

Registered Covered Bonds are subject to transfer restrictions described under "*Subscription and Sale and Transfer and Selling Restrictions*".

See "*Form of the Covered Bonds*" for further details.

Interest: Covered Bonds may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate (detailed in a formula or otherwise) and may vary during the lifetime of the relevant Series.

Types of Covered Bonds: The following is a list of the types of Covered Bonds that may be issued under the Programme:

- Fixed Rate Covered Bonds
- Floating Rate Covered Bonds
- Instalment Covered Bonds
- Zero Coupon Covered Bonds

Fixed Rate Covered Bonds: Fixed Rate Covered Bonds will bear interest at a fixed rate which will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms), provided that if an Extended Due for Payment Date is specified in the Final Terms, interest following the Original Due for Payment Date will continue to accrue and be payable on the unpaid amount in accordance with Condition 5, at the applicable Rate of Interest, including, if applicable, as may be determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds) even where the relevant Covered Bonds are Fixed Rate Covered Bonds.

Floating Rate Covered Bonds: Floating Rate Covered Bonds will bear interest at a rate determined:

(i) on the same basis as the floating rate under a schedule and confirmation and credit support annex, if applicable, for the relevant Tranche and/or Series of Covered Bonds in the relevant Specified Currency governed by the Covered Bond Swap Agreement incorporating the ISDA Definitions; or

(ii) on the basis of a reference rate;

	as set out in the applicable Final Terms. The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Tranche and Series of Floating Rate Covered Bonds as set out in the applicable Final Terms.
Instalment Covered Bonds:	Instalment Covered Bonds are redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.
Zero Coupon Covered Bonds:	Zero Coupon Covered Bonds may be offered and sold at a discount to their nominal amount and will not bear interest except in the case of late payment.
Rating Agency Confirmation:	Any issuance of new Covered Bonds will be conditional upon obtaining Rating Agency Confirmation in respect of the ratings of the then outstanding Covered Bonds by the Rating Agencies.
Ratings:	Covered Bonds issued under the Programme are expected on issue to be assigned a rating of "Aaa" by Moody's and a rating of "AAA" by Fitch unless otherwise specified in the applicable Final Terms.
Listing and admission to trading:	Application will be made to admit Covered Bonds issued under the Programme for the period of 12 months from the date of this Base Prospectus to the Official List and to admit the Covered Bonds to trading on the Regulated Market of Euronext Dublin.
Redemption:	The applicable Final Terms relating to each Tranche of Covered Bonds will indicate either that the relevant Covered Bonds of such Tranche cannot be redeemed prior to their stated maturity (other than in the case of Instalment Covered Bonds or following an Issuer Event of Default or a Guarantor Event of Default or as indicated below) or that such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the holders of the Covered Bonds, on a date or dates specified prior to such stated maturity and at a price or prices as set out in the applicable Final Terms. Early redemption will be permitted for taxation reasons and illegality as mentioned in "*Terms and Conditions of the Covered Bonds—Early Redemption for Taxation Reasons*" and "*Terms and Conditions of the Covered Bonds—Redemption due to Illegality*".
Extendable obligations under the Covered Bond Guarantee:	The applicable Final Terms may also provide that (if a Notice to Pay has been served on the Guarantor) the Guarantor's obligations under the Covered Bond Guarantee to pay the Guaranteed Amounts corresponding to the Final Redemption Amount of the applicable Series of Covered Bonds on their Final Maturity Date (subject to applicable grace periods) may be deferred until the Extended Due for Payment Date. In such case, such deferral will occur automatically (i) if the Issuer fails to pay the Final Redemption Amount of the relevant Series of Covered Bonds on their Final Maturity Date (subject to applicable grace periods) and (ii) if the Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds are not paid in full by the Guarantor by the Extension Determination Date (for example, because the Guarantor has insufficient moneys in accordance with the Priorities of Payment to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds after payment of higher ranking amounts and taking into account amounts ranking *pari passu* in the Priorities of Payment). To the extent a Notice to Pay has been served on the Guarantor and the Guarantor has sufficient time and sufficient moneys to pay in part the Final Redemption Amount, such partial payment will be made by the Guarantor on any Interest Payment Date up to and including the relevant Extended Due for Payment Date as described in Condition 6.01. Interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 5, at the applicable Rate of Interest, including, if applicable, as may be determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds). The Guarantor will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and the Extended Due for Payment Date and any unpaid amounts in respect thereof shall be due and payable on the Extended Due for Payment Date.
Hard Bullet Covered Bonds:	Hard Bullet Covered Bonds may be offered and will be subject to a Pre-Maturity Test. The intention of the Pre-Maturity Test is to test the liquidity of the Guarantor's assets in

	respect of Hard Bullet Covered Bonds maturing within 12 months from the relevant Pre-Maturity Test Date when the Issuer's credit ratings have fallen below the Pre-Maturity Required Ratings.
Taxation:	Payments in respect of the Covered Bonds, Receipts and Coupons will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada or any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration thereof. In that event, the Issuer will (save as provided in Condition 8) pay such additional amounts as will result in the holders of Covered Bonds, Receipts or Coupons receiving such amounts as they would have received in respect of such Covered Bonds, Receipts or Coupons had no such withholding or deduction been required. Under the Covered Bond Guarantee, the Guarantor will not be liable to pay any such additional amounts as a consequence of any applicable tax withholding or deduction. For a more detailed description of withholding tax see "*Terms and Conditions of the Covered Bonds—Taxation*".
Canadian Taxation:	See the discussion under the caption "*Taxation—Canada*". If (i) any portion of interest payable on a Covered Bond is contingent or dependent on the use of, or production from, property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of a corporation; (ii) the recipient of interest payable on a Covered Bond does not deal at arm's length with the Issuer for purposes of the Income Tax Act; (iii) interest is payable in respect of a Covered Bond owned by a person with whom the Issuer or the Guarantor is not dealing with at arm's length for purposes of the Income Tax Act; or (iv) the recipient of interest payable on a Covered Bond is an entity in respect of which the Issuer is a "specified entity" (as defined in certain proposals to amend the Income Tax Act released on April 29, 2022), such interest (including amounts paid by the Guarantor in respect of such interest) may be subject to Canadian non-resident withholding tax.
U.S. Taxation:	See the discussion under the caption "*Taxation—United States Federal Income Taxation*".
ERISA and other Plans:	Subject to the limitations described under "*Certain Considerations for ERISA and Other Employee Benefit Plans*", a Covered Bond may be purchased by "benefit plan investors" (as defined in Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), as well as other employee benefit plans. See "*Certain Considerations for ERISA and Other Employee Benefit Plans*".
Cross-Default:	If a Guarantor Acceleration Notice is served in respect of any one Series of Covered Bonds, then the obligation of the Guarantor to pay Guaranteed Amounts in respect of all Series of Covered Bonds outstanding will be accelerated.
Status of the Covered Bonds:	The Covered Bonds will constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer. In the event of the insolvency or winding-up of the Issuer in accordance with applicable law, the Covered Bonds will rank *pari passu* with all deposit liabilities of Groupe coopératif Desjardins without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Groupe coopératif Desjardins, present and future (except as otherwise prescribed by law). The Covered Bonds will not be deposits insured under the Deposit Institutions and Deposit Protection Act or the *Canada Deposit Insurance Corporation Act*.
Governing Law and Jurisdiction:	The Covered Bonds and most Transaction Documents will be governed by, and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, except that the Origination Hypothecary Loan Sale Agreements may be governed by, and construed in accordance with the laws of the Province of Ontario or the laws of the Province of Québec and, in each case, the federal laws of Canada

	applicable therein, and the Subservicing Agreement and certain Security Agreements will be governed by the laws of the Province of Québec and the federal laws of Canada applicable therein. See "*Summary of the Principal Documents*".
	Ontario courts have non-exclusive jurisdiction in the event of litigation in respect of the contractual documentation and the Covered Bonds governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, and, subject to certain exceptions can enforce foreign judgements in respect of agreements governed by foreign laws.
	Definitive N Covered Bonds shall be governed by, and construed in accordance with, the laws of the Federal Republic of Germany. Ontario courts have exclusive jurisdiction in the event of litigation in respect of Definitive N Covered Bonds.
Terms and Conditions:	With the exception of Definitive N Covered Bonds, Final Terms will be prepared in respect of each Tranche of Covered Bonds. A copy of each Final Terms will, in the case of Covered Bonds to be admitted to the Official List and to be admitted to trading on the Regulated Market, be delivered to the Central Bank and to Euronext Dublin on or before the closing date of such Covered Bonds. The terms and conditions applicable to each Tranche will be those set out herein under "Terms and Conditions of the Covered Bonds".
Clearing System:	DTC, CDS, Euroclear, Clearstream, Luxembourg and/or, in relation to any Covered Bonds, any other clearing system as may be specified in the applicable Final Terms. Definitive N Covered Bonds will not be settled in a clearing system.
Non-U.S. Selling Restrictions:	There will be specific restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of offering material in certain jurisdictions, including Canada, Japan, Singapore, South Korea, the EEA (including France, Italy, Ireland, Belgium and the Netherlands), Switzerland the United Kingdom, Hong Kong, Australia and New Zealand, as well as such other restrictions as may be required in connection with a particular issue of Covered Bonds. See "*Subscription and Sale and Transfer and Selling Restrictions*".
U.S. Selling Restrictions:	The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.
	If specified in the applicable Final Terms, Covered Bonds may be sold to QIBs in compliance with Rule 144A under the Securities Act or to Institutional Accredited Investors pursuant to or in a transaction otherwise exempt from registration under the Securities Act.
	The Covered Bonds in bearer form will be issued in compliance with rules identical to the rules in effect prior to the repeal of section 163(f)(2)(B) of the Code pursuant to the Hiring Incentives to Restore Employment Act of 2010 ("**Pre-HIRE Rules**") provided in U.S. Treasury regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") unless (i) the applicable Final Terms state that the Covered Bonds are issued in compliance with Pre-HIRE Rules identical to those provided in U.S. Treasury regulation § 1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or (ii) the Covered Bonds are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstances in which the Covered Bonds will not constitute "registration required obligations" under section 4701(b) of the Code, which circumstances will be referred to in the applicable Final Terms as "TEFRA Rules not applicable".
Transfer Restrictions:	There are restrictions on the transfer of certain Registered Covered Bonds. See "*Subscription and Sale and Transfer and Selling Restrictions—United States—Transfer Restrictions*".
Covered Bond Guarantee:	Payment of interest and principal in respect of the Covered Bonds when Due for Payment will be irrevocably guaranteed by the Guarantor. The obligations of the Guarantor to make payment in respect of the Guaranteed Amounts when Due for Payment are subject to the condition that a Covered Bond Guarantee Activation Event has occurred. The obligations of the Guarantor under the Covered Bond Guarantee will accelerate against the Guarantor upon the service of a Guarantor Acceleration Notice. The obligations of

	the Guarantor under the Covered Bond Guarantee constitute direct obligations of the Guarantor secured against the assets of the Guarantor, including the Covered Bond Portfolio. Payments made by the Guarantor under the Covered Bond Guarantee will be made subject to, and in accordance with, the applicable Priorities of Payment.
Security:	To secure its obligations under the Covered Bond Guarantee and the Transaction Documents to which it is a party, the Guarantor has granted a first ranking security interest and hypothec over its present and future acquired assets, including the Covered Bond Portfolio, in favour of the Bond Trustee (for itself and on behalf of the other Secured Creditors) pursuant to the terms of the Security Agreements.
Covered Bond Portfolio:	The Covered Bond Portfolio consists solely of Loans originated by the individual Caisses forming part of Desjardins Group that are residential real estate hypothecary or mortgage loans established in favour of Borrowers residing in one or more Provinces of Canada which are Hypothecs as described herein. Subject to Rating Agency Confirmation, the Covered Bond Portfolio may also contain New Portfolio Asset Types. Covered Bond Portfolio static data and statistics relating to the Loans comprising the Covered Bond Portfolio from time to time will be disclosed in the Investor Reports. The Investor Reports will also disclose, among other things, the results of the Asset Coverage Test, the Valuation Calculation and the OC Valuation. Further, the Issuer has not, and will not, include in the Covered Bond Portfolio in any circumstance any asset-backed securities which do not satisfy the ECB eligibility criteria for covered bonds as set out in Article 80 of the Guideline on the implementation of the Eurosystem monetary policy framework (recast) (ECB/2014/60). The Loans are serviced by the Issuer pursuant to the terms of the Servicing Agreement. As at the date of this Base Prospectus, the Issuer sub contracts or delegates the performance of all its duties under the Servicing Agreement, including the exercise of reasonable care and prudence in the making of the Loans, in the administration of the Loans, in the collection of the repayment of the Loans and in the protection of the security for each Loan, to each Originator in respect of the Loans originated by it that form part of the Covered Bond Portfolio, provided that the Servicer is not released or discharged from any liability under the Servicing Agreement and remains liable for the performance or non-performance or breach by any sub-contractor or delegate of the duties so subcontracted or delegated under the Servicing Agreement (see "*Summary of the Principal Documents—Servicing Agreement*").
Intercompany Loan:	Under the terms of the Intercompany Loan Agreement, the Issuer makes available to the Guarantor an interest-bearing Intercompany Loan, comprised of a Guarantee Loan and a revolving Demand Loan, subject to increases and decreases as described below. The Intercompany Loan is denominated in Canadian dollars. The interest rate on the Intercompany Loan is a Canadian dollar floating rate, which rate shall not exceed, as applicable: (i) prior to an Interest Rate Swap Effective Date, the aggregate yield on the (x) Covered Bond Portfolio, (y) the cash deposit amounts of the Guarantor and (z) the principal balance of Substitute Assets; and (ii) on or following an Interest Rate Swap Effective Date, the amount received by the Guarantor pursuant to the Interest Rate Swap Agreement, and in each case after taking into account the sum of a minimum spread and an amount for certain expenses of the Guarantor. The balance of the Guarantee Loan and Demand Loan will fluctuate with the issuances and redemptions of Covered Bonds and the requirements of the Asset Coverage Test. Upon the occurrence of (x) a Contingent Collateral Trigger Event, (y) an event of default (other than an insolvency event of default) or an additional termination event in respect of which the relevant Swap Provider is the defaulting party or the affected party, as applicable, or (z) an IRS Downgrade Trigger Event or a CBS Downgrade Trigger Event in respect of the Interest Rate Swap Agreement or the Covered Bond Swap Agreement, respectively, the relevant Swap Provider, in its capacity as (and provided it is) the lender under the Intercompany Loan Agreement, may deliver a Contingent Collateral Notice to the Guarantor under which it elects to decrease the amount of the Demand Loan with a corresponding increase in the amount of the

	Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount(s). To the extent the Covered Bond Portfolio increases or is required to be increased to meet the Asset Coverage Test, the Issuer may increase the Total Credit Commitment to enable the Guarantor to purchase New Loans and their Related Security from the Seller. The balance of the Guarantee Loan and the Demand Loan from time to time will be disclosed in the Investor Report.
Guarantee Loan:	The Guarantee Loan is in an amount equal to the balance of outstanding Covered Bonds at any relevant time plus that portion of the Covered Bond Portfolio required in accordance with the Asset Coverage Test as overcollateralization for the Covered Bonds in excess of the amount of then outstanding Covered Bonds (see "*Summary of the Principal Documents—Limited Partnership Agreement—Asset Coverage Test*").
Demand Loan:	The Demand Loan is a revolving credit facility, the outstanding balance of which will be equal to the difference between the balance of the Intercompany Loan and the balance of the Guarantee Loan at any relevant time. At any time prior to a Demand Loan Repayment Event (or following a Demand Loan Repayment Event if agreed to by the Issuer and subject to Rating Agency Confirmation), the Guarantor may borrow any withdrawn or committed amount, re-borrow any amount repaid by the Guarantor under the Intercompany Loan for a permitted purpose provided, among other things, (i) such drawing does not result in the Intercompany Loan exceeding the Total Credit Commitment; and (ii) no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing.
The Proceeds of the Intercompany Loan:	The Guarantor used the initial advance of proceeds from the Intercompany Loan to purchase the Initial Covered Bond Portfolio consisting of Loans and their Related Security from the Seller in accordance with the terms of the Hypothecary Loan Sale Agreement and, may use additional advances (i) to purchase New Loans and their Related Security pursuant to the terms of the Hypothecary Loan Sale Agreement; and/or (ii) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (iii) subject to complying with the Asset Coverage Test to make Capital Distributions to the Limited Partner; and/or (iv) to make deposits of the proceeds in the Guarantor Accounts (including, without limitation, to fund the Reserve Fund (to an amount not exceeding the prescribed limit), and the Pre-Maturity Liquidity Ledger).
Capital Contribution:	Each of the Managing GP and the Liquidation GP contributed an initial nominal cash amount to the Guarantor and respectively held at that time 99 per cent and 1 per cent of the initial general partner interest in the Guarantor. The Limited Partner holds the substantial economic interest in the Guarantor having made an initial Cash Capital Contribution to the Guarantor. The Limited Partner has made and may from time to time make additional Capital Contributions.
Consideration:	Under the terms of the Hypothecary Loan Sale Agreement, the Seller sold the Initial Covered Bond Portfolio and may, from time to time, sell New Loans and their Related Security to the Guarantor on a fully-serviced basis in exchange for cash consideration or a deemed cash payment. The Limited Partner may also make Capital Contributions in exchange for an additional interest in the capital of the Guarantor.
Interest Rate Swap Agreement:	To provide a hedge against (i) possible variances in the rates of interest received on the Loans and related amounts in the Covered Bond Portfolio (which may, for instance, include variable rates of interest or fixed rates of interest) following the Interest Rate Swap Effective Date and (ii) the amount (if any) payable under the Intercompany Loan Agreement and, following the Covered Bond Swap Effective Date, the Covered Bond Swap Agreement, the Guarantor has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider. See "*Summary of the Principal Documents—Interest Rate Swap Agreement*".
Covered Bond Swap Agreement:	To provide a hedge against currency and/or other risks arising, following the occurrence of a Covered Bond Swap Effective Date, in respect of amounts received by the Guarantor

	under the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, the Guarantor has entered into or will enter into a Covered Bond Swap Agreement (which may include a new ISDA Master Agreement, schedule and confirmation(s) and credit support annex, if applicable, for each Tranche and/ or Series of Covered Bonds) with the Covered Bond Swap Provider in respect of each Series of Covered Bonds. See "*Summary of the Principal Documents—Covered Bond Swap Agreement*".
Risk Factors	There are certain risks related to any issue of Covered Bonds under the Programme, which investors should ensure they fully understand. A non-exhaustive summary of such risks is set out under "*Risk Factors*".

Overview of Desjardins Group

The Federation is part of Desjardins Group. Within Desjardins Group there are 208 individual caisses located in Québec as well as the Caisse Desjardins Ontario Credit Union Inc. as at September 30, 2023. Each caisse is ultimately owned by its members and the members of each caisse make deposits with and borrow from (including by way of hypothecary (or mortgage) loans) the particular caisse of which it is a member. Every Québec caisse must be a member of the Federation to be constituted initially and to maintain its existence. The Federation's head office is located at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.

The Federation acts as the coordinating organization of the caisses and the affiliated institutions and entities of Desjardins Group. The Federation acts as a control and supervisory body over the caisses.

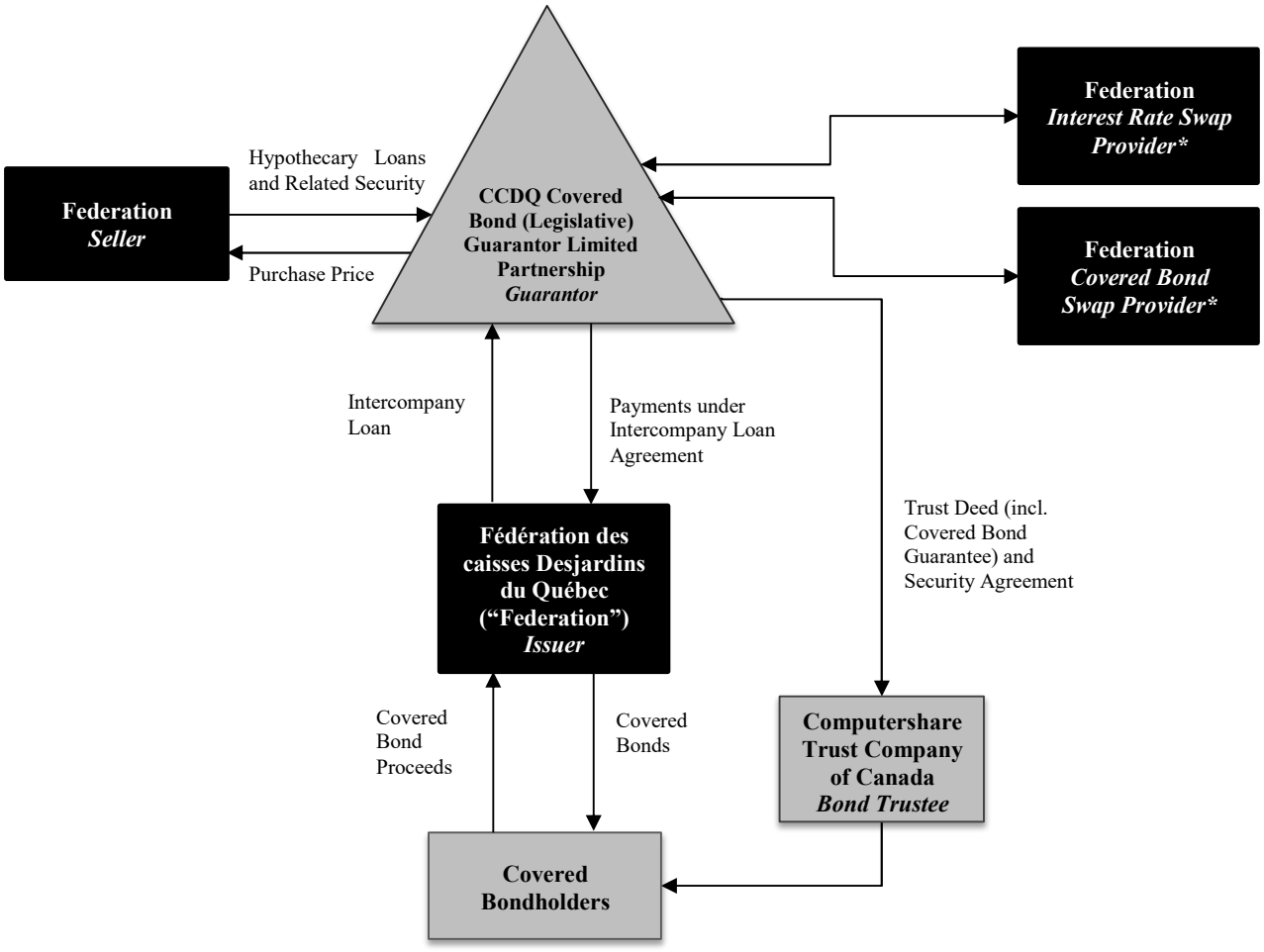
For a more detailed description of Desjardins Group, see the sections entitled "*Fédération des caisses Desjardins du Québec*" and "*Desjardins Group*" below.

For the purposes of the Programme, the Federation (in its capacity as the Seller) will acquire residential real estate hypothecary or mortgage loans (the "**Loans**") and their Related Security from the individual Caisses who originated the Loans (the "**Originators**") pursuant to one or more hypothecary loan sale agreements, including the hypothecary loan sale agreement dated as of the Programme Establishment Date, as amended and restated on December 19, 2022 (as the same may be further amended, restated, supplemented or replaced from time to time, the "**Origination Hypothecary Loan Sale Agreement**").

As further described below, the Seller sold the Initial Covered Bond Portfolio to the Guarantor on the First Transfer Date and may, from time to time, sell additional Loans and their Related Security to the Guarantor to the extent that it has acquired such Loans from the Originators. An Originator that has sold any Loans and their Related Security to the Seller (including the Loans forming part of the Initial Covered Bond Portfolio) shall be required, upon demand from the Seller, to sell further Loans to the Seller at such time and in such manner as may be prescribed by the Seller. For the avoidance of doubt, the Programme will not be reliant on the ability of the Seller to acquire additional Loans and their Related Security from the Originators. Instead, the Partners shall use all reasonable efforts to ensure that the Guarantor is in compliance with the Asset Coverage Test. In that respect, the Limited Partner shall use all reasonable efforts to, as the Limited Partner may determine in its sole discretion, (i) make a Cash Capital Contribution, (ii) make a Capital Contribution in Kind to the Partnership, and/or (iii) require that the Federation sell New Loans and their Related Security to the Guarantor, in the aggregate or in each case, as applicable, in an amount sufficient to ensure the Guarantor is or will be in compliance with the Asset Coverage Test on future Calculation Dates. For further details, see the section entitled "*Structure Overview*" as well as the section entitled "*Summary of the Principal Documents*" below.

The Federation's obligations in its capacity as Issuer of the Covered Bonds are solely the obligations of the Federation and are not obligations of the other members of Desjardins Group, other than, after a Covered Bond Guarantee Activation Event, the Guarantor.

Structure Diagram



* Cashflows under the Swap Agreements will be exchanged only after the occurrence of an Interest Rate Swap Effective Date or Covered Bond Swap Effective Date, as applicable.

Structure Overview

- *Programme*: Under the terms of the Programme, the Issuer will issue Covered Bonds on each Issue Date. The Covered Bonds will be direct, unsecured and unconditional obligations of the Issuer. The Covered Bonds are not guaranteed under the Deposit Institutions and Deposit Protection Act or the Canada Deposit Insurance Corporation Act**.**

- *Covered Bond Guarantee*: The Guarantor has provided a direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and irrevocable guarantee as to payments of interest and principal under the Covered Bonds when such amounts become Due for Payment where such amounts would otherwise be unpaid by the Issuer. Upon the occurrence of a Covered Bond Guarantee Activation Event, the Covered Bonds will become immediately due and payable as against the Issuer and, where that Covered Bond Guarantee Activation Event is the service of a Guarantor Acceleration Notice on the Guarantor, the Guarantor's obligations under the Covered Bond Guarantee will also be accelerated. Payments by the Guarantor under the Covered Bond Guarantee will be made subject to, and in accordance with, the relevant Priorities of Payment.

- *Security*: The Guarantor's obligations under the Covered Bond Guarantee and the Transaction Documents to which it is a party are secured by a first ranking security interest and hypothec over the present and future acquired assets of the Guarantor (which consist principally of the Guarantor's interest in the Covered Bond Portfolio, the Substitute Assets, the Transaction Documents to which it is a party, funds being held for the account of the Guarantor by its service providers

and funds in the Guarantor Accounts) in favour of the Bond Trustee (for itself and on behalf of the Secured Creditors) pursuant to the Security Agreements.

- *Covered Bond Portfolio*: As of the date of this Base Prospectus, the Covered Bond Portfolio consists solely of Loans acquired by the Seller from the Originators that are residential real estate hypothecary loans established in favour of Borrowers residing in the Province of Québec or in the Province of Ontario secured by hypothecs or mortgages, as applicable (a hypothec being the Québec civil law equivalent of a mortgage). In respect of the Loans in the Covered Bond Portfolio, the applicable Originator holds registered title to the related Hypothecs and any applicable Related Security on behalf of the Guarantor. The Covered Bond Portfolio from time to time will consist of Loans secured by Hypothecs and, subject to Rating Agency Confirmation, New Portfolio Asset Types.

- *Transaction Documents:* On and after the Amalgamation Date, the Federation, as the absorbing corporation continued with all of the rights and obligations of CCDQ under the Transaction Documents, including as Issuer, Seller, Servicer, Cash Manager, Swap Providers, GIC Provider and Account Depository Institution. For greater certainty, all references in this Base Prospectus to such roles under the applicable Transaction Documents prior to the Amalgamation Date refer to CCDQ as the entity carrying out such roles, including as the party that entered into such agreements and performed the applicable duties thereunder prior to the Amalgamation Date when the Federation continued with such rights and obligations.

- *Intercompany Loan Agreement*: Under the terms of the Intercompany Loan Agreement, the Issuer makes available to the Guarantor an interest-bearing Intercompany Loan, comprised of a Guarantee Loan and a revolving Demand Loan subject to increases and decreases as described below. The Intercompany Loan is denominated in Canadian dollars. The interest rate on the Intercompany Loan is a Canadian dollar floating rate, which rate shall not exceed, as applicable: (i) prior to an Interest Rate Swap Effective Date, the aggregate yield on the (x) Covered Bond Portfolio, (y) the cash deposit amounts of the Guarantor and (z) the principal balance of Substitute Assets; and (ii) following an Interest Rate Swap Effective Date, the amount received by the Guarantor pursuant to the Interest Rate Swap Agreement, and in each case after taking into account the sum of a minimum spread and an amount for certain expenses of the Guarantor. The balance of the Guarantee Loan and Demand Loan will fluctuate with the issuances and redemptions of Covered Bonds and the requirements of the Asset Coverage Test. The Guarantee Loan is a drawn amount equal to the balance of outstanding Covered Bonds at any relevant time plus that portion of the Covered Bond Portfolio required to collateralize the Covered Bonds to ensure that the Asset Coverage Test is met at all times (see "*Summary of the Principal Documents—Limited Partnership Agreement—Asset Coverage Test*"). The Demand Loan is a revolving credit facility, the outstanding balance of which is equal to the difference between the balance of the Intercompany Loan and the balance of the Guarantee Loan at any relevant time. Upon the occurrence of (x) a Contingent Collateral Trigger Event, (y) an event of default (other than an insolvency event of default) or an additional termination event in respect of which the relevant Swap Provider is the defaulting party or the affected party, as applicable, or (z) an IRS Downgrade Trigger Event or a CBS Downgrade Trigger Event in respect of the Interest Rate Swap Agreement or the Covered Bond Swap Agreement, respectively, the relevant Swap Provider, in its capacity as (and provided it is) the lender under the Intercompany Loan Agreement, may deliver a Contingent Collateral Notice to the Guarantor under which it elects to decrease the amount of the Demand Loan with a corresponding increase in the amount of the Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount(s).

  At any time prior to a Demand Loan Repayment Event, the Guarantor may re-borrow any amount repaid by the Guarantor under the Intercompany Loan for a permitted purpose provided, among other things: (i) such drawing does not result in the Intercompany Loan exceeding the Total Credit Commitment; and (ii) no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing. Unless otherwise agreed by the Issuer and subject to Rating Agency Confirmation, no Additional Loan Advances will be made to the Guarantor under the Intercompany Loan following the occurrence of a Demand Loan Repayment Event.

  To the extent the Covered Bond Portfolio increases or is required to be increased to meet the Asset Coverage Test, the Issuer may increase the Total Credit Commitment to enable the Guarantor to acquire New Loans and their Related Security from the Seller.

  The Demand Loan or any portion thereof will be repayable no later than the first Montréal Business Day following 60 days after a demand therefor is served on the Guarantor, subject to a Demand Loan Repayment Event having occurred (see below in respect of the repayment of the Demand Loan in such circumstance) and the Asset Coverage Test being met on the date of repayment after giving effect to such repayment.

  Following the occurrence of a Demand Loan Repayment Event, the Guarantor will be required to repay any amount of the Demand Loan that exceeds the Demand Loan Contingent Amount on the first Guarantor Payment Date following 60 days after such Demand Loan Repayment Event. Following such Demand Loan Repayment Event, the Guarantor

will be required to repay the then outstanding Demand Loan on the date on which the Asset Percentage is next calculated. Repayment of any amount outstanding under the Demand Loan will be subject to the Asset Coverage Test being met on the date of repayment after giving effect to such repayment.

The Guarantor may repay the principal on the Demand Loan in accordance with the Priorities of Payment and the terms of the Intercompany Loan Agreement, (A) using (i) funds being held for the account of the Guarantor by its service providers and/or funds in the Guarantor Accounts (other than any amount standing to the credit of the Pre-Maturity Liquidity Ledger); and/or (ii) proceeds from the sale of Substitute Assets; and/or (iii) proceeds from the sale of Loans and their Related Security to the Seller or to another person subject to a right of pre-emption on the part of the Seller and/or (B) by selling, transferring and assigning to the Seller all of the Guarantor's right, title and interest in and to Loans and their Related Security.

The Demand Loan shall not have a positive balance at any time following the occurrence of a Demand Loan Repayment Event and the repayment in full of the then outstanding Demand Loan by the Guarantor in accordance with the terms of the Intercompany Loan Agreement.

The Guarantor will be entitled to set off amounts paid by the Guarantor under the Covered Bond Guarantee against amounts owing by it to the Issuer under the Intercompany Loan Agreement.

For greater certainty, payments due by the Issuer under the Covered Bonds are not conditional upon receipt by the Issuer of payments in respect of the Intercompany Loan.

- *Proceeds of the Intercompany Loan*: The Guarantor used the initial advance of proceeds from the Intercompany Loan to purchase the Initial Covered Bond Portfolio consisting of Loans and their Related Security from the Issuer, as Seller, in accordance with the terms of the Hypothecary Loan Sale Agreement and, following the initial advance, may use additional advances (i) to purchase New Loans and their Related Security for the Covered Bond Portfolio pursuant to the terms of the Hypothecary Loan Sale Agreement; and/or (ii) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (iii) subject to complying with the Asset Coverage Test, to make Capital Distributions to the Limited Partner; and/or (iv) to make deposits of the proceeds in the Guarantor Accounts (including, without limitation, to fund the Reserve Fund and the Pre-Maturity Liquidity Ledger (in each case to an amount not exceeding the prescribed limit)).

- *Consideration*: Under the terms of the Hypothecary Loan Sale Agreement, the Seller sold the Initial Covered Bond Portfolio and may, from time to time, sell New Loans and their Related Security to the Guarantor on a fully-serviced basis in exchange for cash consideration or a deemed cash payment equal to the fair market value of these Loans at the relevant Transfer Date. The Limited Partner may also make Capital Contributions in exchange for an additional interest in the capital of the Guarantor.

- *Cashflows*: At any time there is no Asset Coverage Test Breach Notice outstanding and no Covered Bond Guarantee Activation Event has occurred, the Guarantor will:

    - apply Available Revenue Receipts to (i) pay interest due on the Intercompany Loan and (ii) make Capital Distributions to the Limited Partner. However, these payments will only be made in accordance with, and after payment of certain items ranking higher in, the Pre-Acceleration Revenue Priority of Payments; and

    - apply Available Principal Receipts to (i) fund the Pre-Maturity Liquidity Ledger (to an amount not exceeding the prescribed limit) in respect of any liquidity that may be required in respect of Hard Bullet Covered Bonds following any breach of the Pre-Maturity Test; (ii) acquire New Loans and their Related Security; (iii) pay principal amounts outstanding on the Intercompany Loan; and (iv) make Capital Distributions to the Limited Partner. However, these payments will only be made in accordance with, and after payment of certain items ranking higher in, the Pre-Acceleration Principal Priority of Payments.

  For further details of the Pre-Acceleration Revenue Priority of Payments and Pre-Acceleration Principal Priority of Payments, see "*Cashflows*" below.

  While an Asset Coverage Test Breach Notice is outstanding but prior to a Covered Bond Guarantee Activation Event having occurred, the Guarantor will continue to apply Available Revenue Receipts and Available Principal Receipts as described above, except that, while any Covered Bonds remain outstanding:

- in respect of Available Revenue Receipts, no further amounts will be paid to the Issuer under the Intercompany Loan Agreement, towards any indemnity amount due to any of the Partners under the Limited Partnership Agreement or towards any Capital Distributions; and

- in respect of Available Principal Receipts, no payments will be made other than into the GIC Account and, as required, credited to the Pre-Maturity Liquidity Ledger (see "*Cashflows*" below).

Following service of a Notice to Pay on the Guarantor (but prior to service of a Guarantor Acceleration Notice on the Guarantor) the Guarantor will use all moneys to pay Guaranteed Amounts in respect of the Covered Bonds when the same become Due for Payment subject to paying higher ranking obligations of the Guarantor (including the obligations of the Guarantor to make repayment on the Demand Loan, as described above) in accordance with the Priorities of Payment.

Following service of a Guarantor Acceleration Notice on the Guarantor, the Covered Bonds will become immediately due and repayable (if not already due and payable following the occurrence of an Issuer Event of Default) and the Bond Trustee will enforce its claim against the Guarantor under the Covered Bond Guarantee for an amount equal to the Early Redemption Amount in respect of each Covered Bond together with accrued interest and any other amounts due under the Covered Bonds (other than additional amounts payable by the Issuer under Condition 8). At such time, the Security will also become enforceable by the Bond Trustee (for the benefit of the Covered Bondholders). Any moneys recovered by the Bond Trustee from realization on the Security following enforcement will be distributed according to the Post-Enforcement Priority of Payments, see "*Cashflows*" below.

- *OC Valuation*: The CMHC Guide requires that the Guarantor confirm that the cover pool's level of overcollateralization exceeds 103%. The level of overcollateralization (expressed as a percentage) shall be calculated at the same time as the Asset Coverage Test and the Issuer must provide immediate notice to CMHC if the level of overcollateralization falls below the Guide OC Minimum. See "*Summary of the Principal Documents—Limited Partnership Agreement—OC Valuation*".

- *Asset Coverage Test*: The Programme provides that the assets of the Guarantor are subject to an Asset Coverage Test in respect of the Covered Bonds. Accordingly, for so long as Covered Bonds remain outstanding, the Guarantor must ensure that monthly, on each Calculation Date, the Adjusted Aggregate Loan Amount will be in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on that Calculation Date. The Partners shall use all reasonable efforts to ensure that the Guarantor is in compliance with the Asset Coverage Test. In that respect, the Limited Partner shall use all reasonable efforts to, as the Limited Partner may determine in its sole discretion, (i) make a Cash Capital Contribution, (ii) make a Capital Contribution in Kind to the Partnership, and/or (iii) require that the Federation sell New Loans and their Related Security to the Guarantor, in the aggregate or in each case, as applicable, in an amount sufficient to ensure the Guarantor is or will be in compliance with the Asset Coverage Test on future Calculation Dates. The Asset Coverage Test will not give credit to Non-Performing Loans. The Asset Coverage Test will be tested by the Cash Manager as at each Calculation Date and monitored from time to time by the Asset Monitor. Such testing will be completed within the time period specified in the Cash Management Agreement. A breach of the Asset Coverage Test as at a Calculation Date, if not remedied so that the breach no longer exists on the immediately succeeding Calculation Date, will require the Guarantor (or the Cash Manager on its behalf) to serve an Asset Coverage Test Breach Notice on the Partners, the Bond Trustee, CMHC and, if delivered by the Cash Manager, the Guarantor. An Asset Coverage Test Breach Notice will be revoked if the Asset Coverage Test is satisfied as at the next Calculation Date following service of the Asset Coverage Test Breach Notice, provided a Covered Bond Guarantee Activation Event has not occurred. See "*Summary of the Principal Documents—Limited Partnership Agreement—Asset Coverage Test*".

  At any time an Asset Coverage Test Breach Notice is outstanding:

  (a) the application of Available Revenue Receipts and Available Principal Receipts will be restricted while any Covered Bonds remain outstanding; and

  (b) the Issuer will not be permitted to make further issuances of Covered Bonds.

  If an Asset Coverage Test Breach Notice has been served and is not revoked on or before the Guarantor Payment Date following the next Calculation Date after service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default will have occurred and the Bond Trustee will be entitled (and, in certain circumstances, may be required) to serve an Issuer Acceleration Notice on the Issuer, following which the Bond Trustee must forthwith serve a Notice to Pay on the Guarantor (which shall constitute a Covered Bond Guarantee Activation Event).

- *Amortization Test*: Following the occurrence and during the continuance of an Issuer Event of Default (but prior to service of a Guarantor Acceleration Notice) and, for so long as Covered Bonds remain outstanding, the Guarantor must ensure that, as at each Calculation Date following the occurrence and during the continuance of an Issuer Event of Default, the Guarantor is in compliance with the Amortization Test. The Amortization Test will be tested by the Cash Manager and will be verified by the Asset Monitor as at each Calculation Date. Such testing will be completed within the time period specified in the Cash Management Agreement. A breach of the Amortization Test will constitute a Guarantor Event of Default, which will entitle the Bond Trustee to serve a Guarantor Acceleration Notice declaring the Covered Bonds immediately due and repayable and entitle the Bond Trustee to exercise the remedies available to it under the Security Agreements, including to enforce on the Security granted under the Security Agreements. See "*Summary of the Principal Documents—Limited Partnership Agreement—Amortization Test*".

- *Extendable obligations under the Covered Bond Guarantee*: An Extended Due for Payment Date may be specified as applying in relation to a Series of Covered Bonds in the applicable Final Terms. This means that, if the Issuer fails to pay the Final Redemption Amount of the relevant series of Covered Bonds on the Final Maturity Date (subject to applicable grace periods) and if the Guaranteed Amounts equal to the Final Redemption Amount of the relevant Series of Covered Bonds are not paid in full by the Extension Determination Date (for example because, following the service of a Notice to Pay on the Guarantor, the Guarantor has insufficient moneys available in accordance with the Priorities of Payment to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds after payment of higher ranking amounts and taking into account amounts ranking *pari passu* in the Priorities of Payment), then payment of the unpaid amount pursuant to the Covered Bond Guarantee will be automatically deferred (without a Guarantor Event of Default occurring as a result of such non-payment) and will be due and payable on the date specified in the applicable Final Terms as the Extended Due for Payment Date (subject to any applicable grace period) and interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 5, at the applicable Rate of Interest, including, if applicable, as may be determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds). To the extent that a Notice to Pay has been served on the Guarantor and the Guarantor has sufficient time and sufficient moneys to pay in part the Guaranteed Amounts corresponding to the relevant Final Redemption Amount in respect of the relevant Series of Covered Bonds, the Guarantor will make such partial payment on any Interest Payment Date up to and including the relevant Extended Due for Payment Date, in accordance with the Priorities of Payment and as described in Condition 6.01 and will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and the Extended Due for Payment Date with any unpaid portion thereof (if any) becoming due and payable on the Extended Due for Payment Date. Any amount that remains unpaid on any such Interest Payment Date will be automatically deferred for payment until the applicable Extended Due for Payment Date (where the relevant Series of Covered Bonds are subject to an Extended Due for Payment Date).

- *Servicing*: The Federation, as Servicer, has agreed to provide administrative services to the Guarantor in respect of the Covered Bond Portfolio. As at the date of this Base Prospectus, the Servicer sub contracts or delegates the performance of all its duties under the Servicing Agreement, including the exercise of reasonable care and prudence in the making of the Loans, in the administration of the Loans, in the collection of the repayment of the Loans and in the protection of the security for each Loan, to each Originator in respect of the Loans originated by it that form part of the Covered Bond Portfolio, provided that the Servicer is not released or discharged from any liability under the Servicing Agreement and remains liable for the performance or non-performance or breach by any sub-contractor or delegate of the duties so subcontracted or delegated under the Servicing Agreement. In certain circumstances, the Servicer may be required to assign the role of Servicer to a third party acceptable to the Bond Trustee and qualified to service the Covered Bond Portfolio (see "*Summary of the Principal Documents—Servicing Agreement*").

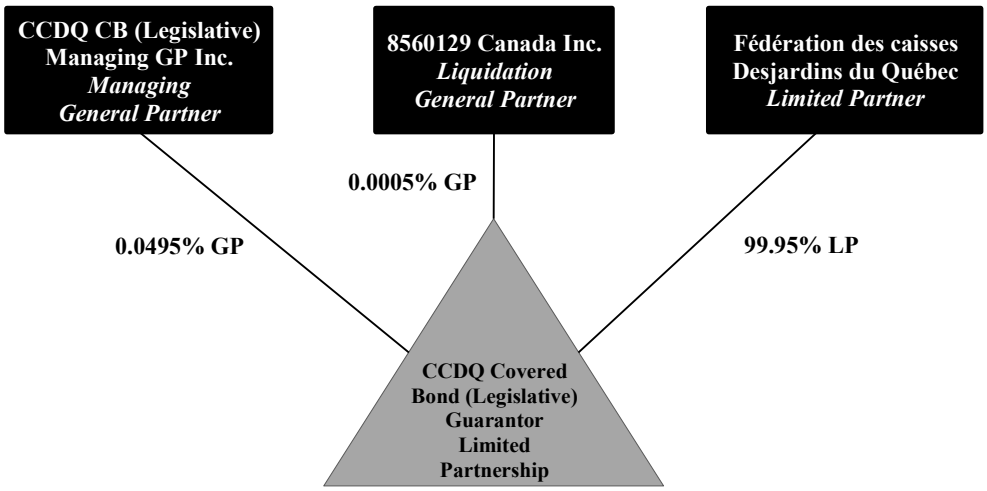
- *Covered Bond Legislative Framework*: CCDQ and the Programme were registered in the Registry in accordance with the Covered Bond Legislative Framework and the CMHC Guide on January 29, 2014 and January 29, 2014, respectively. Effective the Amalgamation Date, the Issuer, as the absorbing federation, continued as the issuer for the Programme. Following the Amalgamation Date, the Issuer was registered as a registered issuer in the Registry and the Programme continued to be registered in the Registry.

- *Further Information*: For a more detailed description of the transactions summarized above relating to the Covered Bonds see, amongst other relevant sections of this Base Prospectus, "*Overview of the Programme"*, "*Terms and Conditions of the Covered Bonds*", "*Summary of the Principal Documents*", "*Credit Structure*" and "*Cashflows*".

Ownership Structure of the Guarantor

- As at the date of this Base Prospectus, the Partners of the Guarantor are the Limited Partner, which holds the substantial economic interest in the Guarantor, and the Managing GP and the Liquidation GP, and the Limited Partner holds 99.95 per cent of the interest in the Guarantor, and the Managing GP and the Liquidation GP, each of which owns 99 per cent

and 1 per cent, respectively, of the remaining 0.05 per cent general partner interest in the Guarantor as shown in the diagram below.



- A new Limited Partner may be admitted to the Guarantor, subject to meeting certain conditions precedent including (except in the case of a Subsidiary of a current Limited Partner), but not limited to, receipt of Rating Agency Confirmation.

- Other than in respect of those decisions reserved to the Partners and the limited circumstances described below, the Managing GP will manage and conduct the business of the Guarantor and will have all the rights, power and authority to act at all times for and on behalf of the Guarantor (provided that a voluntary liquidation of the Guarantor would require the consent of the Liquidation GP).

- Under certain circumstances, including an Issuer Event of Default or insolvency or winding-up of the Managing GP, the Liquidation GP will assume the management responsibilities of the Managing GP.

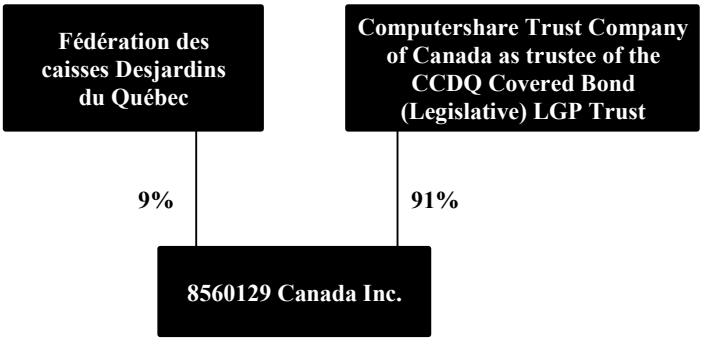
Ownership Structure of the Managing GP

- The Managing GP is a wholly-owned subsidiary of the Federation. The directors and officers of the Managing GP are officers or employees of the Federation.

Ownership Structure of the Liquidation GP

- As at the date of this Base Prospectus, 91 per cent of the issued and outstanding shares in the capital of the Liquidation GP are held by the Corporate Services Provider, as trustee of the CCDQ Covered Bond (Legislative) LGP Trust (the "**LGP Trust**") and 9 per cent of the issued and outstanding shares in the capital of the Liquidation GP are held by the Federation. All of the directors of the Liquidation GP are appointed by the Corporate Services Provider, as trustee of the LGP Trust, and are independent of the Federation. The Federation is entitled to have one "observer" of the board of the Liquidation GP who is an officer or employee of the Federation.

- The beneficiary of the LGP Trust will be one or more Canadian non-profit organizations or charities registered under the *Income Tax Act* (Canada) (the "**Income Tax Act**").


Fédération des caisses Desjardins du Québec
Computershare Trust Company of Canada as trustee of the CCDQ Covered Bond (Legislative) LGP Trust
9%
91%
8560129 Canada Inc.

RISK FACTORS

The Issuer and the Guarantor believe that the factors described below represent the principal categories and subcategories of risks inherent in investing in Covered Bonds issued under the Programme, but the inability of the Issuer and the Guarantor to pay interest, principal or other amounts on or in connection with any Covered Bonds may occur for other reasons and neither the Issuer nor the Guarantor represents that the statements below regarding the risks of holding any Covered Bonds are exhaustive. Additional risks and uncertainties not presently known to the Issuer or the Guarantor or that they currently believe to be immaterial could individually or cumulatively also have a material impact on its business operations or that of Desjardins Group or affect the ability of the Federation to pay interest, principal or other amounts on or in connection with any Covered Bonds. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including information incorporated by reference) and any applicable Final Terms to reach their own views prior to making any investment decision.

The Federation is a cooperative entity which, among other things, assumes the strategic policy, oversight, coordination, treasury and development activities for Desjardins Group, manages Desjardins Group's risks, capital, assets and liquidity, ensures the financial health and sustainability of the Groupe coopératif Desjardins, and acts as financial agent on Canadian and international capital markets transactions. The Federation enables the Desjardins Caisses and other Desjardins Group components to accelerate their development and better respond to the needs of their members and clients. The Federation's structure has been designed to accommodate the needs of Desjardins Group's members and clients, as well as the markets in which it operates, and the Federation's cash flow, income and capital base is also dependent on Desjardins Group. Accordingly, risk factors set out below which relate to Desjardins Group will also be applicable to the Federation and its subsidiaries and the occurrence of any such risks could have a material adverse effect on the Federation's business, reputation, results of operation, financial condition and/or cash flows.

1. PRINCIPAL RISKS RELATING TO THE FEDERATION AND DESJARDINS GROUP

Desjardins Group, including the Federation, is exposed to different types of principal risks in the normal course of operations.

Principal risks are those to which senior management pay particular attention and which could cause the delivery of the Federation's strategy, results of operations, financial condition and/or prospects to differ materially from current expectations. These risks are outlined below.

(i) Credit risk

(a) General credit risk of borrower's, issuer's or counterparty's failure to honour contractual obligations

Credit risk is the risk of losses resulting from a borrower's, guarantor's, issuer's or counterparty's failure to honour its contractual obligations, whether or not such obligations appear on the Federation's consolidated balance sheets.

Desjardins Group is exposed to credit risk first through its direct personal, business and government loans, which represented 61.4% of the combined assets on Desjardins Group's combined balance sheets as at December 31, 2022, compared to 58.1% at the end of 2021. It is also exposed through various other commitments, including letters of credit and transactions involving derivative financial instruments as well as securities transactions.

Each unit and component of Desjardins Group and the Federation has specific frameworks to manage credit risk, developed around their respective product and customer base. To provide assistance in this area to these units and components, Desjardins Group, including the Federation, has, in addition, set up centralized structures and procedures to ensure that its Integrated Risk Management Framework allows for effective credit risk management that remains sound and prudent. The Risk Management Executive Division of Desjardins Group has been structured with the intention that it effectively manages credit risk and provides credit approval, support, quantification and monitoring, and reports on credit matters.

The current macroeconomic environment, characterized by increased inflationary pressures, rapid interest rate hikes, significant supply chain disruptions, labour shortages and growing geopolitical tensions, among others, continues to give rise to uncertainty.

Desjardins Group sets aside significant provisions to absorb potential losses across its loans and other commitments. For example, as at December 31, 2022, Desjardins Group's allowance for expected credit losses on loans and off-balance sheet items totalled $1,088 million as set out in Note 8 (*Loans and allowance for credit losses*) of the DG 2022 Annual Report incorporated by reference into this Base Prospectus.

There can, however, be no guarantee that the credit procedures put in place by the Federation and Desjardins Group can assess accurately and mitigate all of the risks of exposure to borrowers, guarantors, issuers or other counterparty's failure to honour

contractual obligations, and increased defaults of these borrowers and/or inadequate loans provisioning may negatively impact the Federation's and Desjardins Group's financial condition and results of operation.

(b) Credit risk related to default of counterparties pursuant to securities, derivative financial instruments and securities lending transactions

Counterparty and issuer risk is a credit risk related to different types of securities, derivative financial instruments and securities lending transactions.

The Risk Management Executive Division establishes an exposure limit for a counterparty or issuer after measuring its risk rating. Desjardins Group's exposure limits are established on the basis of its risk appetite framework and its amount of Tier 1A capital from time to time. These amounts are then allocated to various components (including credit risk) based on their needs. Limits may also apply to certain financial instruments, if considered relevant.

A large proportion of Desjardins Group's risk exposure is to the different levels of government in Canada, Québec public and parapublic entities and major Canadian banks. For most of these counterparties and issuers, the credit rating is A- or higher. Apart from its U.S. sovereign debt holdings and its commitments to major international banks, Desjardins Group's exposure to foreign entities is low. Despite this fact, tensions within the government and general securities markets and volatility of such securities could have a negative effect on the Federation's and Desjardins Group's business and its financial condition, results of operations and cash flow.

As at December 31, 2022, Desjardins Group had a total notional exposure of $688,107 million to derivative financial instruments after adjustment for master netting agreements – see Note 21 *(Derivative Financial Instruments and Hedging Activities*) of the DG 2022 Annual Report incorporated by reference into this Base Prospectus for further information.

A worsening of the credit rating of counterparties or a material failure to hedge exposures to them could, accordingly, negatively impact the Federation's and Desjardins Group's financial condition and results of operation.

(c) Risks related to Resolution of EU Firm Counterparties to the Issuer and UK Banking Act

A number of the Issuer's counterparties are EU and United Kingdom credit institutions and investment firms, including the Dealers under the Programme (collectively, "**EU Firms**" or "**UK Firms**" (as applicable)) which are subject to Directive 2014/59/EU, as amended by Directive (EU) 2019/879 (the "**BRRD**") or the United Kingdom Banking Act 2009 (the "**Banking Act**") (as applicable), which are intended to enable a range of actions to be taken in relation to EU Firms or UK Firms (as applicable) considered to be at risk of failing. The BRRD and the Banking Act are each designed to provide resolution authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing EU Firm or UK Firm (as applicable), so as to ensure the continuity of the relevant entity's critical financial and economic functions, whilst minimising the impact of the relevant entity's failure on the economy and financial system. The BRRD was applicable in the EU and the United Kingdom from January 1, 2015 with the exception of the bail-in tool (referred to below) which was applicable from January 1, 2016.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) any of the Issuer's EU Firm counterparties is failing or likely to fail; (b) there is no reasonable prospect that any alternative private sector measures would prevent such failure within a reasonable timeframe, and (c) a resolution action is in the public interest. Such resolution tools and powers are: (i) sale of business; (ii) bridge institution; (iii) asset separation; and (iv) bail-in. The bail-in tool gives the resolution authority the ability to write-down or convert certain unsecured debt instruments of any of the Issuer's EU Firm counterparties into shares (or other instruments of ownership), to reduce the outstanding amount due under such debt instruments (including reducing such amounts to zero) or to cancel, modify or vary the terms of such debt instruments (including varying the maturity of such instruments) and other contractual arrangements.

The tools available under the Banking Act include share and property transfer powers (including powers for partial property transfers), bail-in powers, certain ancillary powers (including powers to modify contractual arrangements in certain circumstances) and special insolvency procedures which may be commenced by the UK authorities. It is possible that the tools described above could be used prior to the point at which an application for insolvency proceedings with respect to a relevant entity could be made and, in certain circumstances, the UK authorities may exercise broad pre-resolution powers in respect of relevant entities with a view to removing impediments to the exercise of the stabilisation tools. In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by the Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial system of the United Kingdom. The Banking Act includes provisions related to compensation in respect of instruments and orders made under it. In general, there is considerable uncertainty about the scope of the powers afforded to UK authorities under the Banking Act and how the authorities may choose to exercise them. It should also be noted that any extraordinary public financial support provided to a relevant institution through any stabilisation action (such as temporary public ownership) would be

used by the UK authorities as a last resort only after having assessed and exploited, to the maximum extent practicable, the resolution tools and powers described above.

The powers set out in the BRRD will impact how the Issuer's EU Firm and UK Firm counterparties are managed as well as, in certain circumstances, the rights of their creditors including the Issuer. The Issuer and its debtholders may suffer loss if obligations owed to them by an EU Firm or UK Firm counterparty subject to the BRRD or the Banking Act (as applicable) are subject to the bail-in powers of the BRRD or the Banking Act (as applicable), which may result in a partial reduction of such obligation or, in a worst case scenario, a reduction to zero or may suffer disruption if an EU Firm or UK Firm counterparty subject to the BRRD or the Banking Act (as applicable) fails to perform services that it customarily provides to the Issuer as the result of the exercise of any powers under the BRRD or the Banking Act (as applicable). See "*Subscription and Sale and Transfer and Selling Restrictions*" on page 256 of this Base Prospectus for further information on the relationship between the Issuer and the Dealers.

(ii) Market risk

(a) Risk of changes in the fair market value of financial instruments

Market risk refers to the risk of loss arising from changes in the fair value of financial instruments as a result of fluctuations in the parameters affecting this value, in particular, interest rates, exchange rates, credit spreads and their volatility.

The Federation and Desjardins Group are primarily exposed to market risk through their trading activities, which result primarily from short-term transactions conducted with the intention of profiting from current price movements or to provide arbitrage revenue. The market risk of trading portfolios is managed on a daily basis by the Federation, with "Value at Risk" (VaR) being the main tool used to measure this risk. See Table 44 under "*Market risk*" on page 82 of the Management's Discussion and Analysis set out in the DG 2022 Annual Report, incorporated by reference into this Base Prospectus, for a presentation of aggregate VaR for trading activities of Desjardins Group by risk category, as at December 31, 2022 and December 31, 2021. Desjardins Group and the Federation are also exposed to market risk through their non-trading activities, which group together mainly asset/liability management transactions in the course of their traditional banking activities as well as investment portfolios related to their insurance operations – see the section entitled "*Fédération des caisses Desjardins du Québec - Principal Business*" on pages 157-158 of this Base Prospectus for a description of the traditional banking activities of the Federation. Desjardins Group and its components have adopted policies and procedures that set out the principles, limits and procedures to use in managing market risk which are outlined on pages 81–83 of the Management's Discussion and Analysis set out in the DG 2022 Annual Report, incorporated by reference into this Base Prospectus.

Despite these policies and procedures, the Federation and Desjardins Group remain exposed to the risk of loss as a result of market risk and, principally, the risks of interest rate and exchange rate volatility, as described in more detail below.

(b) Structural interest rate risk

The Federation and Desjardins Group are exposed to structural interest rate risk, which represents the potential impact of interest rate fluctuations on net interest income and the economic value of equity. This risk is the main component of market risk for the Federation's and Desjardins Group's traditional banking activities other than trading, such as accepting deposits and granting loans, as well as for its securities portfolios used for long-term investment purposes and as liquidity reserves.

This risk is reflected in the table below which presents the potential impact before income taxes on the net interest income and economic value of equity for Desjardins Group of a sudden and sustained 100 basis point increase or decrease in interest rates:

Interest rate sensitivity (before income taxes)[(1)]*
As at December 31

(in millions of dollars)	2022		2021	
	Net interest income[(2)]	**Economic value of equity[(3)]**	**Net interest income[(2)]**	**Economic value of equity[(3)]**
Impact of a 100-basis-point increase in interest rates	**$ (100)**	**$ (402)**	**$ 17**	**$ (160)**
Impact of a 100-basis-point decrease in interest rates (25 basis point decrease as at December 31, 2021)[(4)]	**108**	**382**	**(1)**	**37**

(1) Interest rate sensitivity related to insurance activities is not reflected in the amounts above. For these activities, a 100-basis-point increase in interest rates would result in a $45 million decrease in the economic value of equity before taxes as at December 31, 2022, and a $218 million decrease as at December 31, 2021. A 100-basis-point decrease in interest rates would result in a $65 million increase in the economic value of equity before taxes as at December 31, 2022. A 25-basis-point decrease

in interest rates would result in an increase of $53 million in the economic value of equity before taxes as at December 31, 2021. Additional information is provided in the "Interest rate risk management" section of Note 17, "Insurance contract liabilities", to the DG 2022 Annual Report.

(2) Represents the interest rate sensitivity of net interest income for the next 12 months.

(3) Represents the sensitivity of the present value of assets, liabilities and off-balance sheet instruments.

(4) The results of the impact of a decrease in interest rates take into consideration the use of a floor to avoid negative interest rates. Due to the current interest level, the impact of a decrease in interest rates was calculated using a 100-basis-point decrease as at December 31, 2022 compared to a 25-basis-point decrease as at December 31, 2021.

In general, the Federation is exposed to the risk that market volatility, shifts in customers' preferences towards determined product types and a reduction in net interest income caused by interest rate fluctuations may have a negative impact on the business, financial condition and/or results of operations of the Federation.

(c) Foreign exchange risk

Foreign exchange risk corresponds to the potential loss arising from a change in exchange rates applicable to assets and liabilities denominated in different currencies. Desjardins Group and its components, including the Federation, may become exposed to foreign exchange risk, particularly with respect to the U.S. dollar and the euro. This exposure mainly arises from their intermediation activities with members and clients, and their financing and investment activities. Desjardins Group frameworks set foreign exchange risk exposure limits, which are monitored by the Risk Management Executive Division and by the insurance components for their respective operations. To ensure that this risk is properly controlled, Desjardins Group and its components also use, among other things, derivative financial instruments such as forward exchange contracts and currency swaps. Desjardins Group's and the Federation's residual exposure to this risk is low because it reduces its foreign exchange risk by using derivative financial instruments. As at December 31, 2022, Note 21 (*Derivative Financial Instruments and Hedging Activities*) of the DG 2022 Annual Report indicates a notional amount of over-the-counter currency swaps of approximately $27 billion entered into to hedge foreign exchange risk. For further information, see Note 21 (*Derivative Financial Instruments and Hedging Activities*) of the DG 2022 Annual Report, incorporated by reference into this Base Prospectus.

Despite Desjardins Group's policy on market risk and the monitoring of the associated foreign exchange risk exposure limits described above, fluctuations in currency may adversely impact the financial position and future surplus earnings of Desjardins Group and the Federation and may not be entirely offset by Desjardins Group's and the Federation's hedging arrangements.

(d) Price risk

In its non-trading activities, Desjardins Group, including the Federation, is exposed to price risk, related mainly to components that operate in insurance and their investment portfolios.

Price risk is the risk of potential loss resulting from a change in the fair value of assets (shares, commodities, real estate properties, index-based assets) but not resulting from a change in interest rates or foreign exchange rates, or in the credit quality of a counterparty.

The insurance components described under "*Fédération des caisses Desjardins du Québec - Principal Business*" on page 157 of this Base Prospectus may be exposed to changes in the real estate market through the properties they own, whose fair value may fluctuate.

The insurance components may also be exposed to price risk related to stock markets, particularly through the equity securities and derivative financial instruments they hold as well as the minimum guarantees provided under segregated fund contracts, whose value is affected by market fluctuations. For additional information, see the description of "Investment return" set out in Note 16 (*Insurance contract liabilities*) on page 183 of the DG 2022 Annual Report, incorporated by reference into this Base Prospectus.

(iii) Liquidity risk

Liquidity risk refers to Desjardins Group's and the Federation's capacity to raise the necessary funds (by increasing liabilities or converting assets) to meet a financial obligation, whether or not it appears on Desjardins Group's combined balance sheets or the Federation's consolidated balance sheets.

The implementation of the rules of the Basel Committee ("**Basel III**") strengthens international minimum liquidity requirements through the application of, amongst other items, a liquidity coverage ratio ("**LCR**"). Under its liquidity risk management policy, the Federation already produces this ratio and reports it on a regular basis to the AMF.

Desjardins Group's average LCR was 146% for the quarter ended September 30, 2023, compared to 143% for the previous quarter. The AMF stipulates that this ratio is not to be less than the minimum requirements of 100% in the absence of stressed conditions. This ratio is proactively managed by Desjardins Group's Treasury, and an appropriate level of high-quality liquid assets is maintained for adequate coverage of the theoretical cash outflows associated with the standardized crisis scenario within the Basel III framework. For additional information, see page 44 of Desjardins Group's Management's Discussion and Analysis as set out in the DG 2023 Q3 Report, incorporated by reference into this Base Prospectus.

The importance of retail and small business deposits to the cash flows of Desjardins Group are highlighted in Table 49 of the DG 2022 Annual Report, incorporated by reference into this Base Prospectus and set out below for reference:

Table 49 – Liquidity coverage ratio[1]

(in millions of dollars and as a percentage)	For the quarter ended December 31, 2022		For the quarter ended September 30, 2022
	Total non-weighted[2] value (average[4])	Total weighted[3] value (average[4])	Total weighted[3] value (average[4])
High-quality liquid assets			
Total high-quality liquid assets	N/A	$ 44,768	$ 43,784
Cash outflows			
Retail deposits and small business deposits, including:	$ 104,349	6,576	6,801
Stable deposits	55,114	1,653	1,728
Less stable deposits	49,235	4,923	5,073
Unsecured wholesale funding, including:	39,939	19,383	18,927
Operational deposits (all counterparties) and deposits in cooperative bank networks	11,639	2,760	3,308
Non-operational deposits (all counterparties)	19,782	8,105	7,794
Unsecured debt	8,518	8,518	7,825
Secured wholesale funding	N/A	83	84
Additional requirements, including:	18,063	3,591	4,055
Outflows related to exposures on derivatives and other collateral required	1,290	1,172	1,262
Outflows related to funding loss on debt products	182	182	752
Credit and liquidity facilities	16,591	2,237	2,041
Other contractual funding liabilities	3,699	2,094	2,317
Other contingent funding liabilities	89,056	2,320	2,254
Total cash outflows	N/A	$ 34,047	$ 34,438
Cash inflows			
Secured loans (e.g. reverse repurchase agreements)	$ 7,308	$ 451	$ 523
Inflows related to completely effective exposures	3,209	1,604	1,549
Other cash inflows	48	48	6
Total cash inflows	$ 10,565	$ 2,103	$ 2,078

	Total adjusted value[5]	Total adjusted value[5]
Total high-quality liquid assets	$ 44,768	$ 43,784
Total net cash outflows	31,944	32,360
Liquidity coverage ratio	140 %	136 %

(1) Excluding the insurance subsidiaries.
(2) The non-weighted values of cash inflows and outflows represent unpaid balances either maturing or falling due and payable within 30 days.
(3) Weighted values are calculated after the "haircuts" prescribed for high quality liquid assets and the rates prescribed for cash inflows and outflows have been applied.
(4) The ratio is presented based on the average of daily data for the quarter.
(5) The total adjusted value takes into account, if applicable, the caps prescribed by the AMF for high-quality liquid assets and cash inflows.

As is highlighted in Table 49 above, Desjardins Group's main sources of theoretical cash outflows are a potential serious run on deposits (and, in particular, a run on wholesale deposits which tend to fluctuate more than core customer deposits) by members of Desjardins Caisses (as defined below) and a sudden lack of availability of the short-term institutional funding sources used on a day-to-day basis by Desjardins Group to fund its lending activities.

Despite Desjardins Group's liquidity risk management policy, any significant deterioration in Desjardins Group's liquidity position may lead to an increase in funding costs of Desjardins Group and the Federation or constrain the volume of new lending. These factors may adversely impact their profitability and financial performance and position.

(iv) Operational risk

Operational risk is the risk of inadequacy or failure attributable to processes, people, internal systems or external events and resulting in losses or failure to achieve objectives and takes into consideration the impact of failures to achieve the strategic objectives of a component of Desjardins Group or of Desjardins Group as a whole.

Operational risk is inherent to all of Desjardins Group's activities as described on pages 165 - 166 of this Base Prospectus, including management and control practices in other risk areas (credit, market, liquidity, etc.) as well as activities carried out by a third party.

The Federation calculates risk-weighted assets against credit risk, market risk and operational risk, applying, in the case of operational risk, a standardised approach for calculating operational risk as authorised by the AMF. As at September 30, 2023, risk weighted assets of Desjardins Group amounted to $137.135 billion, $21.664 billion of which was for operational risk.

Failure to adequately manage this risk may result in increased losses from theft, fraud, damages to tangible assets, non-compliance with legislation or regulations, systems failures, unauthorized access to computer systems, cyber threats, or problems or errors in process management and may ultimately impact the Federation's financial performance and result in reputational damage for the Federation and Desjardins Group.

(v) Insurance risk

Insurance risk refers to the risk that events may turn out differently from the assumptions used when designing, pricing or measuring actuarial reserves for insurance products, and that the profitability of these products may be affected.

Desjardins Group, including the Federation, is exposed to insurance risk in the course of its life and health and property and casualty ("**P&C**") insurance operations, each as described on page 157 of this Base Prospectus. Further details as to the elements of this insurance risk for each of these operations is set out on page 94 of the DG 2022 MD&A, incorporated by reference into this Base Prospectus. These risks include the impact of catastrophes (such as storms and fires), the incidence and severity of which are inherently unpredictable and the losses for P&C from such catastrophes could be substantial.

Insurance risk arises from potential errors in projections concerning the many factors used to set premiums, including future returns on investments, underwriting experience in terms of loss experience, mortality and morbidity, and administrative expenses. These projections are essentially based on actuarial assumptions that must be consistent with the standards of practice in effect in Canada. The insurance subsidiaries also adopt strict pricing standards and policies and perform spot checks to compare their projections with actual results. Insurance product design and pricing are reviewed on a regular basis. Some product pricing may be adjusted depending on the accuracy of projections.

In addition, the subsidiaries limit their losses through reinsurance treaties that vary based on the nature of the operations. The property and casualty insurance subsidiaries also have additional protection with respect to large-scale catastrophic events.

To reduce reinsurance risk, the insurance subsidiaries do business with many reinsurers that meet financial strength criteria, most of which are governed by the same regulatory authorities as the subsidiaries. Such reinsurance treaties do not release the subsidiaries from their obligations toward their policyholders but do mitigate the risks to which they are exposed.

The subsidiaries comply with the standards for sound management practices established by the regulatory bodies that govern them and test their financial soundness using unfavourable scenarios and measure the effect of such scenarios on their capitalization ratio. These tests include stress testing, including the standardized acute stress scenarios required from time to time by regulators, as well as an examination of financial soundness. Test results showed that capital was adequate in each case.

Despite the risk mitigation procedures described above, material errors in projections or the pricing of insurance products and/or the failure by re-insurers to meet their obligations to the Desjardins Group or their insolvency could negatively impact the Desjardins Group's revenues and financial performance.

(vi) Strategic risk

Strategic risk refers to the risk of loss attributable to the occurrence of external and/or internal events or the implementation of inappropriate strategies that may prevent Desjardins Group from achieving its strategic priorities.

It is first up to senior management and the Board of Directors to address, define and monitor developments in the strategic orientations of Desjardins Group according to its risk appetite and the consultation processes specific to Desjardins Group. Events that could compromise the achievement of Desjardins Group's strategic objectives are systematically and periodically monitored by the Board of Directors and senior management. Business segments and support functions identify and periodically assess events and risks that could prevent the achievement of strategic objectives, and report thereon to the appropriate bodies.

Organizational development plans are assessed in light of Desjardins Group's risk appetite framework to ensure that such initiatives are in line with Desjardins Group's strategic plan. Furthermore, the strategic plan is updated annually to take market developments into account, in particular major industry trends and action taken by competitors.

Despite the processes in place to manage strategic risk, the inherent uncertainty associated with business planning in the rapidly changing business environment in which the Federation operates, as further described under "*Fédération des caisses Desjardins du Québec - Principal Business*" on pages 157 – 158 of this Base Prospectus, could have an adverse effect on the Federation's and Desjardins Group's results, financial conditions and prospects.

(vii) Environmental or social risk and climate change

Environmental or social risk results from the occurrence of an environmental or social event or issue in connection with Desjardins Group's or the Federation's operations or their financing, investment or insurance activities, which could result in financial losses or harm their reputation. This risk may also materialize indirectly through business relations with other entities whose operations could undertake or participate in Environmental, Social or Governance ("**ESG**") issues that might give rise to reputation risk.

Environmental or social risk include climate change risks and both the negative impact that they may cause to the organization through its vulnerabilities (and those of its members and clients) and the negative impact the organization could have on them.

Regarding environmental risk, potential financial losses could be related to an internal risk, namely a risk generated by an entity and leading to negative impacts on the environment, or an external risk, namely an event caused by the environment and having a detrimental effect on the entity (such as climate change).

In a context where the impact of climate change risks is widely recognized, Desjardins Group understands the importance of better identifying the various aspects of those risks (transition, physical and reputational) and of measuring their current and future impact. The aim is twofold, ensuring the long-term resilience of the Desjardins Group and supporting members and clients with these challenges. The close interrelations between these risks and the political and regulatory environment, the macroeconomic situation, certain industry innovations, the global geopolitical situation and pressing social expectations, to name only a few, impose continuous monitoring needs in this area. Desjardins Group, including the Federation continues its efforts in that regard with various ongoing initiatives in relation to its governance framework and aimed at integrating these risks into strategies and climate change risk management.

Despite the Federation's incorporation of ESG factors into its business decisions, the occurrence of any of the foregoing environmental or climate disasters may negatively affect Desjardins Group's financial condition and results of operations. See "*Fédération des caisses Desjardins du Québec – Competition – Property and Casualty Insurance*" on page 159 of this Base Prospectus for further information.

(viii) Legal and regulatory risk

(a) Risk of non-compliance with laws, regulations or contractual commitments

Legal and regulatory risk is the risk associated with the non-compliance by Desjardins Group and the Federation with obligations arising from the anticipation, interpretation or application of a legislative or regulatory provision or a contractual commitment, which could have an impact on the conduct of Desjardins Group's and the Federation's operations, reputation, strategies and financial objectives.

Legal and regulatory risk entails, inter alia, effectively preventing and handling possible disputes and claims that may lead in particular to judgments or decisions by a court of law or regulatory body that could result in orders to pay damages, financial penalties or sanctions. Moreover, the legal and regulatory environment is evolving quickly and could increase Desjardins Group's and the Federation's exposure to new types of litigation. In addition, some lawsuits against Desjardins Group may be very complex and be based on legal theories that are new or have never been verified. The outcome of such lawsuits may be difficult to predict or estimate until the proceedings have reached an advanced stage, which may take several years. Class action lawsuits or multi-party litigation may feature an additional risk of judgments with substantial monetary, non-monetary or punitive damages. Plaintiffs who bring a class action or other lawsuit sometimes claim very large amounts and it is impossible to determine Desjardins Group's liability, if any, for some time. Legal liability or an important regulatory measure could have an adverse effect on the current activities of Desjardins Group, its results of operations and its financial position, in addition to damaging its reputation. Even if Desjardins Group won its court case or was no longer the subject of measures imposed by regulatory bodies, these situations could harm its reputation and have an adverse impact on its financial position, due in particular to the costs associated with such proceedings, and its brand image.

The financial services industry is one of the most strictly regulated and monitored sectors. For several years, the regulations governing the industry have been expanding significantly, notably in terms of the extent and the complexity of applicable regulations. The pressure exerted by regulatory authorities is mounting and their oversight powers are increasing, and this exposes Desjardins Group to monetary sanctions and greater reputation risk. This evolution is in response to numerous socio-economic phenomena such as the development of new, increasingly complex financial products, the continuing volatility in the securities industry, increasingly complex financial fraud, the fight against money laundering and terrorist financing, and the fight against tax evasion, to mention but a few. In addition to federal (Canada and the U.S.) and provincial government requirements, due consideration must be given to the requirements of the *Autorité des marchés financier*s (Québec) (the "**AMF**"), the Canadian Securities Administrators, the Office of the Superintendent of Financial Institutions, the Financial Transactions and Reports Analysis Centre of Canada, the Mutual Fund Dealers Association of Canada, and the Investment Industry Regulatory Organization

of Canada and, in the U.S., the Office of the Comptroller of the Currency (the "**OCC**"), the SEC, the Financial Industry Regulatory Authority and the Board of Governors of the Federal Reserve System. See "*Fédération des caisses Desjardins du Québec – Regulation and Control*" on page 153 of this Base Prospectus for further information. Complying with important legislative and regulatory provisions, such as those on the protection of personal information, laws and regulations governing insurance, the *Foreign Account Tax Compliance Act*, the Standard for Automatic Exchange of Financial Account Information in Tax Matters, the *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010*, the Basel accords, the legislative framework surrounding financial services cooperatives in Québec, Canada (including the *Act respecting financial services cooperatives* (Québec) (as amended from time to time, the "**Cooperatives Act**"), and the Deposit Institutions and Deposit Protection Act and the regulations promulgated thereunder (including, among others, the *Regulation respecting the Classes of Negotiable and Transferable Unsecured Debts and the Issuance of such Debts and of Shares* (Québec)) (the "**Prescribed Debt Regulations**"), among others) requires considerable technical, human and financial resources and also affects the way Desjardins Group manages its current operations and implements its business strategies.

Although Desjardins Group actively monitors and manages regulatory risk, changes in regulation, its complexity and uncertainty could have an impact on the performance of its operations, its reputation, its strategies and its financial objectives.

No assurance can be given that additional regulations or guidance from CMHC, Canadian Deposit Insurance Corporation, the AMF or any other regulatory authority will not arise with regard to the mortgage market in Canada generally, the Seller's or Guarantor's particular sector in that market or specifically in relation to the Seller or the Guarantor. Any such action or developments may have a material adverse effect on the Seller, and/or the Guarantor and their respective businesses and operations. This may adversely affect the ability of the Guarantor to dispose of the Covered Bond Portfolio or any part thereof in a timely manner and/or the realizable value of the Covered Bond Portfolio or any part thereof and accordingly affect the ability of the Issuer and (following the occurrence of a Covered Bond Guarantee Activation Event) the Guarantor, respectively, to meet their obligations under the Covered Bonds in the case of the Issuer and the Covered Bond Guarantee in the case of the Guarantor.

(b) Changes in regulations and related matters (including recapitalization regime for domestic systemically important banks and deposit-taking institutions)

In June 2013, the AMF determined that Desjardins Group met the criteria to be designated a domestic systemically important financial institution ("**D-SIFI**") (see "*Fédération des caisses Desjardins du Québec – Regulation and Control*" on page 153 of this Base Prospectus for additional information), which subjects Desjardins Group to, among other things, greater capital adequacy requirements as well as enhanced disclosure requirements in accordance with the guidelines of the AMF. Although Desjardins Group has disclosed its capitalization ratios in accordance with the Basel III and as prescribed by the AMF's guidelines for financial services cooperatives regarding standards for the adequacy of the capital base since the first quarter of 2013, the regulatory environment is evolving in particular as regards non-viability contingent capital instruments, liquidity standards, credit risk, market risk, counterparty risk and with respect to bail-in provisions.

The Cooperatives Act prescribes, among other things, the rules for organizing a network of financial services cooperatives and a financial group, and the rules for issuing capital shares and investment shares. The Cooperatives Act contains a chapter concerning the Groupe coopératif Desjardins, which comprises the Desjardins Caisses in Québec, the Federation and the *Fonds de sécurité Desjardins*, and specified financial solidarity mechanisms within the Groupe coopératif Desjardins.

The Deposit Institutions and Deposit Protection Act provides for the resolution powers of the AMF in the event of the failure of a deposit-taking institution. Under the Deposit Institutions and Deposit Protection Act, the AMF must establish a resolution plan to implement resolution operations in the event of failure of authorized deposit institutions forming part of the Groupe coopératif Desjardins in order to ensure the Groupe coopératif Desjardins' sustainability without recourse to public funds. A resolution board must be formed to implement the AMF's resolution plan, notably, to approve the plan and order the implementation and closure of resolution operations. The resolution plan may provide for the amalgamation and continuation of the Groupe coopératif Desjardins as a single Québec savings company, or its amalgamation and winding-up, the establishment of a bridge institution and an asset management company, the transfer of assets and liabilities including shares and subordinated debt obligations, the conversion of shares or, pursuant to Section 40.50 of the Deposit Institutions and Deposit Protection Act and the Prescribed Debt Regulations, the conversion of unsecured, negotiable and transferable debt falling into a category prescribed by the Prescribed Debt Regulations (which excludes Covered Bonds) (the "**Bail-in Powers**").

The Deposit Institutions and Deposit Protection Act, together with the Prescribed Debt Regulations and certain other regulations promulgated under the Deposit Institutions Act, govern, among other things, the exercise of the Bail-in Powers by the AMF and provide for a regime that is substantially similar to the Canadian federal regime to which Canadian banks are subject. See "*Fédération des caisses Desjardins du Québec – Internal recapitalization (bail-in) regime and total loss absorption capacity*" on page 155 of this Base Prospectus for additional information.

If action were to be taken by the AMF under the resolution powers of the AMF (including the Bail-in Powers) in respect of the Issuer, holders of the Covered Bonds could be exposed to significant losses.

(ix) Privacy risk

Privacy risk is the risk associated with inadequate handling of personal information (theft or breach, loss, collection, consent management, use, disclosure, retention, destruction or infringement of the rights of individuals related to their personal information), through intentional or unintentional actions (internal threat, error, negligence or omission). The key consequences to Desjardins Group and the Federation of privacy risk are the potential negative impact on reputation, compliance risk and potential financial losses.

An Act to modernize legislative provisions as regards the protection of personal information (Québec) came into force in Canada gradually from September 2022 and provides for increased powers for the Canadian Commission on Access to Information and the use of more significant sanctions against businesses as of September 2023. Desjardins Group complies fully with the provisions that came into force on September 22, 2022, namely the designation of a person in charge of the protection of personal information, the handling of confidentiality incidents and the frameworks for disclosing personal information for study, research or statistical purposes and as part of a commercial transaction. The federal Canadian bill C-27, *An Act to enact the Consumer Privacy Protection Act, the Personal Information and Data Protection Tribunal Act and the Artificial Intelligence and Data Act and to make consequential and related amendments to other Acts* (Canada), was also tabled in June 2022 and is being analyzed by Desjardins Group. Although Desjardins Group actively monitors and manages privacy risk, changes in regulation, its complexity and its uncertainty could have an impact on the performance of its operations, its reputation, its strategies and its financial objectives.

(x) Fraud and financial crimes

Fraud and financial crime risk is the risk associated with acts conducted illegally by internal or external parties with the intent to cause harm, benefit from them or misappropriate assets belonging to Desjardins Group, members or clients, or the risk associated with non-compliance by Desjardins Group, including the Federation, with obligations arising from the anticipation, interpretation or application of a legislative or regulatory provision regarding financial crimes.

To protect members and clients as well as the organization, Desjardins Group continually improves its processes and solutions to adequately prevent, detect and deal with fraud. To do so, fraud risks are identified on an ongoing basis and effective and robust mitigation measures are constantly evolving. With respect to the fight against money laundering and terrorist financing, the Financial Transactions and Reports Analysis Centre of Canada has already imposed a monetary sanction on a Canadian financial institution implying that this regulator is willing to impose more severe sanctions for non-compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada). Despite Desjardins Group's investment in fraud (including money laundering and terrorism financing) prevention and detection programs, capabilities, measures and defenses, there can be no guarantee that these measures can assess accurately and mitigate all of the risks of exposure to these risk which could have a negative impact on the Desjardins Group's business and its financial condition and results of operations.

2. PRINCIPAL EMERGING RISKS

Principal emerging risks are risks that could have a significant impact on Desjardins Group's and the Federation's financial condition and would likely affect its reputation, the volatility of its results and/or the adequacy of its capitalization or liquidities in the event they were to fully materialize. These risks are outlined below.

(i) Security breaches

Risks related to cyber threats have been on the rise for a number of years and more specifically in the global socioeconomical and geopolitical context, but also in connection with the increasing use of artificial intelligence. Both the aggregation of new services for members and clients and the exposure of online services are becoming increasingly complex and gradually extending to more and more areas and products. Increased monitoring of Desjardins Group's employees and infrastructures, including that of applications involving confidential data, has been set up in order to better meet the performance needs of teleworking and to mitigate the risks associated with service interruptions, information security and reputation. In addition, the perpetrators of cyber threats are using increasingly sophisticated methods and strategies for criminal purposes.

Consequently, Desjardins Group has been investing in the enhancement of its internal processes and in technology for many years. This enhancement is reflected by the strengthening of its cyber defence capabilities in order to detect security incidents as quickly as possible. These developments are implemented, firstly, by optimizing its processes to respond efficiently to incidents and by attracting and, secondly, by training new talent in order to continue to develop its defence methods. The Desjardins Group Security Office ensures the protection of members' and clients' assets. In the event of a successful cyber attack, Desjardins Group could be

exposed to financial loss, reputational loss, the risk of not achieving its business objectives as well as major disruption in its operations.

(ii) Household and corporate indebtedness risk

With the rapid hikes in interest rates, debt service has considerably increased for many households and businesses. Moreover, many households will have to renew their mortages at a higher interest rate over the next few years. In such conditions, an increasing number of households and businesses could experience difficulties in meeting their financial obligations. As a result, these households' solvency could significantly deteriorate. Although it is expected to be shallow, the recession anticipated in 2024 could also lead to growth in insolvency cases. Desjardins Group has sound practices in granting and managing mortgage financing, including a stress test involving interest rates for mortgage financing.

The Federation's operations are heavily concentrated in Québec. See "*Fédération des caisses Desjardins du Québec*" on page 152 of this Base Prospectus for additional information. As at December 31, 2022, Desjardins Group's loans to Québec members and clients accounted for 90.3% of its aggregate loan portfolio. As a result of this significant geographic concentration, the Federation's results largely depend on economic conditions in Québec. Any deterioration in economic conditions in this market could adversely impact:

(i) past due loans;

(ii) problem assets and foreclosed property;

(iii) claims and lawsuits;

(iv) the demand for products and services; and

(v) the value of the collateral available for loans, especially mortgages, and by extension, clients' and members' borrowing capacity, the value of assets associated with impaired loans and collateral coverage.

Adverse developments in the Québec economy could, accordingly, have negative effects on the Federation's and Desjardins Group's business and on their respective financial performance and position.

(iii) Technological developments

Innovative technologies are being increasingly taken into consideration and adopted by financial institutions. These innovative technologies, such as artificial intelligence, represent a crucial vector for transforming business processes and models. See "*Fédération des caisses Desjardins du Québec – Competition*" on page 158 of this Base Prospectus for additional information. Use of these technologies exposes financial institutions to other risks relating to cyber threats, system stability, the modernizing of infrastructure, complex environments, systems interdependence, and digital transformation. The members' and clients' growing needs to access banking transactions remotely at all times require, however, pursuing this digital shift, which is well underway at Desjardins Group.

Regulatory authorities' expectations will be increasingly demanding, and financial sector requirements will continue to grow in terms of managing technology risk. The growing presence of FinTech and InsurTech, which offer simple, innovative technology solutions that meet the expectations of members and clients, puts more pressure on traditional financial institutions to adapt.

To meet the needs of its members and clients, Desjardins Group, including the Federation, is in line with this digital trend and remains active in managing the operational and strategic risk that arise from this trend, among others, by strengthening and rationalizing its technology ecosystem through investments and by reviewing and diversifying its products, services and distribution channels.

(iv) Interest rate developments

The Bank of Canada significantly increased its key interest rates since 2022 to curb the high inflation rate. The constraining effects on demand are being felt and will continue to increase over the next quarters. A mild recession is anticipated in 2024 in Canada (in particular in Québec and Ontario). These factors should allow for a more balanced supply and demand equilibrium and, as a result, should ease the upward pressure on inflation. The Bank of Canada could leave the target overnight rate at 5% prior to gradually starting to decrease it towards Spring 2024 to reach a neutral level between 2% and 3%. Desjardins Group's financial results are sensitive to interest rate fluctuations as indicated under "*Structural interest rate risk management*" section of the DG 2022 Annual Report incorporated by reference into this Base Prospectus.

(v) Geopolitical uncertainties

The rise of geopolitical tensions, namely the wars in Ukraine and Israel, increases the number of conflicts impacting the global economy and financial markets. Political polarization and radicalization could also create uncertainty. See "*Principal risks relating to the Federation and Desjardins Group – Environmental or social risk and climate change*" on page 35 of this Base Prospectus for additional information.

Aware of the strength of global economic integration, Desjardins Group, including the Federation, remains vigilant and continues to rely on its robust risk management framework to identify, measure and mitigate risk. These geopolitical risks may adversely impact macro-economic and financial market conditions relevant to the Federation and Desjardins Group and, consequently, adversely impact their respective financial performance and position.

3. OTHER RISK FACTORS THAT COULD IMPACT FUTURE RESULTS

(i) Critical accounting estimates and accounting standards

The DG 2022 Annual Report, which is incorporated by reference in this Base Prospectus, was prepared in accordance with the IFRS. The accounting policies used by Desjardins Group determine how it reports its financial position and results of operations, and management may be required to make estimates or rely on assumptions about matters that are inherently uncertain. Any change in these estimates and assumptions, as well as in accounting standards and policies, may have a significant impact on the Federation's and Desjardins Group's financial position and results of operations.

As detailed under "*Critical accounting policies and estimates*" of the DG 2022 Annual Report, which are incorporated herein by reference, certain accounting policies have been identified as being of particular importance in presenting the Federation's and Desjardins Group's financial position and operating results because they require management to make judgments as well as estimates and assumptions that may affect the reported amounts of some assets, liabilities, income and expenses, as well as related information. The significant accounting policies that required management to make difficult, subjective or complex judgments, often involving uncertainties related to the structured entities that the Federation or Desjardins Group consolidates, the determination of the fair value of financial instruments, the derecognition of financial assets, the impairment of non-financial assets, insurance contract liabilities, provisions and contingent liabilities, income taxes on surplus earnings, dividends to member caisses of the Federation or to members of Desjardins Group, as applicable, and employee benefits.

In addition, the economic environment continues to generate sources of uncertainty that have an impact on judgments as well as significant estimates and assumptions made by management in preparing the DG 2022 Annual Report. This particularly affects the loss allowance for expected credit losses. For more information about significant judgments made to estimate the loss allowance for expected credit losses, see Note 8 (*Loans and allowance for credit losses*) to the DG 2022 Annual Report.

Any changes to these estimates and assumptions may have a significant impact on the Federation's and Desjardins Group's operating results and financial position.

(ii) New products and services to maintain or increase market share

Competitive pressures from Canadian financial institutions, as well as the increasingly marked presence of FinTech and InsurTech, as described under "*Fédération des caisses Desjardins du Québec - Competition*" on page 158 of this Base Prospectus, which offer technological solutions that are innovative, simple, and responsive to the expectations of members and clients, puts more pressure on traditional financial institutions and insurers, which must adapt. These competitive pressures have led Desjardins Group to develop new products and services at a faster pace to meet the expectations of it members and clients. However, developing these new products and services may involve some operational and strategic risk. Desjardins Group is part of the trend and is actively managing this operational and strategic risk by, amongst others, technological investments and by the revision and diversification of its products, services, and distribution channels. Within Desjardins Group, there is a governance of risk management that consists of identifying, analyzing, sharing, and monitoring all the financial and non-financial risks created by new products and services.

These operational and strategic risks could, if they arise, negatively affect the Federation's and Desjardins Group's financial positions, performances, cash flows, results of operations and prospects. Moreover, the Federation and Desjardins Group Desjardins cannot be certain that the new products and services it offers will result in the anticipated financial benefits.

(iii) Acquisitions and joint arrangements

Desjardins Group has implemented a rigorous internal control environment for the acquisition and joint arrangement processes, which include risk management practices that involve identifying, analyzing, disclosing and monitoring all financial and nonfinancial risks created by acquisitions and joint arrangements.

Nevertheless, its financial or strategic objectives could fail to be met because of unexpected factors such as delays in approval of transactions by regulators or their imposing of additional conditions, the inability to apply the strategic plan in its original form, difficulties in integrating or retaining clients, an increase in regulatory costs, unexpected expenses, or changes in the economic and competitive environment as described under "*Fédération des caisses Desjardins du Québec – Principal Business*" on page 157 of this Base Prospectus.

As a result, synergies, higher income, cost savings, increased market share and other expected benefits may not materialize or may be delayed, thereby impacting Desjardins Group's financial condition and future surplus earnings and financial condition.

(iv) Credit ratings

The credit ratings assigned to the Federation by rating agencies are instrumental to its access to sources of wholesale funding and the cost of such funding. These ratings, as set out on pages 163 - 164 of this Base Prospectus, may be revised or withdrawn at any time by the agencies. In addition, a significant downgrade to various ratings could increase the Federation's and Desjardins Group's cost of funding, reduce its access to financial markets, and increase additional obligations required by its counterparties.

In the event that a rating assigned to the Federation or the Covered Bonds is suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Covered Bonds. As a result, the Federation, the market value of the Covered Bonds and the ability of the Federation to make payments under the Covered Bonds may all be adversely affected.

There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances so warrant. In the event that a rating assigned to the Federation or the Covered Bonds is subsequently suspended, lowered or withdrawn for any reason, other than as specified herein, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Covered Bonds. As a result, the Federation, the market value of the Covered Bonds, and the ability of the Federation to make payments under the Covered Bonds may all be adversely affected.

4. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING RISKS RELATED TO THE GUARANTOR'S ABILITY TO FULFIL ITS COMMITMENT UNDER THE GUARANTEE

(i) The Guarantor has Finite Resources Available to Meet its Obligations Under the Covered Bond Guarantee

The Guarantor's ability to meet its obligations under the Covered Bond Guarantee will depend on: (i) the realizable value of the assets of the Guarantor, including the Covered Bond Portfolio; (ii) the amount of Available Revenue Receipts and Available Principal Receipts generated by the Covered Bond Portfolio and the timing thereof; (iii) amounts received from the Swap Providers and the timing thereof; (iv) the realizable value of Substitute Assets held by it; and (v) the receipt by it of funds held for and on behalf of the Guarantor by its service providers and of credit balances and interest on credit balances from the Guarantor Accounts. The Guarantor will not have any other source of funds available to meet its obligations under the Covered Bond Guarantee.

If a Guarantor Event of Default, discussed further in Condition 7.02 "Guarantor Events of Default" on page 110 of this Base Prospectus, occurs and the Security created by or pursuant to the Security Agreements is enforced, the proceeds from the realization of Charged Property may not be sufficient to meet the claims of all the Secured Creditors, including the holders of the Covered Bonds.

If, following enforcement of the Security constituted by or pursuant to the Security Agreements, the Secured Creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, it is expected that they will have an unsecured claim against the Issuer for the shortfall. There is no guarantee that the Issuer will have sufficient funds to pay that shortfall in whole or in part.

Holders of the Covered Bonds should note that the Asset Coverage Test has been structured to ensure that the Adjusted Aggregate Loan Amount is at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding, which should reduce the risk of there ever being a shortfall (although there is no assurance of this result and the sale of New Loans and their Related Security by the Seller to the Guarantor, advances

under the Intercompany Loan or additional Capital Contributions by the Limited Partner may be required to avoid or remedy a breach of the Asset Coverage Test). The Guarantor must ensure that following the occurrence and during the continuance of an Issuer Event of Default, the Amortization Test is met on each Calculation Date. A breach of the Amortization Test will constitute a Guarantor Event of Default and will entitle the Bond Trustee to serve a Guarantor Acceleration Notice on the Guarantor (see "*Summary of the Principal Documents—Limited Partnership Agreement—Asset Coverage Test*" and "*Credit Structure—Asset Coverage Test*"). The Partners shall use all reasonable efforts to ensure that the Guarantor is in compliance with the Asset Coverage Test. In that respect, the Limited Partner shall use all reasonable efforts to, as the Limited Partner may determine in its sole discretion, (i) make a Cash Capital Contribution, (ii) make a Capital Contribution in Kind to the Partnership, and/or (iii) require that the Federation sell New Loans and their Related Security to the Guarantor, in the aggregate or in each case, as applicable, in an amount sufficient to ensure the Guarantor is or will be in compliance with the Asset Coverage Test on future Calculation Dates.

(ii) Risks Resulting from the Guarantor's Reliance on Third Parties

The Guarantor has entered into agreements with a number of third parties pursuant to which such third parties have agreed to perform services for the Guarantor. In particular, but without limitation, the Servicer (including the Originators as subservicers of the applicable Loans) has been appointed to service Loans in the Covered Bond Portfolio sold to the Guarantor, the Cash Manager has been appointed to calculate and monitor compliance with the Asset Coverage Test and the Amortization Test, to conduct the Valuation Calculation and the OC Valuation and to provide cash management services to the Guarantor and the GIC Account and Transaction Account (to the extent maintained) will be held with the Account Depository Institution. Several of those roles, including, but not limited to, the roles of Servicer, Cash Manager and Account Depository Institution, are initially performed by the Issuer. See also "*Factors which are material for the purposes of assessing the risks relating to the Covered Bonds*". In the event that any of those parties (including the Originators as subservicers) fails to perform its obligations under the relevant agreement to which it is a party, the realizable value of the Covered Bond Portfolio or any part thereof or pending such realization (if the Covered Bond Portfolio or any part thereof cannot be sold) may affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee. For instance, if the Servicer (including the Originators as subservicers) has failed to administer adequately the Loans, this may lead to higher incidences of non-payment or default by Borrowers. See "*Risks resulting from default by Borrowers in paying amounts due on their Loans*". Following an Interest Rate Swap Effective Date and a Covered Bond Swap Effective Date, the Guarantor is also reliant on the Swap Providers to provide it with the funds matching its obligations under the Intercompany Loan Agreement and the Covered Bond Guarantee, as described below.

Following a Covered Bond Guarantee Activation Event, the Guarantor is also reliant on the ability of the Standby GIC Provider (or any successor Standby GIC Provider) to repay funds deposited with it into the Standby GIC Account in order for the Guarantor to pay amounts due under the Covered Bonds. In particular, in this circumstance, if a Notice to Pay has been served on the Guarantor, Available Revenue Receipts and Available Principal Receipts not required to pay certain priority amounts pursuant to the Guarantee Priority of Payments will be deposited in the Standby GIC Account and holders of Covered Bonds will be dependent on the credit of the Standby GIC Provider for the availability of these amounts.

If a Servicer Event of Default occurs pursuant to the terms of the Servicing Agreement, then the Guarantor and/or the Bond Trustee will be entitled to terminate the appointment of the Servicer and appoint a new servicer in its place. There can be no assurance that a substitute servicer with sufficient experience in administering hypothecary or mortgage loans secured by hypothecs or mortgage liens of residential properties in Canada would be found who would be willing and able to service the Loans and their Related Security and enter into a servicing agreement with the Guarantor. If found, a substitute servicer may not have ratings from the Rating Agencies above the level specified in the Servicing Agreement or may not be rated at all and Rating Agency Confirmation may not be delivered for such substitute servicer. A substitute servicer may charge higher servicing fees that it agrees to with the Guarantor, which servicing fees will be entitled to priority over payments to holders of the Covered Bonds. See "*Risks resulting from default by Borrowers in paying amounts due on their Loans*".

If the Seller, as initial Servicer, becomes subject to insolvency proceedings, it could give rise to a stay of proceedings that would delay and may otherwise impair the Guarantor's or the Bond Trustee's exercise of rights and remedies in respect of the removal of the Seller as the initial Servicer.

The ability of a substitute servicer to perform fully the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute servicer may affect the realizable value of the Covered Bond Portfolio or any part thereof, and/or the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee.

The Servicer has no obligation itself to advance payments that Borrowers fail to make in a timely fashion. Holders of the Covered Bonds will have no right to consent to or approve of any actions taken by the Servicer under the Servicing Agreement.

The Bond Trustee is not obligated to act as a servicer or to monitor the performance by the Servicer of its obligations in any circumstances.

(iii) Risks Resulting from the Guarantor's Reliance on Swap Providers

To provide a hedge against possible variances in the rates of interest payable on the Loans in the Covered Bond Portfolio (which may, for example, include variable rates of interest or fixed rates of interest) following the Interest Rate Swap Effective Date, and the amount (if any) payable under the Intercompany Loan Agreement and, following the Covered Bond Swap Effective Date, the Covered Bond Swap Agreement, the Guarantor has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider. See "*Summary of the Principal Documents – Interest Rate Swap Agreement*" on page 210 of this Base Prospectus. In addition, to provide a hedge against currency and/or other risks arising, following the Covered Bond Swap Effective Date, in respect of amounts received by the Guarantor under the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, the Guarantor has entered into or will enter into a Covered Bond Swap Agreement with the Covered Bond Swap Provider in respect of each Series of Covered Bonds. See "*Summary of the Principal Documents – Covered Bond Swap Agreement*" on page 213 of this Base Prospectus.

If the Guarantor fails to make timely payments of amounts due under any Swap Agreement (except where such failure is caused by the assets available to the Guarantor being insufficient to make the required payment in full), then it will have defaulted under that Swap Agreement and such Swap Agreement may be terminated. Further, a Swap Provider is only obliged to make payments to the Guarantor as long as and to the extent that the Guarantor complies with its payment and delivery obligations. The Guarantor will not be in breach of its payment obligations where the Guarantor fails to pay a required payment in full, provided such non-payment is caused by the assets of the Guarantor being insufficient to make such payment in full under the relevant Swap Agreement. If a Swap Agreement terminates or the Swap Provider is not obliged to make payments or if it defaults in its obligations to make payments of amounts (including in the relevant currency, if applicable) to the Guarantor on the payment date under the relevant Swap Agreement, the Guarantor will be exposed to changes in the relevant currency exchange rates to Canadian dollars and to any changes in the relevant rates of interest. Unless a replacement Swap Agreement is entered into, the Guarantor may have insufficient funds to meet its obligations under the Covered Bond Guarantee.

If a Swap Agreement terminates, the Guarantor may be obliged to make a termination payment to the relevant Swap Provider. There can be no assurance that the Guarantor will have sufficient funds available to make a termination payment under the relevant Swap Agreement, nor can there be any assurance that the Guarantor will be able to find a replacement swap counterparty which (i) agrees to enter into a replacement swap agreement on substantially the same terms as the terminated swap agreement, and (ii) has sufficiently high ratings to prevent a downgrade of the then current ratings of the Covered Bonds by any one of the Rating Agencies.

If the Guarantor is not Independently Controlled and Governed and is obliged to pay a termination payment under any Swap Agreement, such termination payment will rank *pari passu* with amounts due on the Covered Bonds, except where default by, or downgrade of, the relevant Swap Provider has caused the relevant Swap Agreement to terminate, in which case such termination payment is subordinated to the interest amounts due on the Covered Bonds. If the Guarantor is Independently Controlled and Governed, it has the discretion to afford the Interest Rate Swap Provider priority over payments due on the Covered Bonds in respect of amounts due and payable under the Interest Rate Swap Agreement, other than termination payments payable to the Interest Rate Swap Provider where the Interest Rate Swap Provider has caused the termination, in which case such termination payment is subordinated to the interest amounts due on the Covered Bonds. The obligation to pay a termination payment may adversely affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee. Additionally, the failure of the Guarantor to receive a termination payment from the relevant Swap Provider may adversely affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee.

(iv) Risks Resulting from the Differences in timings of obligations of the Guarantor and the Covered Bond Swap Provider under the Covered Bond Swap Agreement

Cashflows will be exchanged under the Covered Bond Swap Agreement following the Covered Bond Swap Effective Date. See "*Glossary*" for details on how the Covered Bond Swap Effective Date is determined. Following the Covered Bond Swap Effective Date, the Guarantor will make payments to the Covered Bond Swap Provider on each Guarantor Payment Date from the amounts received by the Guarantor under the Interest Rate Swap Agreement. The Covered Bond Swap Provider may not be obliged to make payments to the Guarantor under the Covered Bond Swap Agreement until amounts are Due for Payment on the Covered Bonds, which may be up to 12 months after payments have been made by the Guarantor to the Covered Bond Swap Provider under the Covered Bond Swap Agreement. If the Covered Bond Swap Provider does not meet its payment obligations to the Guarantor under the Covered Bond Swap Agreement and the Covered Bond Swap Provider does not make a termination payment that has become due from it to the Guarantor, the Guarantor may have a larger shortfall in funds with which to meet its obligations under the Covered Bond Guarantee than if the Covered Bond Swap Provider's payment obligations coincided with Guarantor's payment obligations under the Covered Bond Guarantee. As a result, the difference in timing between the obligations of the Guarantor under the Covered Bond Swap Agreement and the obligations of the Covered Bond Swap Provider under the Covered Bond Swap Agreement could adversely affect the Guarantor's ability to meet its obligations under the Covered Bond Guarantee.

(v) Risks to collections held in trust for the Guarantor in the event of a downgrade to the Servicer's credit rating

If the Servicer receives any collections in respect of the Loans and their Related Security in the Covered Bond Portfolio to which the Guarantor is entitled and which are to be paid to the Cash Manager or the Guarantor Accounts, as the case may be, it will hold such monies in trust for the Guarantor and shall, subject to the entitlements of any Originator or Versatile Purchaser in respect of any Originator Retained Loan, transfer such monies to the Cash Manager prior to a downgrade in the ratings of the Cash Manager by the Rating Agencies below the levels specified pursuant to the Servicing Agreement on or before the next Guarantor Payment Date and following a downgrade of the ratings of the Cash Manager by the Rating Agencies below the level specified pursuant to the Servicing Agreement into the GIC Account, within two Montréal Business Days of receipt. In the event that the ratings of the Servicer fall below the levels specified pursuant to the Servicing Agreement, the Servicer will be required to keep such proceeds separate and apart from its other assets. In the event of an insolvency of the Servicer prior to such requirement to keep such proceeds separate and apart from its other assets, the ability of the Guarantor to trace and recover any such monies may be impaired and may adversely affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee.

The Servicer is permitted to appoint the Originators as subservicers of the Covered Bond Portfolio in respect of applicable Loans purchased by the Guarantor, including in respect of the remittance of collections. The Servicer remains liable for the failure of a subservicer to remit collections when required to do so. There may be circumstances where collections may be at risk due to commingling by a subservicer or the Servicer, including following the insolvency of the Servicer or a subservicer.

(vi) Withholding on payments under the Covered Bond Guarantee

Interest paid or credited or deemed to be paid or credited on a Covered Bond by the Guarantor pursuant to the Covered Bond Guarantee generally will be exempt from Canadian withholding tax to the extent interest paid or credited by the Issuer on such Covered Bond would have been exempt. See "*Taxation—Canada*". If such payments by the Guarantor pursuant to the Covered Bond Guarantee are not exempt, such payments will be made subject to any applicable withholding or deduction and the Guarantor will have no obligation to gross up in respect of any withholding or deduction which may be required in respect of any such payment, which would adversely affect the amount of payment on the Covered Bonds to be received by applicable Covered Bondholders at the time of such payment.

5. FACTORS WHICH ARE MATERIAL FOR THE PURPOSES OF ASSESSING THE RISKS RELATING TO THE COVERED BONDS

(i) Risks related to the maintenance of the Covered Bond Portfolio

(a) Risks related to changes to the Covered Bond Portfolio

As of the date of this Base Prospectus, the Covered Bond Portfolio consists solely of Loans originated by the Originators that are residential real estate loans established in favour of Borrowers residing in the Province of Québec or in the Province of Ontario secured by Hypothecs. The Covered Bond Portfolio from time to time will consist of Loans secured by Hypothecs and, subject to Rating Agency Confirmation, New Portfolio Asset Types. It is expected that the constitution of the Covered Bond Portfolio will frequently change due to, for instance, repayments of such Loans by Borrowers from time to time and the need to replace such Loans with New Loans in the Covered Bond Portfolio, or the Covered Bond Portfolio being increased to, among other things, permit the issuance of additional Covered Bonds and ensure that the Asset Coverage Test is met.

There is no assurance that the characteristics of New Loans assigned to the Guarantor in the future will be the same as those in the Covered Bond Portfolio as of the date of this Base Prospectus, as described above, which may result in a material change in the composition of the Covered Bond Portfolio held by the Guarantor in support of the Covered Bonds. The New Loans may perform in a materially different manner from the existing Loans in the Covered Bond Portfolio as it existed at the time that an investor first acquired Covered Bonds. However, each Loan will be required to meet the Eligibility Criteria and the Loan Representations and Warranties set out in the Hypothecary Loan Sale Agreement although the Eligibility Criteria and Loan Representations and Warranties may change in certain circumstances as described herein, which may also result in a material change in the New Loans in the Covered Bond Portfolio and represent a material risk to the investors if such New Loans perform in a materially different manner from the existing Loans in the Covered Bond Portfolio. See "*Summary of the Principal Documents—Hypothecary Loan Sale Agreement—Sale by the Seller of Loans and their Related Security*". In addition, the Asset Coverage Test is intended to ensure that the Adjusted Aggregate Loan Amount is an amount equal to or in excess of the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding. The Cash Manager will prepare and provide Investor Reports to the Issuer, the Guarantor, the Bond Trustee and the Rating Agencies that will set out certain information in relation to, among other things, the Covered Bond Portfolio, the Asset Coverage Test, the Valuation Calculation and the OC Valuation, and the Issuer will make such Investor Reports available to Covered Bondholders (See "*General Information*").

(b) Risks related to maintenance of the Covered Bond Portfolio

The Asset Coverage Test and the Amortization Test are intended to ensure that the assets and cash flows of the Guarantor, including the Loans and their Related Security in the Covered Bond Portfolio and cash flows in respect thereof, will be adequate to enable the Guarantor to meet its obligations under the Covered Bond Guarantee following the occurrence of a Covered Bond Guarantee Activation Event. See "*Summary of the Principal Documents – Limited Partnership Agreement – Asset Coverage Test*" and "*– Amortization Test*" on pages 201 to 205 of this Base Prospectus for further details on these two tests. Accordingly, it is expected (but there is no assurance) that the Covered Bond Portfolio could be realized for sufficient values, together with the other assets of the Guarantor, to enable the Guarantor to meet its obligations under the Covered Bond Guarantee.

(1) Risk to credit rating of the Covered Bonds due to insufficient credit enhancement

Asset Coverage Test: The Partners shall use all reasonable efforts to ensure that the Guarantor is in compliance with the Asset Coverage Test. In that respect, the Limited Partner shall use all reasonable efforts to, as the Limited Partner may determine in its sole discretion, (i) make a Cash Capital Contribution, (ii) make a Capital Contribution in Kind to the Partnership, and/or (iii) require that the Federation sell New Loans and their Related Security to the Guarantor, in the aggregate or in each case, as applicable, in an amount sufficient to ensure the Guarantor is or will be in compliance with the Asset Coverage Test on future Calculation Dates.

If a breach of the Asset Coverage Test occurs which is not cured as at the next Calculation Date, an Asset Coverage Test Breach Notice will be served on the Guarantor. Failure to meet the Asset Coverage Test as of the Calculation Date following the service of such Asset Coverage Test Breach Notice will result in an Issuer Event of Default. There is no specific recourse by the Guarantor to the Issuer or the Limited Partner in respect of any failure by the Limited Partner to make a Capital Contribution in any circumstances, including following receipt of an Asset Coverage Test Breach Notice.

The Asset Percentage is a component of the Asset Coverage Test which establishes the credit enhancement required for the then outstanding Covered Bonds in accordance with the terms of the Limited Partnership Agreement and in accordance with Rating Agency methodologies. Pursuant to the terms of the Asset Coverage Test, there is a limit to the degree to which the Asset Percentage may be decreased without the consent of the Issuer and as a result, there is a corresponding limit on the amount of credit enhancement required to be maintained to meet the Asset Coverage Test.

If the various methodologies used to determine the Asset Percentage conclude that additional credit enhancement is required beyond the maximum provided for (by requiring a reduction in the Asset Percentage below the minimum Asset Percentage), and the Issuer does not agree to provide credit enhancement beyond the maximum provided for (by agreeing to a reduction in the Asset Percentage below the minimum Asset Percentage), any Rating Agency may reduce, remove, suspend or place on credit watch, its rating of the Covered Bonds and the assets of the Guarantor may be seen to be insufficient to ensure that, in the scenarios employed in the cash flow models, the assets and cash flows of the Guarantor will be adequate to enable it to meet its obligations under the Covered Bond Guarantee following a Covered Bond Guarantee Activation Event, notwithstanding that the Asset Coverage Test continues to be met.

(2) Risks related to variance between market value of the Covered Bond Portfolio and market value of the obligations guaranteed under the Covered Bond Guarantee

Valuation Calculation: The Guarantor is required to perform the Valuation Calculation to monitor exposure to interest rate and currency exchange rates by measuring the present value of the Covered Bond Portfolio relative to the market value of the obligations guaranteed under the Covered Bond Guarantee. However, there is no obligation on the part of the Federation or the Guarantor to take any action in respect of the Valuation Calculation to the extent it shows the market value of the Covered Bond Portfolio is less than the market value of the obligations guaranteed under the Covered Bond Guarantee. As a result, the market value of the Covered Bond Portfolio may not be sufficient if sold to satisfy the obligations guaranteed under the Covered Bond Guarantee. The Valuation Calculation does not take into account the Covered Bond Swap Agreement, which is intended to provide a hedge against currency risks, interest rate risks and timing risk in respect of amounts received by the Guarantor under the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, except to the extent of any cash or securities transferred to the Guarantor by the Covered Bond Swap Provider as credit support for the obligations of the Covered Bond Swap Provider under the terms of the Covered Bond Swap Agreement. Such protection afforded by the Covered Bond Swap Agreement would only be applicable if the Covered Bond Swap Agreement is fully effective at the relevant time and the Covered Bond Swap Provider satisfies its obligations. If not, the mismatch identified by the Valuation Calculation may have an adverse effect on the investors in the Covered Bonds if the Covered Bond Portfolio is disposed of at that time.

(3) Risks related to a failure to meet the Amortization Test

Amortization Test: Pursuant to the Limited Partnership Agreement, following the occurrence and during the continuance of an Issuer Event of Default (but prior to service of a Guarantor Acceleration Notice) and, for so long as Covered Bonds remain

outstanding, the Guarantor must ensure that, as at each Calculation Date following the occurrence and during the continuance of an Issuer Event of Default, the Guarantor is in compliance with the Amortization Test. The Amortization Test is met if the Amortization Test Aggregate Loan Amount is in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds. The Amortization Test is intended to ensure that the assets of the Guarantor do not fall below a certain threshold to ensure that the assets of the Guarantor are sufficient to meet its obligations under the Covered Bond Guarantee.

If the collateral value of the Covered Bond Portfolio has not been maintained in accordance with the terms of the Asset Coverage Test and/or the Amortization Test, this may affect the realizable value of the Covered Bond Portfolio or any part thereof (both before and after the occurrence of a Guarantor Event of Default) and/or the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee. Failure to satisfy the Amortization Test as at any Calculation Date following the occurrence and during the continuance of an Issuer Event of Default will constitute a Guarantor Event of Default, thereby entitling the Bond Trustee to accelerate the Covered Bonds against the Issuer (if the Covered Bonds have not already been accelerated) and the Guarantor's obligations under the Covered Bond Guarantee against the Guarantor subject to and in accordance with the Conditions.

Prior to the occurrence of an Issuer Event of Default, the Asset Monitor will, subject to receipt of the relevant information from the Cash Manager, test the calculations performed by the Cash Manager in respect of the Asset Coverage Test, the Valuation Calculation and the OC Valuation once each year and more frequently in certain circumstances as required by the terms of the Asset Monitor Agreement. Following the occurrence of an Issuer Event of Default, the Asset Monitor will be required to test the calculations performed by the Cash Manager in respect of the Amortization Test. See further "*Summary of the Principal Documents—Asset Monitor Agreement*".

The Bond Trustee will not be responsible for monitoring compliance with, nor the monitoring of, the Asset Coverage Test, the Amortization Test, the Valuation Calculation, the OC Valuation or any other test, or supervising the performance by any other party of its obligations under any Transaction Document.

The Properties subject to the Related Security for Loans in the Covered Bond Portfolio do not undergo periodic valuations and prior to July 1, 2014 were not required to be indexed to account for subsequent market developments. Valuations are obtained when a Loan is originated, but generally not subsequent to origination. As a result, the realizable value on the Covered Bond Portfolio as of any date prior to July 1, 2014 could have been negatively affected by a significant decline in the values of properties across regions in which such Properties are located without such decline requiring the Limited Partner to make capital contributions or otherwise resulting in a breach of the Asset Coverage Test prior to indexation being implemented as part of the Asset Coverage Test.

For reporting as of a date on or after July 1, 2014, the Guarantor employs an indexation methodology that meets the requirements provided for in the CMHC Guide to determine indexed valuations for Properties relating to the Loans in the Covered Bond Portfolio (which methodology may be updated from time to time and will, at any time, be disclosed in the then-current Investor Report, the "**Indexation Methodology**") for purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation, the OC Valuation and for other purposes as may be required by the CMHC Guide from time to time. Further information about the Indexation Methodology can be found at any time in the then-current Investor Report. Changes to the Indexation Methodology may only be made (i) upon notice to CMHC and satisfaction of any other conditions specified by CMHC in relation thereto, (ii) if such change constitutes a material change, subject to obtaining the Rating Agency Confirmation, and (iii) if such change is materially prejudicial to the Covered Bondholders, subject to the consent of the Bond Trustee. The Indexation Methodology must at all times comply with the requirements of the CMHC Guide.

Neither the Issuer nor the Guarantor can give any assurance as to the accuracy or completeness of any data obtained from a third-party index for use in the Indexation Methodology and it is not expected that a sponsor of a third-party index will represent as to the accuracy or completeness of such data or accept any liability therefor.

(c) Renewal risk related to Loans in the Covered Bond Portfolio with Short Maturities

Canadian mortgage loans generally provide for the renewal of the loans periodically (e.g., every five years), but the amortization period of the loans is generally much longer (e.g., 25 years). The borrower faces a change, perhaps a substantial change, in the applicable interest rate on the loan at the time of renewal and the prospect of seeking a replacement loan from another lender if the current lender does not renew the loan. In an adverse economic environment, obtaining a replacement loan may be difficult. Accordingly, if prevailing interest rates have risen significantly, an existing lender may need to renew the loan at below market rates in order to avoid a default on a loan up for renewal.

If the Guarantor is required to liquidate a large number of Loans that have interest rates significantly below prevailing interest rates, the Guarantor may not realize sufficient proceeds to pay the Covered Bonds in full.

(d) Risks arising from the trigger of the Guarantor's obligation to sell randomly selected Loans following the breach of the Pre-Maturity Test, Asset Coverage Test Breach Notice or Notice to Pay

If, prior to maturity of Hard Bullet Covered Bonds, the Pre-Maturity Test is breached, the Guarantor may offer to sell Randomly Selected Loans to seek to generate sufficient cash to enable the Guarantor to pay the Final Redemption Amount on any Hard Bullet Covered Bonds should the Issuer fail to pay the Final Redemption Amount on the Final Maturity Date: see "*Summary of the Principal Documents—Limited Partnership Agreement—Sales of Randomly Selected Loans following a breach of the Pre-Maturity Test*".

If an Asset Coverage Test Breach Notice or a Notice to Pay is served on the Guarantor (and, in the case of an Asset Coverage Test Breach Notice, for as long as such notice has not been revoked), the Guarantor may be obliged to sell Randomly Selected Loans and their Related Security in order to remedy a breach of the Asset Coverage Test or to make payments to the Guarantor's creditors, including payments under the Covered Bond Guarantee, as appropriate: see "*Summary of the Principal Documents—Limited Partnership Agreement—Sale of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor*".

There is no guarantee that a buyer will be found to acquire such Loans and their Related Security at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained, which may affect payments under the Covered Bond Guarantee. However, prior to the service of a Guarantor Acceleration Notice, the Loans and their Related Security may not be sold by the Guarantor for less than an amount equal to the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds until six months prior to: (i) the Final Maturity Date in respect of such Covered Bonds; or (ii) (if the same is specified as applicable in the applicable Final Terms) the Extended Due for Payment Date under the Covered Bond Guarantee in respect of such Covered Bonds. In the six months prior to, as applicable, the Final Maturity Date or Extended Due for Payment Date, the Guarantor is obliged to sell Loans and their Related Security for the best price reasonably available notwithstanding that such price may be less than the Adjusted Required Redemption Amount. Where the Guarantor is obliged to sell the Loans and their Related Security by a particular date, this may have an adverse effect on the price for which they can be sold. The Seller that assigned the relevant Loans and their Related Security to the Guarantor will have a right of pre-emption to purchase such Loans and their Related Security in the event the Guarantor wishes to or is required to sell such Loans and their Related Security (see "*Summary of the Principal Documents—Hypothecary Loan Sale Agreement—Right of pre-emption*"). The Guarantor may also use the Loans and their Related Security to repay the Demand Loan and will, following a Covered Bond Guarantee Activation Event, receive credit for such repayment equal to the True Balance on such Loans or in certain circumstances, the fair market value thereof.

(e) Risk of insufficient market for Charged Property upon realization following the occurrence of a Guarantor Event of Default

If a Guarantor Event of Default occurs and a Guarantor Acceleration Notice is served on the Guarantor, then the Bond Trustee will be entitled to enforce the Security created under and pursuant to the Security Agreements and the proceeds from the realization of the Charged Property will be applied by the Bond Trustee towards payment of all secured obligations in accordance with the Post-Enforcement Priority of Payments described in "*Cashflows*" below.

There is no guarantee that there will be a market for the Charged Property or that the proceeds of realization of the Charged Property will be in an amount sufficient to repay all amounts due to the Secured Creditors (including the holders of the Covered Bonds) under the Covered Bonds and the Transaction Documents.

If a Guarantor Acceleration Notice is served on the Guarantor, then the Covered Bonds may be repaid sooner or later than expected or not at all.

(ii) Risks related to the realizable value of the Covered Bond Portfolio

Following the occurrence of a Covered Bond Guarantee Activation Event, the realizable value of the Loans and their Related Security in the Covered Bond Portfolio may be reduced (which may affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee) by:

- representations or warranties not being given by the Guarantor or the Seller, as the case may be (unless otherwise agreed with the Seller), on the sale of the Loans by the Guarantor;
- default by Borrowers of amounts due on the Loans (see "*Risk resulting from default by Borrowers in paying amounts due on their Loans*);
- the insolvency of the Seller (including as initial Servicer) or any individual Caisse which has sold Loans to the Seller;

- changes to the lending criteria of Desjardins Group assigning the Loans and their Related Security;
- the Guarantor not being the registered creditor of the Loans in the Covered Bond Portfolio and notice of the sale, transfer and assignment of such Loans and their Related Security not having been given to Borrowers;
- risks in relation to Versatile Loans which may adversely affect the value of the Covered Bond Portfolio or any part thereof;
- recourse to the Seller being limited under the terms of the Hypothecary Loan Sale Agreement;
- possible regulatory changes by the AMF and other regulatory authorities;
- law or regulations that could lead to some terms of the Loans being unenforceable; and
- general market conditions which may make the sale of Loans at a price sufficient to repay all amounts due under the Covered Bonds and the Transaction Documents unattainable or difficult.

However, it should be noted that the Asset Coverage Test, the Amortization Test and the Eligibility Criteria are intended to ensure that the Guarantor will have adequate assets and cash flows to enable the Guarantor to meet its obligations under the Covered Bond Guarantee following the occurrence of a Covered Bond Guarantee Activation Event. Accordingly, it is expected (but there is no assurance) that the Covered Bond Portfolio could be realized for sufficient values, together with the other assets of the Guarantor, to enable the Guarantor to meet its obligations under the Covered Bond Guarantee.

In the event the Issuer is required to assign some or all of its obligations to one or more third party service providers, as Servicer, Covered Bond Swap Provider, Interest Rate Swap Provider or Cash Manager, such third party service providers may require fees for such services in excess of the rates or amounts, if any, currently being paid to the Issuer by the Guarantor. Any such increase in fees for the services currently provided by the Issuer could have an adverse impact on the ability of the Guarantor to meet its obligations under the Covered Bonds. Additionally, there can be no assurance that any third party service provider will (i) have the same level of operational experience as the Issuer, and operational issues may arise in connection with appointing one or more third party service providers, or (ii) not require more onerous terms in any relevant Transaction Document.

(a) Risks resulting from no new Guarantor or Seller representations and warranties

Following the occurrence of a Covered Bond Guarantee Activation Event (including as a result of an Issuer Event of Default following a breach of the Pre-Maturity Test), and/or an Asset Coverage Test Breach Notice or a Notice to Pay is served on the Guarantor (and, in the case of an Asset Coverage Test Breach Notice, for so long as such notice has not been revoked), the Guarantor may be obliged to sell Loans and their Related Security to third party purchasers, subject to a right of pre-emption of the Seller that assigned such Loans and their Related Security to the Guarantor (see "*Summary of the Principal Documents—Limited Partnership Agreement—Method of Sale of Loans and their Related Security*"). In respect of any sale of Loans and their Related Security to third parties, however, the Guarantor will not be permitted to give warranties or indemnities in respect of those Loans and their Related Security (unless expressly permitted to do so by the Bond Trustee). There is no assurance that the Seller would give any warranties or representations in respect of the Loans and their Related Security. Any Loan Representations and Warranties previously given by the Seller in respect of Loans in the Covered Bond Portfolio may not have value for a third party purchaser particularly if the Seller is then insolvent. Accordingly, there is a risk that the realizable value of the Loans and their Related Security could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee.

(b) Risks resulting from default by Borrowers in paying amounts due on their Loans

Borrowers may default on their obligations due under the Loans. Defaults may occur for a variety of reasons. The Loans are affected by credit, market, liquidity and interest rate risks. Various factors influence hypothecary or mortgage loan delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal. Examples of such factors include changes in the national or international economic climate, local, regional or national economic or housing conditions, changes in law, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Other factors involving Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies of Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Loans. In addition, the ability of a Borrower to sell a property given as security for a Loan at a price sufficient to repay the amounts outstanding under that Loan will depend upon a number of factors, including general market conditions, the availability of buyers for that property, the value of that property and property values in general at the time. Non-Performing Loans in the Covered Bond

Portfolio will be given no credit for the purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation and the OC Valuation. See "*Summary of the Principal Documents – Limited Partnership Agreement*" on page 199 of this Base Prospectus for additional information on those tests.

The application of Canadian federal bankruptcy and insolvency laws and related provincial laws to a Borrower could affect the ability to collect the Loans and the Related Security if such laws result in any related Loan being charged off as uncollectible either in whole or in part.

(c) Risks relating to deterioration in the market for real estate

A severe correction in the housing market could create strains in the residential mortgage market by causing an economic recession (and associated loss of income) and a reduction in homeowner equity, leading to rising delinquencies. The risk of a severe correction would increase if interest rates rose sharply or an external shock caused the economy to contract. In this case, the subsequent housing downturn would impair economic circumstances and create greater stress in the mortgage market. The risk of a severe correction is considered low in most regions of the country, including Québec, as valuations are moderate, affordability is reasonable and interest rates are likely to remain low for some time. The Initial Covered Bond Portfolio consists of Loans for which the related residential properties are situated in the Province of Québec. Despite the low risk, if a severe correction were to occur, it could negatively impact the value and marketability of the Covered Bond Portfolio. See also the risk factor entitled "*Household and corporate indebtedness risk*" on page 38 of this Base Prospectus.

(d) Risks resulting from changes to the Lending Criteria which may result in increased borrower defaults

Each of the Loans sold by the Seller to the Guarantor will have been originated by an Originator in accordance with Desjardins Group's Lending Criteria at the time of origination. See "*Loan Origination and Lending Criteria*" on page 172 of this Base Prospectus for additional information. It is expected that Desjardins Group's Lending Criteria will generally consider type of property, term of loan, age of applicant, loan-to-value ratio, status of applicants and credit history. In the event of the sale of any Loans and their Related Security to the Guarantor, the Seller will only warrant that such Loans and their Related Security meet the Eligibility Criteria and were originated in accordance with Desjardins Group's Lending Criteria applicable at the time of origination. Desjardins Group retains the right to revise its Lending Criteria from time to time. If the Lending Criteria change in a manner that affects the creditworthiness of the Loans, that may lead to increased defaults by Borrowers and may affect the realizable value of the Covered Bond Portfolio, or part thereof, and the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee. As described above, however, Non-Performing Loans in the Covered Bond Portfolio will be given no credit for the purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation and the OC Valuation.

(e) Risks particular to the Versatile Loans

The Covered Bond Portfolio includes Versatile Loans. For a detailed description of the Versatile Loans, see "*Summary of the Principal Documents-Hypothecary Loan Sale Agreement-Versatile Accounts".* Such Versatile Loans are subject to certain additional risks which include, without limitation, the following:

- the risk that Versatile Loans may be more difficult for the Guarantor to sell to third parties than other Loans due to the related servicing, priority and security sharing arrangements governing the Versatile Loans and/or the continuing ownership interests of the Seller (or the applicable Originators) and/or Versatile Purchasers in the related Versatile Accounts and the related Versatile Hypothecs;

- the risk that the Guarantor, or the Servicer on its behalf, is or will become subject to certain fiduciary and other rights, duties and obligations under applicable law or under any applicable agreements in regard to the Seller (or the applicable Originators) and/or any Versatile Purchasers having an interest in the related Versatile Hypothecs which could delay or otherwise adversely affect its right to make certain servicing and/or enforcement decisions relating to such Versatile Loans or, with respect to such agreements, which may affect the respective priorities of the related Versatile Loans and Versatile LOCs; and

- since the Seller (or the applicable Originators) or Versatile Purchasers will each be entitled to an interest in the related Versatile Hypothecs in the Province of Québec to the extent of the outstanding indebtedness owing under any related Versatile LOC or Versatile Loan, the Guarantor will in respect of each Versatile Hypothec have to join the applicable Originator or the Versatile Purchaser in enforcement proceedings against the related Borrower.

(f) Risks resulting from a lack of notice and registration of the sale, transfer and assignment of the Loans and their Related Security in the Covered Bond Portfolio on the relevant Transfer Dates

The sale, transfer and assignment by the Originators to the Seller and by the Seller to the Guarantor of the Loans and their Related Security will be carried out in accordance with the terms of the Origination Hypothecary Loan Sale Agreement and the Hypothecary Loan Sale Agreement, respectively.

Other than certain registrations and notifications that are required to be made as set out in the Origination Hypothecary Loan Sale Agreement and the Hypothecary Loan Sale Agreement (including (i) registrations in the appropriate land registry or land titles offices in respect of the sale, transfer and assignment of the Loans from the Originators to the Seller and from the Seller to the Guarantor effected by the Origination Hypothecary Loan Sale Agreement and the Hypothecary Loan Sale Agreement, respectively (and any applicable registration in respect of registered title to the relevant Loans), and (ii) the provision to Borrowers under the related Loans or the obligors under their Related Security of actual notice of the sale, transfer and assignment thereof to the Seller and subsequently to the Guarantor), all material filings, recordings, notifications, registrations or other actions under all applicable laws have been made or taken in each jurisdiction where necessary or appropriate (other than certain registrations in the Province of Québec which will be made when permitted by applicable law) to give legal effect to the sale, transfer and assignment of the Loans and their Related Security and the right to transfer servicing of such Loans as contemplated by the Origination Hypothecary Loan Sale Agreement and the Hypothecary Loan Sale Agreement, respectively, and to validate, preserve, render opposable, perfect and protect the Guarantor's ownership interest in and rights to collect any and all of the related Loans being purchased on the relevant Transfer Date, including the right to arrange for the servicing and enforcement of such Loans and their Related Security. Since the applicable Originator or Versatile Purchaser will be entitled to an interest in the related Versatile Hypothec to the extent of the outstanding indebtedness owing under any related Versatile LOC or Versatile Loan not owned by the Guarantor, the Guarantor will have to join such Originator or Versatile Purchaser in enforcement proceedings against the related Borrower.

Notice of the sale, transfer and assignment of the Loans and, where appropriate, the registration or recording in the appropriate land registry or land titles offices of the transfer of legal title to the Hypothecs will not be given or made, as the case may be, except in the circumstances described in "*Summary of the Principal Documents—Hypothecary Loan Sale Agreement—Notice to Borrower of the sale, assignment and transfer of the Loans and their Related Security and registration of transfer of title to the Hypothecs*".

Similarly, neither Borrowers nor obligors will be given notice of the interests of the Bond Trustee (for itself and on behalf of the other Secured Creditors) in the Loans and their Related Security, granted pursuant to the terms of the Security Agreements, nor will the interests of the Bond Trustee (for itself and on behalf of the other Secured Creditors) in the Hypothecs be registered in the appropriate land registry or land titles offices, prior to notice of the Guarantor's interests in the Loans and their Related Security, and/or registration of the transfer of title to the Hypothecs, having been given or made, as the case may be.

As long as the interests of the Guarantor in the Loans and their Related Security are not registered at the appropriate land registry or land titles offices and notice has not been given to Borrowers, the following risks exist:

- *first*, if any Originator wrongly sells a Loan and its Related Security which has already been sold to the Seller and on-sold to the Guarantor, or the Seller wrongly sells a Loan and its Related Security which has already been sold to the Guarantor, in each case, to another person and that person acted in good faith and did not have notice of the interests of the Guarantor in the Loan and its Related Security, then such person might obtain good title to the Loan and its Related Security, free from the interests of the Guarantor. If this occurred then the Guarantor would not have good title to the affected Loan and its Related Security and it would not be entitled to payments by a Borrower in respect of that Loan. However, the risk of third party claims obtaining priority to the interests of the Guarantor would likely be limited to circumstances arising from a breach by such Originator or by the Seller of its contractual obligations or fraud, negligence or mistake on the part of such Originator, the Seller or the Guarantor or their respective personnel or agents;

- *second*, the rights of the Guarantor may be subject to the rights of the Borrowers against the Originators, such as rights of compensation or set-off, which occur in relation to transactions or deposits made between Borrowers and the Originators, as applicable, and the rights of Borrowers to redeem their hypothecary or mortgage loans by repaying the Loans directly to the Originators, as applicable, however, the Canadian dollar deposits of Borrowers with the Caisses are currently insured up to C$100,000, subject to certain exceptions, by the AMF under the Deposit Institutions and Deposit Protection Act, resulting in deposit insurance similar in nature to that provided by the Canada Deposit Insurance Corporation; and

- *third*, unless the Guarantor has given the relevant notices and effected the relevant registrations with respect to the sale, transfer and assignment of the Loans and their Related Security (which it is only entitled to do in certain limited circumstances), the Guarantor may not, itself, be able to enforce any Borrower's obligations under a Loan or its Related Security but would have to join the Seller and the relevant Originator as a party to any legal proceedings.

The foregoing risks apply equally to the Bond Trustee (for itself and on behalf of the other Secured Creditors). If any of the risks described in the first two bullet points above were to occur then the realizable value of the Covered Bond Portfolio or any part thereof and/or the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee or the Bond Trustee (for itself and on behalf of the other Secured Creditors) to enforce its Security granted under the Security Agreements with respect to the Covered Bond Portfolio may be adversely affected.

Once notice has been given to the Borrowers and any other obligors of the sale, transfer and assignment of the Loans and their Related Security to the Guarantor and of the interest of the Bond Trustee in the Loans and their Related Security (for itself and on behalf of the other Secured Creditors), legal compensation or set-off rights which a Borrower may have against the Originator (such as, for example, compensation or set-off rights associated with Borrowers holding deposits with the relevant Originator), will crystallize and further rights of legal compensation or set-off would cease to accrue from that date and no new rights of legal compensation or set-off could be asserted following that notice. Compensation or set-off rights arising out of a transaction connected with the Loan will not be affected by that notice and will continue to exist.

Further, for so long as notice of the sale, transfer and assignment of the Loans and their Related Security has not been given to the Borrowers and any other obligors and title to the Hypothecs has not been registered in the appropriate land registry or land titles offices in the name of the Guarantor, the Originators will undertake for the benefit of the Seller, and the Seller will undertake for the benefit of the Guarantor and the Secured Creditors, that it will lend its name to, and take such other steps as may be reasonably required by the Seller, the Guarantor and/or the Bond Trustee, as applicable, in relation to, any legal proceedings in respect of the Loans and their Related Security.

(g) Limitations on recourse to the Seller

The Guarantor and the Bond Trustee will not undertake any investigations, searches or other actions on any Loan or its Related Security and will rely instead on the Loan Representations and Warranties given in the Hypothecary Loan Sale Agreement by the Seller in respect of the Loans sold by it to the Guarantor.

If any Loan and its Related Security assigned by the Seller to the Guarantor does not materially comply with any of the Loan Representations and Warranties made by the Seller as at the Transfer Date of that Loan, then the Seller will be required to notify the Guarantor and the Bond Trustee as soon as reasonably practical after becoming aware of the fact and, upon receipt of a request to do the same from the Guarantor, remedy the breach within 30 calendar days of receipt by it of the request. There is no further recourse to the Seller in respect of a breach of a Loan Representation or Warranty.

If the Seller fails to remedy the breach of a Loan Representation and Warranty within 30 calendar days of such request, then the Seller will be required (but only prior to the occurrence of an Issuer Event of Default and after the service of a Loan Repurchase Notice) to repurchase on or before the next following Calculation Date (or such other date that may be agreed between the Guarantor and the Seller) the relevant Loan and its Related Security and any other Loans secured or intended to be secured by such Related Security that are included in the Covered Bond Portfolio, at the purchase price paid by the Guarantor for the relevant Loan(s) and its or their Related Security, as the case may be, plus expenses as at the relevant repurchase date, less any amounts received from the Borrower since the Transfer Date in respect of principal on such Loan and the Related Security.

There can be no assurance that the Seller, in the future, will have the financial resources to repurchase a Loan or Loans and its or their Related Security. Any failure by the Seller to repurchase a Loan or Loans and its or their Related Security, when required to do so, could have a negative impact on the realizable value of the Covered Bond Portfolio.

(iii) Factors which are material for the purpose of assessing risks relating to the Covered Bonds

(a) Risks related to all Covered Bonds

(1) Issuer is the sole obligor of the Covered Bonds

The Issuer is the obligor of the Covered Bonds and will be responsible for payments of principal and interest on the Covered Bonds. The Covered Bonds will not be insured under the Deposit Institutions and Deposit Protection Act, the *Canada Deposit Insurance Corporation Act* or by any governmental agency and will be obligations of the Federation only and accordingly will not be obligations of the other members of Desjardins Group. The Covered Bonds will constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer. Investors in the Covered Bonds will have no right to receive any guarantee or other payments in respect of the Covered Bonds from any member of Desjardins Group other than the Federation, and, after a Covered Bond Guarantee Activation Event, the Guarantor; however in the event of the insolvency or winding-up of the Issuer in accordance with applicable law, the Covered Bonds will rank *pari passu* with all deposit liabilities of Groupe coopératif Desjardins without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured

obligations of the Groupe coopératif Desjardins, present and future (except as otherwise prescribed by law). As a result, Holders of the Covered Bonds are, subject to the paragraph below, solely exposed to the Issuer for payment on the Covered Bonds and may not be repaid on their investments in the Covered Bonds.

The Guarantor has no obligation to pay the Guaranteed Amounts payable under the Covered Bond Guarantee until the occurrence of a Covered Bond Guarantee Activation Event. The occurrence of an Issuer Event of Default does not constitute a Guarantor Event of Default. However, failure by the Guarantor to pay amounts when Due for Payment under the Covered Bond Guarantee would constitute a Guarantor Event of Default which would entitle the Bond Trustee to accelerate the obligations of the Issuer under the Covered Bonds (if the Covered Bonds have not already become due and payable) and the obligations of the Guarantor under the Covered Bond Guarantee and entitle the Bond Trustee to enforce the Security. Holders of the Covered Bonds can only look to the Guarantor for payment on the Covered Bonds for the Guaranteed Amounts and only in the circumstances stated above. To the extent that the Holders of the Covered Bonds do not recover the Guaranteed Amounts from the Guarantor, they may be materially adversely affected in respect of their investments in the Covered Bonds.

(2) The Federation is dependent on its member Caisses and the other members of Desjardins Group

A significant portion of the Federation's cash flow and income is derived from its lending and other relationships with the other members of Desjardins Group, including on interest and other payments from the caisses and the other members of Desjardins Group (as discussed under the section entitled "*Desjardins Group*" on page 165 of this Base Prospectus). Accordingly, conditions adversely affecting the Caisses and the other members of Desjardins Group could impair the Federation's ability to satisfy its obligations.

(3) Guarantor only obliged to pay Guaranteed Amounts when the same are Due for Payment

Subsequent to a failure by the Issuer to make a payment in respect of one or more Series of Covered Bonds, the Bond Trustee may, but is not obliged to, serve an Issuer Acceleration Notice on the Issuer and Notice to Pay on the Guarantor (which would constitute a Covered Bond Guarantee Activation Event (see Condition 4 on page 87 of this Base Prospectus)) unless and until service of such Issuer Acceleration Notice is requested or directed, as applicable, by the Holders of at least 25 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds then outstanding as if they were a single Series or an Extraordinary Resolution of all the Holders of the Covered Bonds in accordance with Condition 7.01. As a result, a certain percentage of the Holders of the Covered Bonds may be able to direct such action without obtaining the consent of the other Holders of the Covered Bonds.

The Guarantor will not be obliged to pay Holders of the Covered Bonds any amounts which may be payable in respect of the Covered Bonds until a Covered Bond Guarantee Activation Event has occurred. Following a Covered Bond Guarantee Activation Event, the Guarantor will be obliged to pay Guaranteed Amounts as and when the same are Due for Payment.

Payments by the Guarantor will be made subject to any applicable withholding or deduction and the Guarantor will not be obliged to pay any additional amounts as a consequence. Prior to service on the Guarantor of a Guarantor Acceleration Notice, the Guarantor will not be obliged to make any payments payable in respect of broken funding indemnities, penalties, premiums, default interest or interest on interest which may accrue on or in respect of the Covered Bonds. In addition, the Guarantor will not be obliged at any time to make any payments in respect of additional amounts which may become payable by the Issuer under Condition 8.

Subject to any grace period, if the Guarantor fails to make a payment when Due for Payment under the Covered Bond Guarantee or any other Guarantor Event of Default occurs, then the Bond Trustee may accelerate the obligations of the Guarantor under the Covered Bond Guarantee by service of a Guarantor Acceleration Notice, whereupon the Bond Trustee will have a claim under the Covered Bond Guarantee for an amount equal to the Early Redemption Amount of each Covered Bond, together with accrued interest and all other amounts then due under the Covered Bonds (other than additional amounts payable under Condition 8). In such circumstances, the Guarantor will not be obliged to gross up in respect of any withholding or deduction which may be required in respect of any payment. Following service of a Guarantor Acceleration Notice, the Bond Trustee may enforce the security granted under the Security Agreements over the Covered Bond Portfolio. The proceeds of enforcement of the Security will be applied by the Bond Trustee in accordance with the Post-Enforcement Priority of Payments in the Security Agreements, and holders of the Covered Bonds will receive amounts from the Guarantor (if any) on an accelerated basis.

(4) Excess Proceeds received by the Bond Trustee

Following the occurrence of an Issuer Event of Default and delivery of an Issuer Acceleration Notice the Bond Trustee may receive Excess Proceeds. The Excess Proceeds will be paid by the Bond Trustee, as soon as practicable after receipt thereof by the Bond Trustee, on behalf of the Holders of the Covered Bonds of the relevant Series, to the Guarantor for the account of the Guarantor and will be held by the Guarantor in the Guarantor Accounts (as discussed further in Condition 7 on page 109 of this Base Prospectus). The Excess Proceeds will thereafter form part of the Security granted pursuant to the Security Agreements and will

be used by the Guarantor in the same manner as all other moneys from time to time standing to the credit of the Guarantor Accounts. Any Excess Proceeds received by the Bond Trustee will discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (subject to restitution of the same if such Excess Proceeds will be required to be repaid by the Guarantor). However, the obligations of the Guarantor under the Covered Bond Guarantee are, following a Covered Bond Guarantee Activation Event, unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds will not reduce or discharge any such obligations.

By subscribing for Covered Bond(s), each holder of the Covered Bonds will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Guarantor in the manner as described above. As a result, the Holders of the Covered Bonds will not receive the Excess Proceeds directly from the Issuer or the Guarantor and will be limited on their recovery against the Guarantor only for the Guaranteed Amounts and only pursuant to the Covered Bond Guarantee.

(5) All Covered Bonds issued under the Programme will accelerate at the same time if there is a Covered Bond Guarantee Activation Event

Covered Bonds issued under the Programme will either be fungible with an existing Series of Covered Bonds or have different terms from an existing Series of Covered Bonds (in which case they will constitute a new Series).

All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects and will share in the Security granted by the Guarantor under the Security Agreements. If an Issuer Event of Default occurs in respect of a particular Series of Covered Bonds, the Covered Bonds of all Series outstanding will, provided a Covered Bond Guarantee Activation Event has occurred, accelerate at the same time against the Issuer and have the benefit of payments made by the Guarantor under the Covered Bond Guarantee. In order to ensure that any further issue of Covered Bonds under the Programme does not adversely affect Holders of the existing Covered Bonds:

- the Asset Coverage Test will be required to be met both before and after any further issue of Covered Bonds; and
- on or prior to the date of issue of any further Covered Bonds, the Issuer will be obliged to obtain Rating Agency Confirmation.

Based on the foregoing, the holders of a Series of Covered Bonds will not have full entitlement to amounts available from the Issuer for holders of Covered Bonds and will be limited to their applicable entitlement on a shared priority basis and will, on a similar basis, be limited in their access to the security granted by the Guarantor under the Security Agreement.

(6) Change of law; Applicable laws

The structure of the issue of the Covered Bonds and the ratings which are to be assigned to them are based on the applicable laws of Canada and the provinces thereof applicable to the Issuer, the Guarantor and the Covered Bonds, including insolvency, bankruptcy, financial services and income tax laws under Canadian provincial laws and federal laws applicable therein, in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to these laws, including the applicable laws, regulations and policies with respect to the issuance of Covered Bonds, the Covered Bonds themselves or the bankruptcy, insolvency, winding-up and receivership of the Issuer or the Guarantor after the date of this Base Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to meet its obligations in respect of the Covered Bonds or the Guarantor to meet its obligations under the Covered Bond Guarantee. Any such change could adversely impact the value of the Covered Bonds.

It should also be noted that in November 2019, the European Parliament and the Council of the European Union finalised the European Union's legislative package on covered bond reforms, which were made up of a new covered bond directive (Directive (EU) 2019/2162) and a new regulation (Regulation (EU) 2019/2160), which came into force on 7 January 2020 and became applicable on 8 July 2022 (both texts have relevance for the EEA and are to be implemented in due course in the countries in the EEA). The new covered bond directive replaces current article 52(4) of Directive 2009/65/EC, and establishes a revised common base-line for the issue of covered bonds for EU regulatory purposes (subject to various options that Member States may choose to exercise when implementing the new directive through national laws). The new regulation has been directly applicable in the EU from 8 July 2022 and it amends article 129 of the Capital Requirements Regulation ("**CRR**") (and certain related provisions) and further strengthens the criteria for covered bonds that benefit from preferential capital treatment under the CRR regime. The Issuer is not a European Union credit institution and the Covered Bonds do not fall within the scope of the EU Directive (2019/2162) or EU Regulation (2019/2160). It remains uncertain whether and how an equivalence regime could be introduced for third-country credit institutions issuing covered bonds. Therefore, there can be no assurances or predictions made as to the precise effect of the regime on the Covered Bonds.

In addition, the implementation of and/or changes to the Basel III framework may affect the capital requirements and/or liquidity associated with a holding of the Covered Bonds for certain investors. See "*Factors which are material for the purposes of assessing the risks relating to the Issuer's and the Guarantor's legal and regulatory situation - Basel Accord and Regulatory Environment*" below.

The Issuer is a federation of financial services cooperatives, which is part of Desjardins Group, and governed by the Cooperatives Act. The AMF is the governmental regulatory agency responsible for the annual inspection and supervision of Desjardins Group and the Issuer's financial disclosure controls and procedures. The Guarantor is a limited partnership established under the laws of the Province of Ontario. As a result, the laws of Ontario and Québec, and the federal laws of Canada applicable therein, have application to the Programme in certain respects.

The Covered Bonds and most Transaction Documents will be governed by, and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, except that the Origination Hypothecary Loan Sale Agreements may be governed by, and construed in accordance with the laws of the Province of Ontario or the laws of the Province of Québec and, in each case, the federal laws of Canada applicable therein, and the Subservicing Agreement and certain Security Agreements will be governed by the laws of the Province of Québec and the federal laws of Canada applicable therein. See "*Summary of the Principal Documents*".

Notwithstanding the stated governing law of a contract, the courts of a jurisdiction may conclude that a specific contract or document may be subject to or governed by the laws of a jurisdiction other than the stated governing law, which may result in consequences inconsistent with the application of the stated governing law in the applicable contract or document and may result in a conclusion adverse to the interests of the Guarantor or the Covered Bondholders.

Ontario courts have non-exclusive jurisdiction in the event of litigation in respect of the contractual documentation and the Covered Bonds governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, and, subject to certain exceptions, can enforce foreign judgements in respect of agreements governed by foreign laws.

(7) Change of Tax Law

Statements in this Base Prospectus concerning the taxation of investors (see section entitled "Taxation" on page 239 of this Base Prospectus) are of a general nature and are based upon current tax law and published government or administrative practice in the jurisdictions stated. Such law and government or administrative practice is, in principle, subject to change, possibly with retrospective or retroactive effect, and this could adversely affect holders.

In addition, any change in the Issuer's tax status or in taxation legislation or practice in a relevant jurisdiction could adversely impact the market value of the Covered Bonds.

(8) Bond Trustee's powers may affect the interests of the Holders of the Covered Bonds

In the exercise of its powers, trusts, authorities and discretions, the Bond Trustee will only have regard to the interests of the Holders of the Covered Bonds. In the exercise of its powers, trusts, authorities and discretions, the Bond Trustee may not act on behalf of the Issuer.

If, in connection with the exercise of its powers, trusts, authorities or discretions, the Bond Trustee is of the opinion that the interests of the Holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, the Bond Trustee will not exercise such power, trust, authority or discretion without the approval by Extraordinary Resolution of such holders of the relevant Series of Covered Bonds then outstanding or by a direction in writing of such Holders of the Covered Bonds representing at least 25 per cent of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding. See Condition 20 "Indemnification of Bond Trustee and Bond Trustee contracting with the Issuer and/or the Guarantor" on page 132 of this Base Prospectus. As a result, the rights of an individual holder of Covered Bonds may be adversely affected by decisions made by the Bond Trustee, by an Extraordinary Resolution of the holders of the applicable Series or a direction in writing by holders of Covered Bonds representing the requisite percentage of Covered Bonds of the relevant Series.

(9) Extendable obligations under the Covered Bond Guarantee

Following the failure by the Issuer to pay the Final Redemption Amount of a Series of Covered Bonds on their Final Maturity Date (subject to applicable grace periods) and if following service of a Notice to Pay on the Guarantor (by no later than the date which falls one Business Day prior to the Extension Determination Date), the Guarantor has insufficient moneys available in accordance with the Guarantee Priority of Payments for the payment in full of the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such Series of the Covered Bonds, then the payment of such Guaranteed Amounts may be automatically

deferred for payment until the applicable Extended Due for Payment Date (where the relevant Series of Covered Bonds are subject to an Extended Due for Payment Date) as described in Condition 6.01 and interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 5, at the applicable Rate of Interest, including, if applicable, as may be determined in accordance with Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds). To the extent that a Notice to Pay has been served on the Guarantor and the Guarantor has sufficient time and sufficient moneys to pay in part the Guaranteed Amounts corresponding to the relevant Final Redemption Amount in respect of such Covered Bonds, the Guarantor will make such partial payment on any Interest Payment Date up to and including the relevant Extended Due for Payment Date in accordance with the Priorities of Payment and as described in Condition 6.01 and the Guarantor will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and the Extended Due for Payment Date and any unpaid amounts in respect thereof shall be due and payable on the Extended Due for Payment Date. The Issuer is not required to notify Covered Bondholders of such deferral. This will occur (subject to no Guarantor Event of Default having occurred) if the Final Terms for a relevant Series of Covered Bonds provides that such Covered Bonds are subject to an Extended Due for Payment Date.

The Extended Due for Payment Date will fall up to one year after the Final Maturity Date (as specified in the applicable Final Terms) and the Guarantor will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and the Extended Due for Payment Date and any unpaid amounts in respect thereof shall be due and payable on the Extended Due for Payment Date. In these circumstances, except where the Guarantor has failed to apply money in accordance with the Priorities of Payment, failure by the Guarantor to meet its obligations in respect of the Final Redemption Amount on the Final Maturity Date (or such later date within any applicable grace period) will not constitute a Guarantor Event of Default. However, failure by the Guarantor to pay Guaranteed Amounts corresponding to the Final Redemption Amount or the balance thereof, as the case may be, on the Extended Due for Payment Date and/or pay Guaranteed Amounts constituting Scheduled Interest on any Original Due for Payment Date or the Extended Due for Payment Date will (subject to any applicable grace period) be a Guarantor Event of Default.

(10) Modification and Waivers; The Bond Trustee may agree to modifications to the Transaction Documents without, respectively, the Covered Bondholders' or Secured Creditors' prior consent; Rating Agency Confirmations

The Conditions of the Covered Bonds contain provisions for calling meetings (including at a physical location or by means of an electronic platform (such as a conference call or videoconference) or a combination thereof) of Holders of Covered Bonds to consider, and for passing written resolutions on, matters affecting their interests generally. These provisions permit defined majorities to bind all Holders of Covered Bonds including Holders of Covered Bonds who do not attend and vote at the relevant meeting and Holders of Covered Bonds who voted in a manner contrary to the majority.

Pursuant to the terms of the Trust Deed, the Bond Trustee may also, without the consent or sanction of any of the Holders of the Covered Bonds or any of the other Secured Creditors, concur with any person in making or sanctioning any modification to the Transaction Documents:

- provided that the Bond Trustee is of the opinion that such modification will not be materially prejudicial to the interest of any of the Holders of the Covered Bonds of any Series; or

- which in the opinion of the Bond Trustee are made to correct a manifest error or are of a formal, minor or technical nature or are made to comply with mandatory provisions of law.

Pursuant to the terms of the Trust Deed, the Bond Trustee may, without the consent or sanction of any of the Holders of the Covered Bonds or any of the other Secured Creditors grant any authorization or waiver of (on such terms and conditions (if any) as shall seem expedient to it) any proposed or actual breach of any of the covenants contained in the Trust Deed, the Security Agreements or any of the other Transaction Documents, provided that the Bond Trustee is of the opinion that such waiver or authorization will not be materially prejudicial to the interest of any of the Holders of the Covered Bonds of any Series.

Pursuant to the terms of the Transaction Documents certain conditions, actions and steps under or with respect to the Transaction Documents require Rating Agency Confirmation. Certain Rating Agencies have issued policies or commented that such Rating Agencies do not provide consent to or approval of changes or amendments to the transaction documents or structure and that such Rating Agencies are not bound by the provisions of transaction documents in programmes for which they provide ratings. As a result of such policies and comments, a formal written or published response from the Rating Agencies with respect to the granting of Rating Agency Confirmation or confirming that such Rating Agencies do not consider such confirmation or response necessary in the circumstances (which would also satisfy such requirement) may not be forthcoming despite such condition, action or step being in the best interest of Covered Bondholders. In these circumstances, the Issuer may in the future be restricted from taking such conditions, actions or steps in a timely manner.

(11) Certain modifications to the Transaction Documents may be made in some cases without the consent of Covered Bondholders, and in other cases, Covered Bondholders will be deemed to have consented to such

modifications unless holders of the Covered Bonds representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds have notified their objection to the Bond Trustee in writing

For the purpose of changing the Reference Rate to an Alternative Base Rate, the Bond Trustee shall, without any consent or sanction of any of the holders of the Covered Bonds or any of the other Secured Creditors (except for those party to the relevant Transaction Document being amended or whose ranking in any Priorities of Payments is affected), concur with the Issuer in making any modification (other than a Series Reserved Matter) to the Trust Deed, the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security, as further described in Condition 13.02(c)(i) for the relevant Series of Covered Bonds (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change to the extent there has been or there is reasonably expected to be a material disruption or cessation to EURIBOR or any other relevant benchmark (other than in respect of SOFR, €STR and SARON)), provided that, for greater certainty, such amendments will not constitute a Series Reserved Matter and, in each case subject to the satisfaction of certain requirements, including receipt by the Bond Trustee of a Base Rate Modification Certificate, certifying, among other things, that the modification is required for its stated purpose. The Bond Trustee also has the right to make certain modifications to the Transaction Documents without the consent of the holders of the Covered Bonds described under "*—Modifications and Waivers; The Bond Trustee may agree to modifications to the Transaction Documents without, respectively, the holders of the Covered Bonds' or Secured Creditors' prior consent*".

Further to the above paragraph, the Issuer must provide at least 30 days' notice to the holders of the Covered Bonds of the proposed modification in accordance with Condition 14 and by publication on Bloomberg on the "Company News" screen relating to the Covered Bonds. If, within 30 days from the giving of such notice, holders of the Covered Bonds representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds have notified the Issuer or the Issuing and Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Covered Bonds may be held) that such holders of the Covered Bonds do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Covered Bondholders of the relevant Series is passed in favour of the Base Rate Modification in accordance with Condition 13.02(c)(i). However, in the absence of such a notification, all Covered Bondholders will be deemed to have consented to such modification and the Bond Trustee shall, subject to the requirements of Condition 13.02(c)(i), without seeking further consent or sanction of any of the holders of the Covered Bonds and irrespective of whether such modification is or may be materially prejudicial to the interest of the holders of the Covered Bonds as a class, concur with the Issuer in making the proposed modification.

In respect of USD Benchmark-referenced Floating Rate Covered Bonds, if the Issuer or the Benchmark Transition Designee (as defined below in Condition 13.02(c)(ii)) determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, then the Bond Trustee shall be obliged, subject to the satisfaction of certain conditions but without the consent or sanction of the Covered Bondholders, to concur with the Issuer or the Benchmark Transition Designee, in making any modification to the Conditions or any of the Transaction Documents that the Issuer or the Benchmark Transition Designee decides may be appropriate to give effect to the provisions set forth in Condition 13.02(c)(ii) (*Meetings of Holders of the Covered Bonds, Modification and Waiver - Modification and Waiver*) in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark and any related Covered Bond Swap Agreements.

The Covered Bondholders and the other Secured Creditors shall be deemed to have instructed the Bond Trustee to concur with such amendments and shall be bound by them regardless of whether or not they are materially prejudicial to the interests of the Covered Bondholders or the other Secured Creditors.

Therefore, it is possible that a modification to the Reference Rate (and as otherwise described above) could be made without the vote of any holders of the relevant Series of Covered Bonds or even if holders of such Series of Covered Bonds holding less than 10 per cent. of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds objected to it. In addition, holders of the Covered Bonds should be aware that, unless they have made arrangements to promptly receive notices sent to Covered Bondholders from any custodians or other intermediaries through which they hold their Covered Bonds and give the same their prompt attention, meetings may be convened or resolutions (including Extraordinary Resolutions) may be proposed and considered and passed or rejected or deemed to be passed or rejected without their involvement even if, were they to have been promptly informed by such custodians or other intermediaries as aforesaid, they would have voted in an affirmative manner to the holders of the Covered Bonds which passed or rejected the relevant proposal or resolution.

(12) Issuer's potential Conflict of Interest in Connection with the Programme

The Issuer has a number of roles pursuant to the Programme including, but not limited to, the roles of Issuer, Seller, Servicer, Cash Manager and initial counterparty under the Swap Agreements (as further described in the Section entitled "*Summary of the Principal Documents – Servicing Agreement*" and "*– Cash Management Agreement*"). In respect of the Programme, the Issuer

will act in its own interest subject to compliance with the Transaction Documents. Such actions by the Issuer may not be in the best interests of and may adversely affect the holders of the Covered Bonds, including by negatively impacting the ability for the Issuer to pay to the holders of the Covered Bonds any principal and/or interest due on the Covered Bonds. Subject to compliance with the Transaction Documents, the Issuer may act in its own interest without incurring any liability to the holders of any Series or Tranche of Covered Bonds.

(13) Certain decisions of Holders of the Covered Bonds taken at the Programme level

Any Extraordinary Resolution to direct the Bond Trustee to serve an Issuer Acceleration Notice following an Issuer Event of Default, to direct the Bond Trustee to serve a Guarantor Acceleration Notice following a Guarantor Event of Default and any direction to the Bond Trustee to take any enforcement action must be passed at a single meeting of the Holders of all Covered Bonds of all Series then outstanding. See Condition 13.01 "*Meetings of Holders of the Covered Bonds*" for additional information.

(14) Ratings of the Covered Bonds might not reflect all risks

The ratings assigned to the Covered Bonds address with respect to Fitch, an indication of the probability of default and of recovery given a default of the Covered Bonds.

With respect to Moody's, the ratings assigned to the Covered Bonds address the expected loss posed to investors.

One or more independent credit rating agencies may assign credit ratings to the Covered Bonds. The expected ratings of the Covered Bonds are set out in the relevant Final Terms for each Series of Covered Bonds. Any Rating Agency may lower its rating or withdraw its rating or place the rating on negative watch if, in the sole judgment of the Rating Agency, the credit quality of the Covered Bonds has declined or is in question. If any rating assigned to the Covered Bonds is lowered or withdrawn or placed on negative watch, the market value of the Covered Bonds may be reduced. The rating assigned to the Covered Bonds may not reflect the potential of all risks related to structure, market, additional and other factors discussed herein and other factors that may affect the value of the Covered Bonds. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time based on a number of factors including the Issuer's financial strength, competitive position, and liquidity, as well as factors not entirely within the Issuer's control, including the methodologies used by rating agencies and conditions affecting the overall financial services industry.

In general, EEA and UK regulated investors are restricted under the applicable CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU (in the case of EEA regulated investors) or (in the case of UK regulated investors) in the UK and registered under the applicable CRA Regulation (and such registration has not been withdrawn or suspended) subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. See "*Credit Rating Agencies*" on page 7 of this Base Prospectus for additional information. Such general restriction will also apply in the case of credit ratings issued by non-EEA and non-UK credit rating agencies, unless the relevant credit ratings are endorsed by a Registered CRA or the relevant non-EEA or non-UK rating agency is certified in accordance with the applicable CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Each of the list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation and the list of registered and certificated rating agencies published by the FCA on its website in accordance with the UK CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA or FCA list. If the regulated status of a rating agency under the applicable CRA Regulation changes, EEA and United Kingdom regulated investors may no longer be able to use the rating for regulatory purposes and the Covered Bonds may have a different regulatory treatment. This may result in EEA and United Kingdom regulated investors selling the Covered Bonds which may impact the value of the Covered Bonds on any secondary market. Where Covered Bonds are specified as rated, the names of the credit rating agencies and ratings is set out on the cover of this Base Prospectus. Certain information with respect to the credit rating agencies assigning ratings to Tranches and ratings so assigned will be disclosed in the Final Terms.

(15) Rating Agency Confirmation in respect of Covered Bonds

The terms of certain of the Transaction Documents provide that, in certain circumstances, the Issuer and/or the Guarantor must, and the Bond Trustee may, obtain confirmation from each Rating Agency that any particular action proposed to be taken by the Issuer, the Guarantor, the Seller, the Servicer, the Cash Manager, the Bond Trustee or any other party to a Transaction Document will not result in a reduction or withdrawal of the rating of the Covered Bonds in effect immediately before the taking of such action. However, holders of the Covered Bonds should be aware that if a confirmation or some other response by a Rating Agency is a condition to any action or step or is otherwise required under any Transaction Document and a written request for Rating Agency Confirmation is delivered to that Rating Agency by any of the Issuer and/or the Guarantor and/or the Bond Trustee, as applicable, and either (i) the Rating Agency indicates that it does not consider such confirmation or response necessary in the

circumstances or (ii) within 10 Business Days of actual receipt of such request by the Rating Agency, such request elicits no confirmation or response and/or such request elicits no statement by the Rating Agency that such confirmation or response could not be given, the Issuer, the Guarantor and/or the Bond Trustee, as applicable, will be entitled to disregard the requirement for a Rating Agency Confirmation, affirmation of rating or other response by the Rating Agency and proceed on the basis that such confirmation or affirmation of rating or other response by the Rating Agency is not required in the particular circumstances of the request. In such circumstances, there can be no assurance that a Rating Agency would not downgrade or place on watch the then current rating of the Covered Bonds or cause such rating to be withdrawn or suspended.

The failure by a Rating Agency to respond to a written request for a confirmation or affirmation shall not be interpreted to mean that such Rating Agency has given any deemed Rating Agency Confirmation or affirmation of rating or other response in respect of such action or step. No Rating Agency is a party to any of the Transaction Documents and no Rating Agency will at any time be under an obligation to give a Rating Agency Confirmation.

As discussed further in Condition 19.01 on page 131 of this Base Prospectus, by subscribing for or purchasing Covered Bond(s), each holder of Covered Bonds shall be deemed to have acknowledged and agreed that a credit rating of a Series of Covered Bonds by the Rating Agencies is an assessment of credit risk and does not address other matters that may be of relevance to holders of Covered Bonds, including, without limitation, in the case of a Rating Agency Confirmation in respect of an action proposed to be taken, whether such action is either (i) permitted by the terms of the relevant Transaction Document or (ii) in the best interests of, or not prejudicial to, some or all of the holders of Covered Bonds.

Further, as discussed in Condition 19.02 on page 132 of this Base Prospectus, by subscribing for or purchasing Covered Bond(s), each holder of Covered Bonds shall be deemed to have acknowledged and agreed that: (a) a Rating Agency Confirmation may or may not be given at the sole discretion of each Rating Agency; (b) depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Rating Agency Confirmation in the time available, or at all, and the Rating Agency shall not be responsible for the consequences thereof; (c) a Rating Agency Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the Covered Bonds forms a part; and (d) a Rating Agency Confirmation represents only a restatement of the opinions given, and shall not be construed as advice for the benefit of any holder of Covered Bonds or any other party.

(b) Risks related to the structure of a particular issue of Covered Bonds

A wide range of Covered Bonds may be issued under the Programme. A number of these Covered Bonds may have features which contain particular risks for potential investors, the most common of which are set out below:

(1) Covered Bonds where denominations involve integral multiples: definitive Covered Bonds

In relation to any issue of Covered Bonds which has denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that the Covered Bonds may be traded in the clearing systems in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Covered Bond in respect of such holding (should definitive Covered Bonds be provided) and would need to purchase a principal amount of Covered Bonds such that its holding amounts to a Specified Denomination before definitive Covered Bonds are issued to such Holder. See "*Form of the Covered Bonds – Bearer Covered Bonds*" on page 77 of this Base Prospectus for additional information.

If definitive Covered Bonds are issued, Holders should be aware that definitive Covered Bonds which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

(2) Covered Bonds subject to optional redemption by the Issuer

An optional redemption feature of Covered Bonds is likely to limit the market value and could reduce secondary market liquidity of the Covered Bonds. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Covered Bonds, if the Issuer has a right of redemption in respect of the relevant Series of Covered Bonds, when its cost of borrowing is lower than the interest rate on the Covered Bonds. See Condition 6.03 "*Call Option*" on page 107 of this Base Prospectus for additional information. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may

only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

(3) Fixed/Floating Rate Covered Bonds

Fixed/Floating Rate Covered Bonds may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. See "*Variable Rate Debt Instruments*" on page 245 of this Base Prospectus for additional information. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Covered Bonds since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on the other Covered Bonds. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Covered Bonds.

(4) Fixed Rate Covered Bonds

Investment in Fixed Rate Covered Bonds involves the risk that subsequent changes in the market interest rates applying to fixed rate debt instruments issued in the same currency and having the same term to maturity as those Fixed Rate Covered Bonds may adversely affect the value of the Fixed Rate Covered Bonds, as an equivalent investment issued at the current market interest rate may be more attractive to investors. In such circumstances an investor may not be able to obtain the expected return on the sale of the relevant Covered Bonds.

(5) Floating Rate Covered Bonds

a. Investors will not be able to calculate in advance their rate of return

A key difference between Floating Rate Covered Bonds and Fixed Rate Covered Bonds is that interest income on Floating Rate Covered Bonds cannot be anticipated. See Condition 5.03 on page 88 of this Base Prospectus for additional information. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Covered Bonds at the time they purchase them, so that their return on investment cannot be compared with that of investments having a fixed interest rate. If the terms and conditions of the Covered Bonds provide for frequent interest payment dates, investors are even more exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates at the prevailing time of any such interest payment. In addition, the Issuer's ability to issue Fixed Rate Covered Bonds may affect the market value and secondary market (if any) of the Floating Rate Covered Bonds (and vice versa).

b. Changes or uncertainty in respect of interest rates and indices that are deemed "benchmarks" may adversely affect the value or payment of interest under the Covered Bonds

(i) IBOR Replacement

Various interest rates, indices and other published values or benchmarks which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented, including certain provisions of the Benchmarks Regulation.

As announced by the ICE Benchmark Administration Limited and its regulator the FCA on March 5, 2021, all sterling, euro, Swiss franc and Japanese yen, one-week and two-month U.S. dollar settings either ceased to be provided by any administrator or were no longer representative after December 31, 2021, and the same will be true for the remaining U.S. dollars settings immediately after June 30, 2023. The FRBNY's Alternative Reference Rates Committee (the "**ARRC**") stated that the announcements constitute a "Benchmark Transition Event" with respect to all USD LIBOR settings pursuant to ARRC-recommended benchmark fallback language.

The EMMI, as the registered benchmark administrator of EURIBOR, shifted in 2019 from a quote-based methodology of calculating EURIBOR to a hybrid methodology that is based upon contributions of individual panel banks that submit transaction-based data. The EMMI performs a review of the hybrid methodology on an annual basis to confirm EURIBOR remains robust, resilient and representative of its underlying market and to identify any potential for further beneficial recalibrations. Favourable amendments to the hybrid methodology were identified in its first review in 2020 and have been implemented since April 2021. On September 13, 2018, the working group on euro risk-free rates recommended €STR as the new risk free rate. Although EURIBOR has been reformed in order to comply with the terms of the Benchmarks Regulations, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

Investors should be aware that the euro risk-free rate working group for the euro area published a set of guiding principles and high level recommendations for fallback provisions in, among other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On May 11, 2021, the working group published recommendations relating to fallback trigger events and fallback rates for contracts and financial instruments referencing EURIBOR which follow the guiding principles.

On 16 May 2022, Refinitiv Benchmark Services (UK) Limited ("**RBSL**"), the administrator of CDOR, announced that it will cease the calculation and publication of CDOR after 28 June 2024. This decision aligns with the recommendation made by the Bank of Canada's Canadian Alternative Reference Rate working group in December 2021, and follows a broad public consultation from RBSL regarding that recommendation. Concurrently, OSFI published their expectation that Federally Regulated Financial Institutions transition all new derivatives and securities to an alternative benchmark rate by 30 June 2023 and all loan agreements by 28 June 2024. The potential replacement rate, the reformed Canadian Overnight Repo Rate Average, began its daily publishing on 15 June 2020.

These reforms and other pressures may cause some benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or contribute to certain benchmarks or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Covered Bonds linked to such a benchmark.

Most of the provisions of the Benchmarks Regulation have applied from January 1, 2018, with the exception of certain provisions, mainly on critical benchmarks, that applied from June 30, 2016. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EEA and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non EEA based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) prevent certain uses by EEA supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non EEA based, deemed equivalent or recognised or endorsed). The scope of the Benchmarks Regulation is wide and, in addition to so called "critical benchmark" indices, such as EURIBOR, applies to many interest rates, foreign exchange rate indices and other indices where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue (EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF)) or via a systematic internaliser, certain financial contracts and investment funds.

It is not possible to predict the further effect of any changes in the methodologies pursuant to which any relevant benchmark rates are determined, or any other reforms to or other proposals affecting any relevant benchmarks that will be enacted in the UK, the EU, the U.S. and elsewhere, each of which may adversely affect the trading market for any relevant benchmark based securities, including any Covered Bonds that bear interest at rates based on any other relevant benchmarks. In addition, any future changes in the method pursuant to which the relevant benchmarks are determined or the transition to a successor benchmark may result in, among other things, a sudden or prolonged increase or decrease in the reported benchmark rates, a delay in the publication of any such benchmark rates, trigger changes in the rules or methodologies in certain benchmarks discouraging market participants from continuing to administer or participate in certain benchmarks, and, in certain situations, could result in a benchmark rate no longer being determined and published. Accordingly, in respect of a Covered Bond referencing a relevant benchmark, this could result in: (i) the substitution of replacement rates for such benchmark; and (ii) adjustments to the terms of the relevant Covered Bonds. Any such consequences could have a material adverse effect on the value of and return on any Covered Bonds linked to, referencing or otherwise dependent (in whole or in part) on a relevant benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Covered Bonds in making any investment decision with respect to the Covered Bonds.

(ii) Fallback arrangements under the Conditions

In the case of Covered Bonds (i) using a reference rate other than €STR to determine the rate of interest (or a component thereof) or (ii) using €STR as a reference rate where an €STR Index Cessation Event has occurred and the €STR Fallbacks (as defined above) do not enable the rate of interest (or a component thereof) to be determined, the Conditions provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) is discontinued or otherwise becomes unavailable, including, the possibility under Condition 13.02 (and subject to the requirements thereof) that the rate of interest could be determined: (i) by the Issuer, (ii) by the Benchmark Transition Designee (as defined below), or (iii) set by reference to an Alternative Base Rate. If the Issuer determines the rate of interest itself, it will make such determinations and adjustments as it deems appropriate, in accordance with the Conditions of the Covered Bonds. In making such determinations and adjustments, the Issuer may be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. Any Alternative Base Rate may be adjusted (if required) in order to reduce or

eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. However, it may not be possible to determine or apply any such adjustment and even if an adjustment is applied, such adjustment may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment can be determined, an Alternative Base Rate may nonetheless be used to determine the rate of interest on the Covered Bonds.

Based on the foregoing, investors should be aware that:

(a) any of the reforms or pressures described above or any other changes to a relevant benchmark could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

(b) if any relevant benchmark is discontinued or is otherwise unavailable, then, to the extent that an amendment as described in paragraph (c) below has not been made at the relevant time, the rate of interest on the Covered Bonds will be determined by the fallback provisions provided for under Condition 5.03, although if such provisions are dependent in part upon the provision by reference banks of offered quotations to prime banks in the Eurozone interbank market (in the case of EURIBOR), they may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may result in the rate of interest for the last preceding Interest Period being used for any reference rate or, in the case of SONIA, the last published rate being used for all remaining calendar days in the relevant period for purposes of determining the applicable compounded daily rate in accordance with the applicable formula. This may result in the effective application of a fixed rate based on the rate which applied in the previous period when the applicable benchmark was available;

(c) while an amendment may be made (i) following the occurrence of an €STR Index Cessation Effective Date to change the base rate on the Floating Rate Covered Bonds from €STR or (ii) under Condition 13.02(c) to change the base rate on the Floating Rate Covered Bonds from EURIBOR, SONIA, SARON or SOFR or any other relevant benchmark to an Alternative Base Rate under certain circumstances broadly related to a discontinuation of such benchmark and subject to certain conditions being satisfied there can be no assurance that any such amendment will be made or, if made, that it (i) will, fully or effectively, mitigate all or any relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Floating Rate Covered Bonds, which could result in a material adverse effect on the value of and return on such Covered Bonds or (ii) will be made prior to any date on which any of the risks described in this risk factor may arise (see "*Certain modifications to the Transaction Documents may be made in some cases without the consent of Covered Bondholders, and in other cases, Covered Bondholders will be deemed to have consented to such modifications unless holders of the Covered Bonds representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds have notified their objection to the Bond Trustee in writing*" above);

(d) if any relevant interest rate benchmark is discontinued, and whether or not an amendment is made under Condition 13.02(c) to change the base rate with respect to the Floating Rate Covered Bonds as described in paragraph (c) above, there can be no assurance that any applicable fallback provisions under the Swap Agreements would operate so as to ensure that the benchmark used to determine payments under the Swap Agreements would be the same as that used to determine interest payments under the Intercompany Loan or under the Covered Bonds, or that the Swap Agreements would operate to allow the transactions under the Swap Agreements to effectively mitigate interest rate and currency risks in respect of the Guarantor's obligations under the Covered Bond Guarantee or the Intercompany Loan (subject to the Intercompany Loan Agreement's requirement that the applicable rate of interest thereunder will not exceed the amount received by the Guarantor pursuant to the Interest Rate Swap, less certain specified amounts);

(e) due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of the Issuer, the relevant fallback provisions may not operate as intended at the relevant time; and

(f) it is possible that an amendment under Condition 13.02(c) to change the base rate of a Series of the Floating Rate Covered Bonds will be treated as a deemed exchange of old Covered Bonds for new Covered Bonds, which may be taxable to U.S. holders.

(iii) Additional risks related to benchmarks applicable to Covered Bonds

The use of an Alternative Base Rate, the replacement of the USD Benchmark by the Benchmark Replacement or effecting Benchmark Replacement Conforming Changes may result in interest payments that are substantially lower than or that do not

otherwise correlate over time with the payments that could have been made on the Covered Bonds if the relevant benchmark remained available in its current form.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the mortgage loans, the Covered Bonds and/or the Swap Agreements due to applicable fallback provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer or the Guarantor to meet its payment obligations in respect of the Covered Bonds.

Moreover, any of the above matters (including an amendment to change the base rate as described in paragraph (c) above) or any other significant change to the setting or existence of any relevant benchmark rate could affect the ability of the Issuer or the Guarantor to meet its obligations under the Covered Bonds and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Covered Bonds. No assurance can be provided that relevant changes will not occur with respect to any relevant benchmark rate and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Covered Bonds. As the Issuer has significant contractual rights and obligations referenced to IBOR benchmarks, discontinuance of, or changes to, benchmark rates could adversely affect its business and results of operations. The Issuer is evaluating the impact on its products, services, systems and processes with the intention of minimizing the impact through appropriate mitigating actions.

c. The market continues to develop in relation to SONIA as a reference rate for Floating Rate Covered Bonds

Where the relevant Final Terms for a Series of Covered Bonds identifies that the Rate of Interest for such Covered Bonds will be determined by reference to SONIA, the Rate of Interest will be determined on the basis of Compounded Daily SONIA (as defined in Condition 5.03). Compounded Daily SONIA differs from sterling LIBOR in a number of material respects, including (without limitation) that Compounded Daily SONIA is a backwards-looking, compounded, risk-free overnight rate, whereas sterling LIBOR is expressed on the basis of a forward-looking term and includes a credit risk-element based on inter-bank lending. As such, investors should be aware that sterling LIBOR and SONIA may behave materially differently as interest reference rates for Covered Bonds. The Issuer does not intend to issue any Covered Bonds referencing sterling LIBOR under the Programme. The use of SONIA as a reference rate for Covered Bonds is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of debt securities referencing SONIA.

Accordingly, prospective investors in any Covered Bonds referencing Compounded Daily SONIA should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to sterling LIBOR. In the context of backwards-looking SONIA rates, market participants and relevant working groups (including ICE Benchmark Administration Limited, Refinitiv and FTSE Russell) have, as of the date of this Prospectus, developed forward-looking 'term' SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term by reference, primarily, to SONIA Overnight Index Swap quotes provided in interdealer central limit order books and, where such data is unavailable, subject to a waterfall of alternative data). The adoption of SONIA has already seen component inputs into sterling swap rates or other composite rates transferring from sterling LIBOR or another reference rate to SONIA.

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Floating Rate Covered Bonds that reference SONIA. Furthermore, the Issuer may in the future issue Covered Bonds referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA-referenced Covered Bonds issued by it under the Programme. Equally in such circumstances, it may be difficult for the Guarantor to find any future required replacement Swap Provider to properly hedge its then interest rate exposure on such a Floating Rate Covered Bond should a Swap Provider need to be replaced and such Floating Rate Covered Bond at that time uses an application of SONIA that then differs from products then prepared to be hedged by such Swap Providers. The continued development of Compounded Daily SONIA as an interest reference rate for the capital markets, as well as continued development of SONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Covered Bonds issued under the Programme from time to time.

Furthermore, the Rate of Interest on Covered Bonds which reference Compounded Daily SONIA is only capable of being determined at the end of the relevant Interest Accrual Period or Observation Period (as applicable and as defined in the Conditions) and immediately or shortly prior to the relevant Interest Payment Date. It may be difficult for investors in Covered Bonds which reference a Compounded Daily SONIA to reliably estimate the amount of interest which will be payable on such Covered Bonds, and some investors may be unable or unwilling to trade such Covered Bonds without changes to their information technology systems, both of which factors could adversely impact the liquidity of such Covered Bonds. Further, in contrast to LIBOR-based Covered Bonds, if the Covered Bonds referencing Compounded Daily SONIA become due and payable under Condition 7, the Rate of Interest payable shall be determined for the final Interest Period on the date the Covered Bonds became due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Covered Bonds referencing Compounded Daily SONIA.

As SONIA and the SONIA Compounded Index are published by the Bank of England based upon data from other sources, the Issuer has no control over their determination, calculation or publication. There can be no guarantee that SONIA and/or the SONIA Compounded Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in floating rate covered bonds that reference SONIA. If the manner in which SONIA and/or the SONIA Compounded Index is calculated is changed, then that change might result in a reduction of the amount of interest payable on the relevant Covered Bonds and the trading prices of investments in such Covered Bonds. Furthermore, to the extent SONIA and/or the SONIA Compounded Index is no longer published, the applicable rate to be used to calculate the Rate of Interest on floating rate Covered Bonds will be determined using the alternative methods described in Condition 5.03. Such alternative methods might result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on such Covered Bonds if SONIA and/or the SONIA Compounded Index had been provided by the Bank of England in its current form. In addition, the use of such alternative methods might also result in a fixed rate of interest being applied to the relevant Covered Bonds.

Accordingly, an investment in Floating Rate Covered Bonds that reference SONIA entails significant risks not associated with similar investments in conventional debt securities. Any investor should ensure that it understands the nature of the terms of such Floating Rate Covered Bonds and the extent of its exposure to risk, and that it considers the suitability of such Floating Rate Covered Bonds as an investment in the light of its own circumstances and financial condition. Investors should carefully consider these matters when making their investment decision with respect to any such Floating Rate Covered Bonds.

d. The market continues to develop in relation to SOFR as a reference rate for Covered Bonds

(i) The composition and characteristics of SOFR are not the same as those of U.S. dollar LIBOR, and SOFR is not expected to be a comparable replacement for U.S. dollar LIBOR.

Where the applicable Final Terms for a Series of Covered Bonds specifies that the interest rate for such Covered Bonds will be determined by reference to SOFR, interest will be determined on the basis of SOFR (as defined in the Terms and Conditions of the Covered Bonds). SOFR differs from U.S. dollar LIBOR in a number of material respects, including (without limitation) that SOFR is a backwards-looking, compounded, secured, risk-free overnight rate, whereas U.S. dollar LIBOR is expressed on the basis of an unsecured forward-looking term and includes a credit risk-element based on inter-bank lending. As such, investors should be aware that U.S. dollar LIBOR and SOFR may behave materially differently as interest reference rates for Covered Bonds. The use of SOFR as a reference rate is developing, and is subject to change, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of debt securities referencing SOFR.

As a result, there can be no assurance that SOFR will perform in the same way as U.S. dollar LIBOR would have at any time, including, without limitation, with respect to changes in interest and yield rates in the market, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events. For the same reasons, SOFR is not expected to be a comparable replacement for U.S. dollar LIBOR.

(ii) SOFR has a limited history, and the future performance of SOFR cannot be predicted based on historical performance.

The publication of SOFR began in April 2018, and, therefore, it has a limited history. The future performance of SOFR cannot be predicted based on the limited historical performance. Future levels of SOFR may bear little or no relation to the historical actual or historical indicative SOFR data. Prior observed patterns, if any, in the behavior of market variables and their relation to SOFR, such as correlations, may change in the future. While some pre-publication historical data have been released by the FRBNY, such analysis inherently involves assumptions, estimates and approximations. The future performance of SOFR is impossible to predict and therefore no future performance of SOFR may be inferred from any of the historical actual or historical indicative data. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR. There can be no assurance that SOFR or Compounded SOFR (as defined below in Condition 5.03) will be positive. The unpredictability of the future performance of SOFR could adversely affect the price at which investors can sell SOFR-referenced Covered Bonds in the secondary market.

(iii) SOFR may be more volatile than other benchmark or market rates.

Since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in other benchmark or market rates during corresponding periods, and SOFR may bear little or no relation to the historical actual or historical indicative data. Although changes in Compounded SOFR generally are not expected to be as volatile as changes in daily levels of SOFR, the return on value of and market for any SOFR-referenced Covered Bonds issued under the Programme from time to time may fluctuate more than floating rate securities that are linked to less volatile rates. In addition, the volatility of SOFR has reflected the underlying volatility of the overnight U.S. Treasury repo market. The FRBNY has at times conducted operations in the overnight U.S. Treasury repo market in order to help maintain the federal funds rate within a target range. There can be no assurance that the FRBNY will continue to conduct such operations in the future, and the duration and extent of any such operations is inherently uncertain. The effect of any such operations, or of the cessation of such operations to the extent they are commenced, is uncertain, could be materially adverse to investors in the Covered Bonds and could adversely affect the price at which investors can sell SOFR-referenced Covered Bonds.

(iv) Any failure of SOFR to gain market acceptance could adversely affect any SOFR-referenced Covered Bonds.

According to New York Federal Reserve's Alternative Reference Rate Committee ("**ARRC**"), SOFR was developed for use in certain U.S. dollar derivatives and other financial contracts as an alternative to U.S. dollar LIBOR in part because it is considered a good representation of general funding conditions in the overnight U.S. Treasury repurchase agreement market. However, as a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants would not consider SOFR a suitable replacement or successor for all of the purposes for which U.S. dollar LIBOR historically has been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen market acceptance of SOFR. Any failure of SOFR to gain market acceptance could adversely affect the return on and value of any SOFR-referenced Covered Bonds issued under the Programme from time to time and the price at which investors can sell such SOFR-references Covered Bonds in the secondary market.

(v) The Compounded SOFR rate is relatively new in the marketplace.

For any SOFR-referenced Covered Bonds issued under the Programme from time to time, in each Interest Period, the interest rate is based on Compounded SOFR, which is calculated using the specific formula described in Condition 5.03, not the SOFR rate published on or in respect of a particular date during such Interest Period or an arithmetic average of SOFR rates during such period. For this and other reasons, the interest rate on the SOFR-referenced Covered Bonds during any Interest Period will not be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Further, if the SOFR rate in respect of a particular date during an Interest Period is negative, its contribution to Compounded SOFR will be less than one, resulting in a reduction to Compounded SOFR used to calculate the interest payable on the SOFR-referenced Covered Bonds on the Interest Payment Date for such Interest Period.

The use of SOFR or the specific formula for the Compounded SOFR rate used in any SOFR-referenced Covered Bonds may not be widely adopted by other market participants, if at all. If the market adopts a different calculation method, that could adversely affect the market value of such Covered Bonds.

(vi) Compounded SOFR with respect to a particular Interest Period will only be capable of being determined near the end of the relevant Interest Period.

For any SOFR-referenced Covered Bonds issued under the Programme from time to time, the level of Compounded SOFR applicable to a particular Interest Period and, therefore, the amount of interest payable with respect to such Interest Period will be determined on the Interest Determination Date for such Interest Period. Because each such date is near the end of such Interest Period, investors will not know the amount of interest payable with respect to a particular Interest Period until shortly prior to the related Interest Payment Date and it may be difficult for investors to reliably estimate the amount of interest that will be payable on each such Interest Payment Date. In addition, some investors may be unwilling or unable to trade such Covered Bonds without changes to their information technology systems, both of which could adversely impact the liquidity and trading price of such Covered Bonds.

(vii) The secondary trading market for securities linked to SOFR may be limited.

If SOFR does not prove to be widely used as a benchmark in securities that are similar or comparable to any SOFR- referenced Covered Bonds issued under the Programme from time to time, the trading price of such Covered Bonds may be lower than those of securities that are linked to rates that are more widely used. Similarly, market terms for securities that are linked to SOFR, including, but not limited to, the spread over the reference rate reflected in the interest rate provisions, or manner of compounding

the reference rate, may evolve over time, and as a result, trading prices of any SOFR-referenced Covered Bonds may be lower than those of later-issued securities that are based on SOFR. Investors in such Covered Bonds may not be able to sell the Covered Bonds at all or may not be able to sell the Covered Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

The manner of calculation and related conventions with respect to the determination of interest rates based on SOFR in floating-rate covered bond markets may differ materially compared with the manner of calculation and related conventions with respect to the determination of interest rates based on SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any potential inconsistencies between the manner of calculation and related conventions with respect to the determination of interest rates based on SOFR across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposition of the SOFR-referenced Covered Bonds.

(viii) SOFR may be modified or discontinued and any SOFR-referenced Covered Bonds may bear interest by reference to a rate other than Compounded SOFR, which could adversely affect the value of such Covered Bonds.

SOFR is a relatively new rate, and the FRBNY (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. SOFR is published by the FRBNY based on data received by it from sources other than the Issuer or the Desjardins Group, and neither the Issuer nor the Desjardins Group have any control over its method of calculation, publication schedule, rate revision practices or availability of SOFR at any time. There can be no guarantee, particularly given its relatively recent introduction, that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in SOFR-referenced Covered Bonds. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on any SOFR-referenced Covered Bonds issued under the Programme from time to time, which may adversely affect the trading prices of such Covered Bonds. The administrator of SOFR may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of SOFR in its sole discretion and without notice (in which case a fallback method of determining the interest rate on any SOFR-referenced Covered Bonds as further described under Condition 13.02(c)(ii) will apply) and has no obligation to consider the interests of holders of the Covered Bonds in calculating, withdrawing, modifying, amending, suspending or discontinuing SOFR. The interest rate for any Interest Period will not be adjusted for any modifications or amendments to SOFR or SOFR data that the FRBNY may publish after the interest rate for that Interest Period has been determined. The interest rate for any Interest Period will not be adjusted for any modifications or amendments to SOFR or SOFR data that the FRBNY may publish after the interest rate for that Interest Period has been determined.

(6) Covered Bonds issued at a substantial discount or premium

The issue price of Covered Bonds specified in the applicable Final Terms may be more than the market value of such Covered Bonds as of the issue date, and the price, if any, at which a Dealer or any other person willing to purchase the Covered Bonds in secondary market transactions may be lower than the issue price. In particular, the issue price may take into account amounts with respect to commissions relating to the hedging of the Issuer's obligations under such Covered Bonds, and secondary market prices are likely to exclude such amounts. In addition, pricing models of market participants may differ or produce a different result. Covered Bonds may also be issued at a discount or premium from their principal amount as a result of off-market coupons, including zero coupons. See "*Market Discount*" and "*Acquisition Premium and Amortizable Bond Premium*" on page 244 of this Base Prospectus for additional information.

The market values of Covered Bonds issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Covered Bonds. Generally, the longer the remaining term of the Covered Bonds, the greater the price volatility as compared to conventional interest-bearing Covered Bonds with comparable maturities.

(7) The market continues to develop in relation to €STR as a reference rate for Covered Bonds

The Rate of Interest in respect of Covered Bonds with €STR as a reference rate will be determined on the basis of Compounded Daily €STR (as defined in the Conditions), which is a backwards-looking, compounded near risk-free overnight rate.

Investors should be aware that the market continues to develop in relation to €STR as a reference rate in the capital markets and its adoption as an alternative to EURIBOR. Furthermore, the market or a significant part thereof may adopt an application of €STR that differs significantly from that set out in the Conditions and the Issuer may in the future issue Covered Bonds referencing €STR that differ materially in terms of interest determination when compared with any previous €STR referenced Covered Bonds issued by it. The nascent development of Compounded Daily €STR as an interest reference rate for bond markets, as well as continued development of €STR-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced

liquidity or increased volatility or could otherwise affect the market price of Covered Bonds with €STR as a reference rate. Similarly, if €STR does not prove to be widely used in securities such as the Covered Bonds, investors may not be able to sell the Covered Bonds at all or the trading price of the Covered Bonds may be lower than those of securities linked to indices that are more widely used.

The Rate of Interest for Covered Bonds with €STR as a reference rate is only capable of being determined at the end of the relevant Interest Accrual Period (as defined in the Conditions) and immediately prior to the relevant Interest Payment Date (as set out in the Conditions). It may be difficult for investors in Covered Bonds with €STR as a reference rate to estimate reliably the amount of interest which will be payable on the Covered Bonds, and some investors may be unable or unwilling to trade such Covered Bonds without changes to their IT systems, both of which factors could adversely affect the liquidity of such Covered Bonds. Further, if such Covered Bonds become due and payable prior to their stated maturity, the final rate of interest payable in respect of such Covered Bonds shall only be determined immediately prior to the date on which the Covered Bonds become due and payable.

€STR is published by the European Central Bank based on data received from other sources, the Issuer has no control over its determination, calculation or publication and there can be no guarantee that €STR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interest of investors in Covered Bonds with €STR as a reference rate. If the manner in which €STR is calculated is changed, that change may result in a reduction of the amount of interest payable on the Covered Bonds and the trading prices of the Covered Bonds. Furthermore, the manner of adoption or application of €STR in the bond markets may differ materially compared with the application and adoption of €STR in other markets such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of €STR across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of such Covered Bonds.

To the extent the €STR Reference Rate is discontinued or is no longer published as described in the Conditions, the applicable rate to be used to calculate the Rate of Interest on such Covered Bonds will be determined using the alternative methods described in the Conditions ("**€STR Fallbacks**") or if these do not enable the rate of interest (or component thereof) to be determined or necessary conforming changes to be made, Condition 13.02 will apply (see "Fallback arrangements under the Conditions" above). Any of these €STR Fallbacks may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Covered Bonds if the €STR Reference Rate had been provided by the European Central Bank in its form as at the Issue Date of the Covered Bonds. In addition, use of the €STR Fallbacks may result in a fixed rate of interest being applied to the Covered Bonds.

An investment in Covered Bonds with €STR as the reference rate may entail significant risks not associated with similar investments in conventional debt securities. Any investor should ensure it understands the nature of the terms of such Covered Bonds and the extent of its exposure to risk.

(8) The market continues to develop in relation to SARON as a reference rate for Covered Bonds

Where the applicable Final Terms for Covered Bonds specifies that Rate of Interest for such bonds will be determined by reference to SARON, interest will be determined on the basis of SARON (as defined in the Conditions). The interest rate in respect of with SARON as a Reference Rate will be determined on the basis of Compounded Daily SARON (as defined in the Conditions), which is a backwards-looking, compounded risk-free overnight rate.

Investors should be aware that the market continues to develop in relation to the daily SARON as a reference rate in the capital markets and its adoption as an alternative to CHF LIBOR. Furthermore, the market or a significant part thereof may adopt an application of SARON as a reference rate that differs significantly from that set out in the Conditions and the Issuer may in the future issue Covered Bonds referencing SARON that differ materially in terms of interest determination when compared with any previous SARON referenced Covered Bonds issued by it. The development of SARON as a reference rate, as well as continued development of SARON-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of Covered Bonds with SARON as a Reference Rate.

The interest rate for Covered Bonds with SARON as a Reference Rate is only be capable of being determined shortly before the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. Consequently, it may be difficult for investors in Covered Bonds with SARON as a Reference Rate to estimate reliably the amount of interest that will be payable on such Covered Bonds, and some investors may be unable or unwilling to trade such Covered Bonds without changes to their IT systems, both of which factors could adversely impact the liquidity of such Covered Bonds. Further, if any Covered Bonds become due and payable prior to their stated maturity, the final interest rate payable in respect of such Covered Bonds shall only be determined immediately prior to the date on which the Covered Bonds become due and payable.

In addition, the manner of adoption or application of SARON reference rates in the debt capital markets may differ materially when compared with the application and adoption of SARON in other markets, such as the derivatives and loan markets. Investors should

carefully consider how any mismatch between the adoption of SARON reference rates across these markets may impact any hedging or other financial arrangements, if any, which they may put in place in connection with such Covered Bonds.

To the extent the SARON Reference Rate is discontinued or is no longer published as described in the Terms and Conditions, the applicable rate to be used to calculate the interest rate on such Covered Bonds will be determined using the alternative methods described in Condition 13.02 ("**SARON Fallbacks**"). Any of these SARON Fallbacks may result in interest payments that are lower than, or do not otherwise correlate over time with, the payment that would have been made on the Covered Bonds if the SARON Reference Rate had been provided by SIX Index AG in its form as at the Issue Date of the Covered Bonds. In addition, use of the SARON Fallbacks may result in a fixed rate of interest being applied to the Covered Bonds.

An investment in Covered Bonds with SARON as the Reference Rate may entail significant risks not associated with similar investments in conventional debt securities. Any investor should ensure it understands the nature of the terms of such Covered Bonds and the extent of its exposure to risk.

(9) Criminal Rates of Interest

The *Criminal Code* (Canada) prohibits the receipt of "interest" (as such term is broadly defined therein) at a "criminal rate" (namely, an effective annual rate of interest that exceeds 60% until Section 610 of Bill C-47 comes into force and, thereafter, an annual percentage rate that exceeds 35%). Accordingly, the provisions for the payment of interest or a redemption amount in excess of the aggregate principal amount of the Covered Bonds may not be enforceable if the provision provides for the payment of "interest" in excess of the prescribed rate, currently being an effective annual rate of interest of 60% and after Section 610 of Bill C-47 comes into force, an annual percentage rate that exceeds 35%. If any Covered Bonds are found not to be enforceable in whole or in part as a result of such prohibition, holders of Covered Bonds may not be able to collect some or all of the interest owing on such Covered Bonds. The Issuer continues to monitor developments in Canada regarding the "criminal rate". See Condition 5 "*Interest*" on page 88 of this Base Prospectus for additional information on how interest is calculated.

(10) Covered Bonds in NGCB form and Covered Bonds in registered form held under the NSS

Covered Bonds in NGCB form and Covered Bonds in registered form held under the NSS to allow for the possibility of Covered Bonds being issued and held in a manner which will permit them to be recognized as eligible collateral for monetary policy of the central banking system for the euro (the "Eurosystem") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. See "*Legended Covered Bonds*" on page 78 of this Base Prospectus for additional information. However, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Covered Bonds meet such Eurosystem eligibility criteria and be aware that such eligibility criteria is updated and/or supplemented from time to time.

(11) Registered Global Covered Bonds

The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. See "*Form of the Covered Bonds – Transfer of Interests*" on page 79 of this Base Prospectus for additional information. Similarly, because certain clearing systems can only act on behalf of direct participants in such clearing systems who in turn act on behalf of indirect participants, the ability of a person having an interest in Covered Bonds represented by a Registered Global Covered Bond accepted by such clearing systems to pledge such Covered Bonds to persons or entities that do not participate in such clearing systems or otherwise take action in respect of such Covered Bonds may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form.

(12) Covered Bonds issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds" may not be a suitable investment for all investors seeking exposure to green, social or sustainable assets

The Federation may issue Covered Bonds under the Programme where the use of proceeds is specified in the applicable Final Terms to be for the financing and/or refinancing, in whole or in part, of loans, investments or internal or external projects that, in each case, fall within the scope of the Green Assets Eligible Category or the Social Assets Eligibility Category (or a combination of both such categories), each as defined in the section of this Base Prospectus titled "*Sustainable Bond Framework*" ("**Eligible Assets**"). Such Covered Bonds may be "Green Bonds", "Social Bonds" or "Sustainability Bonds", each as defined in the section of this Base Prospectus titled "*Sustainable Bond Framework*" (together, the "**Sustainable Covered Bonds**"). As discussed below, Sustainable Covered Bonds may not be a suitable investment for investors seeking exposure to "green", "sustainable", "social" or such other equivalently labeled investments.

The Federation will exercise its judgement and sole discretion in determining the Eligible Assets that will be financed or refinanced, in whole or in part, by an amount at least equivalent to the net proceeds of Sustainable Covered Bonds. If the use of the proceeds of Sustainable Covered Bonds is a factor in a prospective investor's decision to invest in Sustainable Covered Bonds, the prospective investor should consider the information set out in the section of this Base Prospectus titled "*Sustainable Bond Framework*" and in the subparagraph of the applicable Final Terms titled "*Proceeds*", consult with its legal or other advisers and determine for themselves the relevance of such information before making an investment in Sustainable Covered Bonds. While it is the intention of the Federation to comply with the requirements of its Sustainable Bond Framework (as defined, and as outlined, in the section of this Base Prospectus titled "*Sustainable Bond Framework*"), no assurance or representation is given by the Federation, the Arranger or the Dealers that any of the Eligible Assets financed or refinanced, in whole or in part, with the net proceeds from the issuance and sale of Sustainable Covered Bonds will meet the requirements of the Sustainable Bond Framework at any time or a prospective investor's expectations or requirements, whether as to sustainable impact or outcome or otherwise.

Furthermore, while the intention of the Federation is to apply an amount at least equivalent to the net proceeds of the relevant Sustainable Covered Bonds in the manner described in the subparagraph of the applicable Final Terms titled "*Proceeds*", there is no contractual obligation to allocate an amount at least equivalent to the net proceeds of such Sustainable Covered Bonds to finance or refinance, in whole or in part, Eligible Assets, or to provide the annual progress reports in relation to allocation of, and impact of, such amount as more fully described in the section of this Base Prospectus titled "*Sustainable Bond Framework*" and in the Sustainable Bond Framework.

The Federation's failure to so allocate an amount at least equivalent to the net proceeds, in whole or in part, to Eligible Assets or to report on progress as aforesaid, the default or failure of any of the Eligible Assets funded with such amount, the failure of any Eligible Assets to comply at any time with the Sustainable Bond Framework, the failure of external assurance providers to opine on the conformity of the Sustainable Bond Report (as defined in the section of this Base Prospectus titled "*Sustainable Bond Framework*") with the Sustainable Bond Framework and/or the cessation of the listing or admission of Sustainable Covered Bonds to trading on any dedicated "green", "environmental", "sustainable", "social" or other equivalently-labelled segment of any stock exchange or securities market (where applicable) will not, in each case, constitute an event of default with respect to the relevant Sustainable Covered Bonds or give rise to any other claim of a holder of such Sustainable Covered Bonds against the Federation. Any such failure may affect the value of the relevant Sustainable Covered Bonds and/or have adverse consequences for certain investors with portfolio mandates to invest in sustainable or green assets or for a particular purpose.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "sustainable", "social" or an equivalently labelled project or business, nor as to what precise attributes are required for a particular project or business to be defined as "green", "sustainable", "social" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change, though the EU's regulation on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy**") may, in time, provide some definition for such topics within the EU. Accordingly, while it is the intention of the Federation, no assurance is or can be given by the Federation, the Arranger or the Dealers to investors that any projects or uses the subject of, or related to, any of the Eligible Assets funded with an amount equivalent to the net proceeds from Sustainable Covered Bonds will meet any or all investor expectations regarding such "green", "sustainable", "social" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any of the Eligible Assets funded with an amount at least equivalent to the net proceeds from Sustainable Covered Bonds or that the Sustainable Bond Framework will be aligned with the EU Taxonomy or any other sustainability framework.

None of the Federation, the Arranger or the Dealers makes any representation as to the suitability of the Sustainable Covered Bonds to fulfil any green, environmental, sustainable, social or other criteria required by prospective investors, or as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Federation) which may or may not be made available in connection with the issue of Sustainable Covered Bonds and, in particular, with any of the businesses and projects funded with an amount at least equivalent to the net proceeds from Sustainable Covered Bonds to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, none of the Sustainable Bond Framework, the second party opinion (as described in the section of this Base Prospectus titled "*Sustainable Bond Framework*") or any other report, assessment, opinion or certification of any third party (whether or not solicited by the Federation) is, nor shall they be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the Federation, the Arranger, the Dealers or any other person to buy, sell or hold Sustainable Covered Bonds. The second party opinion and any such other report, assessment, opinion or certification of any third party (whether or not solicited by the Federation) is only current as at the date that it was initially issued. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in any Sustainable Covered Bonds. The providers of such reports, assessments, opinions and certifications are not currently subject to any specific regulatory or other regime or oversight. None of the Arranger or the Dealers have undertaken, nor are they responsible for, any assessment of the Sustainable Bond Framework or the eligibility criteria for any Sustainable Covered

Bonds, any verification of whether any of the businesses or projects fall within the Eligible Categories, or the monitoring of the use of the proceeds of Sustainable Covered Bonds. Investors should refer to the Sustainable Bond Framework, the Sustainable Bond Report and the second party opinion (details of which are set out each as defined in the section of this Base Prospectus titled "*Sustainable Bond Framework*") for information.

If Sustainable Covered Bonds are at any time listed or admitted to trading on any dedicated "green", "environmental", "sustainable", "social" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Federation, the Arranger, any Dealer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own bylaws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of, or related to, any of the Eligible Assets financed or refinanced, in whole or in part, with an amount at least equivalent to the net proceeds from Sustainable Covered Bonds. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Federation, the Arranger, any Dealer or any other person that any such listing or admission to trading will be obtained in respect of Sustainable Covered Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the relevant Sustainable Covered Bonds.

While it is the intention of the Federation to apply an amount at least equivalent to the net proceeds of any Sustainable Covered Bonds to the finance and/or refinance, in whole or in part, of Eligible Assets and obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in, the manner described in the section of this Base Prospectus titled "*Sustainable Bond Framework*" and in the subparagraph of the applicable Final Terms titled "*Proceeds*", there can be no assurance that the Federation will be able to do so. Nor can there be any assurance that any eligible internal or external project will be completed, eligible loan applied or eligible investment realized at all, or within any specified period, or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Federation. None of the Arranger or the Dealers will verify or monitor the application of proceeds of any Sustainable Covered Bonds during the life of the relevant Sustainable Covered Bonds.

Any failure by the Federation to apply an amount at least equivalent to the net proceeds of any issue of Sustainable Covered Bonds in accordance with the Sustainable Bond Framework, any withdrawal of any report, assessment, opinion or certification described in the section of this Base Prospectus titled "*Sustainable Bond Framework*", or any such report, assessment, opinion or certification attesting that the Federation is not complying, in whole or in part, with any matters on which such report, assessment, opinion or certification is reporting, assessing, opining or certifying, and/or any such Sustainable Covered Bonds no longer being listed or admitted to trading on any dedicated "green", "environmental", "sustainable", "social" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated) as aforesaid, may have a material adverse effect on the value of such Sustainable Covered Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

6. FACTORS WHICH ARE MATERIAL FOR THE PURPOSES OF ASSESSING THE RISKS RELATING TO THE ISSUER'S AND THE GUARANTOR'S LEGAL AND REGULATORY SITUATION

(i) Bankruptcy or insolvency risk

The sales of the Loans and their Related Security from the Originators to the Seller and the subsequent sale from the Seller to the Guarantor are intended by the Originators, the Seller and the Guarantor to be and will be documented as sales for legal purposes. As the subject of a legal sale, the Loans and the Related Security would not form part of the assets of the Issuer and would not be available to the creditors of the Issuer. However, if the Seller or the Guarantor or any Originator were to become subject to insolvency, winding-up and/or restructuring proceedings, stakeholders of the Seller or the relevant Originator could attempt to challenge the transactions, including to re-characterize the sale of the Loans and their Related Security as a loan from the Seller to such Originator or from the Guarantor to the Seller, as the case may be, or to consolidate the assets of the relevant Originator with the assets of the Seller or the assets of the Seller with the assets of the Guarantor. In this regard, the Transaction Documents contain restrictions on the Originators, the Seller and the Guarantor intended to reduce the possibility that a Canadian court would order consolidation of the assets and liabilities of the Originators, Seller and the Guarantor given, among other things, current jurisprudence on the matter. Further, the Covered Bond Legislative Framework contains provisions that will limit the application of the laws of Canada and the provinces and territories relating to bankruptcy, insolvency and fraudulent conveyance to the assignments of the Loans and their Related Security from the Seller to the Guarantor. Nonetheless, any attempt to challenge the transaction or to consolidate the assets of the relevant Originator with the assets of the Seller or the assets of the Seller with the assets of the Guarantor, as the case may be, even if unsuccessful, could result in a delay or reduction of collections on the Loans and their Related Security available to the Guarantor to meet its obligations under the Covered Bond Guarantee, which could prevent timely or ultimate payment of amounts due to the Guarantor, and consequently, the holders of the Covered Bonds.

The interests of the Guarantor may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the Seller arising prior to the time that the Loans and their Related Security are transferred to the Guarantor, which may reduce the amounts that may be available to the Guarantor and, consequently, the holders of the Covered Bonds. The Guarantor will not, at the time of sale, give notice to Borrowers of the transfer to the Guarantor of the Loans and their Related Security or the grant of a security interest therein to the Bond Trustee. However, under the Hypothecary Loan Sale Agreement, the Seller will warrant that the Loans and their Related Security have been or will be transferred to the Guarantor free and clear of the security interest or lien of any third party claiming an interest therein, through or under the Seller, other than certain permitted security interests. The Guarantor will warrant and covenant that it has not taken and will not take any action to encumber or create any security interests or other liens in any of the property of the Guarantor, except for the security interest granted to the Bond Trustee and except as permitted under the Transaction Documents.

Amounts that are on deposit from time to time in the Guarantor Accounts may be invested in certain permitted investments pursuant to the Transaction Documents. In the event of the liquidation, insolvency, receivership or administration of any entity with which an investment of the Guarantor is made (such as pursuant to the Guaranteed Investment Contract or the Standby Guaranteed Investment Contract) or which is an issuer, obligor or guarantor of any investment, the ability of the Guarantor to enforce its rights to any such investments and the ability of the Guarantor to make payments to holders of the Covered Bonds in a timely manner may be adversely affected and may result in a loss on some or all of the Covered Bonds. In order to reduce this risk, these investments must satisfy certain criteria, including those provided for in the Covered Bond Legislative Framework.

Payments of interest and principal on the Covered Bonds are subordinate to certain payments (including payments for services provided to the Guarantor), taxes and the reimbursement of all costs, charges and expenses of and incidental to the enforcement of the Trust Deed and the other Transaction Documents to which the Bond Trustee is a party, including the appointment of a receiver in respect of the Loans and their Related Security (including legal fees and disbursements) and the exercise by the receiver or the Bond Trustee of all or any of the powers granted to them under the Trust Deed and the other Transaction Documents to which the Bond Trustee is a party, and the reasonable remuneration of such receiver or any agent or employee of such receiver or any agent of the Bond Trustee and all reasonable costs, charges and expenses properly incurred by such receiver or the Bond Trustee in exercising their power. These amounts could increase, especially in adverse circumstances such as the occurrence of a Guarantor Event of Default, the insolvency of the Issuer or the Guarantor or a Servicer Termination Event. If such expenses or the costs of a receiver or the Bond Trustee become too great, payments of interest on and principal of the Covered Bonds may be reduced or delayed.

The ability of the Bond Trustee (for itself and on behalf of the other Secured Creditors) to enforce the security granted to it pursuant to the terms of the Security Agreements is subject to the bankruptcy and insolvency laws of Canada. The *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") and the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") both provide regimes pursuant to which debtor companies are entitled to seek temporary relief from their creditors. Canadian jurisprudence makes it clear that both the BIA and the CCAA apply to limited partnerships. Further, it is a possibility that the AMF would take the view that it could appoint a receiver over the Guarantor.

If the Guarantor or the Issuer voluntarily or involuntarily becomes subject to insolvency or winding-up proceedings including pursuant to the BIA, the CCAA or the *Winding-up and Restructuring Act* (Canada), notwithstanding the protective provisions of the Covered Bond Legislative Framework, it may delay or otherwise impair the exercise of rights or any realization by the Bond Trustee (for itself and on behalf of the other Secured Creditors) under the Covered Bond Guarantee and/or the Security Agreements. In the event of a Servicer Termination Event as a result of the insolvency of the Issuer, the right of the Guarantor to appoint a successor Servicer may be stayed or prevented. (See also "*Factors which are material for the purpose of assessing risks related to the Guarantor's ability to fulfil its commitment under the Guarantee*").

CMHC has the right under the Covered Bond Legislative Framework and the CMHC Guide to suspend a registered issuer from issuing further covered bonds under a registered program if the issuer has breached certain requirements of its registered program or the CMHC Guide. A suspended issuer is not permitted to issue any covered bonds during a period of suspension.

(ii) AMF notices regarding Covered Bonds; Remedial Powers of the AMF under the Cooperatives Act

The AMF issued a notice dated April 2, 2010 relating to the issuance of covered bonds by financial services cooperatives and the expectations of the AMF in that respect. An updated notice was issued by the AMF on March 20, 2014 to reflect the Covered Bond Legislative Framework and the respective authority of CMHC and the AMF as it relates to the issuance of covered bonds by financial institutions regulated by the AMF. Additional notices were issued by the AMF on (i) March 31, 2020 and (ii) April 6, 2021 pertaining to the financial institutions it regulates in the context of the novel coronavirus disease (COVID-19).

Pursuant to Decision N°2023-SIF-0005 dated August 21, 2023, the AMF approved the issuance of Covered Bonds by the Issuer provided that (i) the total assets pledged by the Issuer for covered bonds (calculated as the Canadian dollar equivalent of the Issuer's covered bonds outstanding multiplied by the level of overcollateralization, as calculated in accordance with the CMHC Guide and

reported in the monthly investors' reports), must not, at any time, represent more than 5.5 per cent of Desjardins Group's on-balance sheet assets (as reported on the "balance sheet using the scope of regulatory consolidation" of Desjardins Group as presented in Desjardins Group's "Pillar 3 Report"); (ii) if at any time the 5.5 per cent. limit is exceeded following an issuance of Covered Bonds by the Issuer, Desjardins Group must immediately notify the AMF.

The Issuer must meet such applicable test on an ongoing basis. As of the date of this Base Prospectus, the Issuer complies with such applicable test.

The AMF, under the Cooperatives Act and the Deposit Institutions and Deposit Protection Act, has broad remedial powers with respect to the resolution of the Issuer (see "*Risk Factors - Changes in regulations and related matters (including recapitalization regime for domestic systemically important banks and deposit-taking institutions)*").

(iii) Impact of Regulatory Guidelines on Residential Hypothecary Lending

Residential Hypothecary Lending Guideline (the "**RHL Guideline**"), adopted by the AMF in January 2013 and updated in March 2018, June 2021 and June 2022, sets out AMF's expectations for sound and prudent practices of granting of residential hypothecary loans by hypothecary (mortgage) lenders that it regulates, that originate such loans or acquire assets related to such loans, which includes the Seller and the Originators.

The RHL Guideline calls for the establishment of a Policy Respecting Residential Hypothecary Lending or Acquisition and sets out expectations with respect to borrower due diligence, appraisal of residential property and protection of collateral rights, credit and counterparty risk management practices and procedures. The AMF indicates in the RHL Guideline that it expects hypothecary lenders to limit the non-amortizing home equity line of credit component of a residential hypothec to a maximum loan-to-value ratio of less than or equal to 65 per cent, and has further clarified by updating the RHL Guideline on June 1, 2022 that the monitoring of the loan-to-value limits should be an integral part of the financial institution's risk management framework. See the section entitled "*Loan Origination and Lending Criteria*" on pages 172 to 174 of this Base Prospectus for further details regarding the loan-to-value ratio requirements as related to the Covered Bond Portfolio.

With a view to enhancing resilience in the residential hypothecary lending industry and maintaining a level playing field among regulated mortgage lenders, the AMF intends to consult stakeholders over the coming year on the new changes to the Guideline with respect to these products. In July 2022, the AMF stated that the changes will be effective September 30, October 31 or December 31, 2023, depending on the mortgage lender's fiscal year-end.

Loans that may be sold to the Guarantor in the future may have characteristics differing from current Loans generated before the implementation of the RHL Guideline, including in respect of loss experience, delinquencies, revenue experience and monthly payment rates. Compliance with the RHL Guideline may impact the Originators' ability to generate new Loans for sale to the Guarantor under the Programme at the same rate as the Loans originated prior to the RHL Guideline coming into effect.

The AMF published the current version of the RHL Guideline on June 1, 2022 and it went into effect on that day.

The RHL Guideline also includes provisions in respect of:

- requiring a qualifying stress test for all uninsured mortgages;
- expressly prohibiting co-lending arrangements that are, or appear to be designed to circumvent regulatory requirements; and
- Setting out minimum qualifying rate for uninsured mortgages.

(iv) Basel Accord and Regulatory Environment

In order to promote a more resilient banking sector and strengthen global capital standards, tighter global rules for regulatory capital were introduced by the Basel Committee on Banking Supervision through Basel III and implemented domestically. The most significant aspects of the reforms are measures to improve the quality of capital and increase capital requirements for the global financial system. The Issuer cannot predict the precise effects of the potential changes that might result from implementation of the Basel III framework on both its own financial performance or the impact on the pricing of the Covered Bonds issued under this Programme. Prospective investors should consult their own advisers as to the potential consequences for them and for the Issuer of the potential application of the Basel III framework.

The implementation of Basel III strengthens international minimum liquidity requirements through the application of a liquidity coverage ratio (LCR), a net stable funding ratio (NSFR) and the use of Net Cumulative Cash Flow (NCCF). Under its liquidity risk management policy, Desjardins Group already produces these two ratios as well as the NCCF, and reports them on a regular basis to the AMF. It should be noted that since January 2020, Desjardins Group has adopted the NSFR regulatory requirements, and Desjardins Group's NSFR was above the minimum regulatory threshold as at December 31, 2022.

In addition to complying with regulatory ratios, a Desjardins-wide stress testing program has been set up. This program incorporates the concepts put forward by the Basel Committee on Banking Supervision in "Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring". These scenarios, based on a downgrade to Desjardins Group combined with a shock on capital markets, make it possible to measure the extent of potential cash outflows over a one-year period in a crisis situation, implement liquidity ratios and levels to be maintained across Desjardins Group and assess the potential marginal cost of such events, depending on the type, severity and level of the crisis.

(v) Financial Regulatory Reforms in the U.S. and Canada Could Have a Significant Impact on the Issuer or the Guarantor

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Dodd-Frank Act**"), significantly impacted the financial services industry. This legislation, among other things: (a) required U.S. federal regulators to adopt significant regulations regarding clearing, margin posting and reporting for derivatives transactions; (b) required U.S. federal regulators to adopt regulations requiring securitizers or originators to retain at least 5% of the credit risk of securitized exposures unless the underlying exposures meet certain underwriting standards to be determined by regulation; (c) increased oversight of credit rating agencies; and (d) required the SEC to promulgate rules generally prohibiting firms from underwriting or sponsoring a securitization that would result in a material conflict of interest with respect to investors in that securitization.

In the U.S., since the passage of the Dodd-Frank Act, the Department of the Treasury, the SEC, the Financial Stability Oversight Council, the Commodity Futures Trading Commission (the "**CFTC**"), the Federal Reserve Board, the OCC, the Consumer Financial Protection Bureau and the Federal Deposit Insurance Corporation engaged in extensive rule-making mandated by the Dodd-Frank Act. While these rules are generally not directly applicable to the Issuer, they have or may have indirect implications on the Issuer's business and operations. In particular, in addition to the regulations referred to above affecting the financial services industry generally, Title VII of the Dodd-Frank Act ("**Title VII**") imposed a new regulatory framework on swap transactions, including interest rate and currency swaps of the type entered into by the Guarantor in connection with the issuance of the Covered Bonds. As such, the Guarantor faces certain regulatory requirements under the Dodd-Frank Act, subject to any applicable exemptions or relief. The CFTC has primary regulatory jurisdiction over such swap transactions, although some regulations have been jointly issued with the SEC and other regulations relating to swaps may be issued by other U.S. regulatory agencies. The interpretation and potential impact of many of these regulations is not yet entirely clear. These regulations could adversely affect the value, availability and performance of certain derivatives instruments and may result in additional costs and restrictions with respect to the use of those instruments.

In Canada, a regulatory framework for swap transactions similar to the regulatory framework under Title VII is proposed by the regulators, and certain rules thereunder are in effect. Such regulatory framework may have similar consequences for the Issuer and the Guarantor. In addition, it is possible that compliance with other emerging regulations could result in the imposition of higher administration expenses on the Issuer and the Guarantor.

Such requirements may disrupt the Guarantor's ability to hedge its exposure to various transactions (see "*Summary of the Principal Documents – Interest Rate Swap Agreement*" and "*– Covered Bond Swap Agreement*" on pages 210 and 213 of this Base Prospectus), including any obligations it may owe to investors under the Covered Bonds, and may materially and adversely impact a transaction's value or the value of the Covered Bonds. The Guarantor cannot be certain as to how these regulatory developments will impact the treatment of the Covered Bonds.

7. FACTORS WHICH ARE MATERIAL FOR THE PURPOSES OF ASSESSING THE MARKET RISKS INVOLVED IN AN INVESTMENT IN THE COVERED BONDS

(i) United Kingdom Political Uncertainty

Following the end of the Brexit transition period on December 30, 2020, aspects of the relationship between the UK and the EU have been governed by the EU-UK Trade and Cooperation Agreement (the "**TCA**"). The TCA came into effect on May 1, 2021, following its provisional application. The TCA sets out a number of preferential arrangements in areas such as trade in goods and in services, digital trade and intellectual property, but many matters pertaining to the provision of financial services remain uncertain.

Uncertainties remain relating to certain aspects of the UK's future economic, trading and legal relationships with the EU and with other countries. Although direct operations of the Issuer in the UK are limited, until these aspects are better understood, it is not possible to determine the impact any related matters may have on the Federation or any of the Federation's Covered Bonds, including the market value or the liquidity thereof in the secondary market, or on the other parties to the transaction documents. See "*Subscription and Sale and Transfer and Selling Restrictions*" on page 256 of this Base Prospectus for additional information on the UK and EEA selling restrictions applicable to this Programme.

(ii) The secondary market generally

Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed liquid secondary market. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, credit, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors or are not admitted for trading on the market or another established securities exchange. These types of Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Covered Bonds.

There is not, at present, an active and liquid secondary market for the Covered Bonds, and there can be no assurance that a secondary market for the Covered Bonds will develop. The Covered Bonds have not been, and will not be, registered under the Securities Act or any other securities laws applicable in the United States and are subject to certain restrictions on the resale and other transfer thereof as set forth under "Subscription and Sale and Transfer and Selling Restrictions" on page 256 of this Base Prospectus. If a secondary market does develop, it may not continue for the life of the Covered Bonds or it may not provide holders of the Covered Bonds with liquidity of investment with the result that a holder of the Covered Bonds may not be able to find a buyer to buy its Covered Bonds readily or at prices that will enable the holder of the Covered Bonds to realize a desired yield.

There can be no expectation or assurance that the Issuer or any of its affiliates will create or maintain a market in the Covered Bonds.

CMHC has the right under the Covered Bond Legislative Framework and the CMHC Guide to suspend a registered issuer from issuing further covered bonds under a registered program if the issuer has breached certain requirements of its registered program or the CMHC Guide. If the Issuer is suspended by CMHC, it will not be entitled to issue further covered bonds for so long as it remains suspended. This could have an impact on the liquidity of the Covered Bonds issued prior to such suspension.

(iii) Exchange rate risks and exchange controls

The Federation will pay principal and interest on the Covered Bonds in the Specified Currency (see Condition 9 "*Payments*" and Condition 5 "*Interest*" for additional information. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than the Specified Currency (the "investor's currency"). These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to the Specified Currency would decrease (1) the investor's currency-equivalent yield on the Covered Bonds, (2) the investor's currency-equivalent value of the principal payable on the Covered Bonds and (3) the investor's currency-equivalent market value of the Covered Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. Governments may use a variety of techniques, such as intervention by a country's central bank, the imposition of regulatory controls or taxes or changes in interest rates to influence the exchange rates of their currencies. Governments may also alter the exchange rate or relative exchange characteristics by a devaluation or revaluation of a currency. There can be no assurance that exchange controls will not restrict or prohibit payments of principal, any premium, or interest denominated in any such Specified Currency. As a result, investors may receive less interest or principal than expected, or no interest or principal.

In addition, if the Covered Bonds are payable in a currency (the "original currency") other than United States dollars and the original currency is unavailable on the foreign exchange markets due to the imposition of exchange controls, the original currency's replacement or disuse or other circumstances beyond its control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in United States dollars on the basis USD FX Rate (as defined below in Condition 9.14). The USD FX Rate applied in such circumstances could result in a reduced payment to the Covered Bondholders and such payment amount may be zero.

(iv) No obligation to maintain listing

The Issuer is not under any obligation to Covered Bondholders to maintain any listing of Covered Bonds and may, in good faith and in its sole discretion, determine that it is impracticable or unduly burdensome to maintain such listing and seek to terminate the listing of such Covered Bonds provided it uses all reasonable efforts to seek an alternative admission to listing, trading and/or quotation of such Covered Bonds by another listing authority, securities exchange and/or quotation system that it deems appropriate (including a market which is not a regulated market for the purposes of MiFID II or a market outside of the EEA) (see "*Overview of the Programme*" on page 12 of this Base Prospectus and the Final Terms for the initial listing details). Although there is no assurance as to the liquidity of any Covered Bonds as a result of the admission to trading on a regulated market for the purposes of MiFID II, delisting such Covered Bonds may have a material effect on the ability of investors to (a) continue to hold such Covered Bonds, (b) resell the Covered Bonds in the secondary market or (c) use the Covered Bonds as eligible collateral.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated in and taken to form part of, this Base Prospectus (each of which has been filed with the Central Bank in accordance with the Prospectus Regulation):

(a) the Issuer's annual information form dated March 9, 2023 (https://www.desjardins.com/ressources/pdf/d50-notice-annuelle-fcdq-2022-t4-e.pdf?resVer=1678392757000) for the year ended December 31, 2022, excluding all information incorporated therein by reference (such information is not relevant for investors or is covered elsewhere in this Base Prospectus) (available at: http://www.desjardins.com/ca/about-us/investor-relations) (the "**Federation 2022 Annual Information Form**");

(b) the following sections of Desjardins Group's 2022 Annual Report (https://www.desjardins.com/ressources/pdf/d50-rapport-annuel-mcd-2022-t4-e.pdf?resVer=1678377232000) for the year ended December 31, 2022 (the "**DG 2022 Annual Report**"):

(i) management's discussion and analysis for the year ended December 31, 2022 which is provided on pages 1 to 120 of the DG 2022 Annual Report (the "**DG 2022 MD&A**");

(ii) Desjardins Group's audited combined financial statements for the years ended December 31, 2022 and 2021, together with the auditor's report thereon which are provided on pages 121 to 221 of the DG 2022 Annual Report (available at: http://www.desjardins.com/ca/about-us/investor-relations) (collectively, the "**DG 2022 Combined Financial Statements**");

the remainder of the DG 2022 Annual Report is not relevant for investors or is covered elsewhere in this document and is not incorporated by reference;

(c) the following sections of Desjardins Group's Third Quarter 2023 report (https://www.desjardins.com/ressources/pdf/d50-rapport-trimestriel-mcd-2023-3-e.pdf?resVer=1699556904000) (the "**DG 2023 Q3 Report**"):

(i) management's discussion and analysis for the three-month and nine-month periods ended September 30, 2023 which is provided on pages 3 to 61 of the DG 2023 Q3 Report (the "**DG 2023 Q3 MD&A**");

(ii) Desjardins Group's unaudited condensed interim combined financial statements as at and for the three-month and nine-month periods ended September 30, 2023 with comparative unaudited interim combined financial statements as at December 31, 2022 and for the three-month and nine-month periods ended September 30, 2022 (the "**DG Q3 2023 Unaudited Combined Financial Statements**") which is provided on pages 62 to 112 of the DG 2023 Q3 Report (available at: http://www.desjardins.com/ca/about-us/investor-relations);

the remainder of the DG 2023 Q3 Report is not relevant for investors or is covered elsewhere in this document and is not incorporated by reference;

(d) monthly (unaudited) Investor Report (https://www.desjardins.com/ressources/pdf/fcdq-monthly-investor-report-november-2023.pdf?resVer=1702393406000) containing information on the Covered Bond Portfolio as at the Calculation Date falling on November 30, 2023;

(e) monthly (unaudited) Investor Report (https://www.desjardins.com/ressources/pdf/fcdq-monthly-investor-report-october-2023.pdf?resVer=1702405144000) containing information on the Covered Bond Portfolio as at the Calculation Date falling on October 31, 2023;

(f) the section entitled "Terms and Conditions of the Covered Bonds" set out on pages 63 to 95 of the prospectus (https://www.desjardins.com/ressources/pdf/d00-prospectus-19-12-2018-e.pdf?resVer=1545324921000) in connection with the Programme dated December 19, 2018, comprising the terms and conditions applicable to Covered Bonds issued pursuant to such prospectus; the remainder of such prospectus is not relevant for prospective investors or is covered elsewhere in this document and is not incorporated by reference;

(g) the section entitled "Terms and Conditions of the Covered Bonds" set out on pages 65 to 100 of the prospectus (https://www.desjardins.com/ressources/pdf/d00-prospectus-20-12-2019-e.pdf?resVer=1576864893000) in connection with the Programme dated December 20, 2019, comprising the terms and conditions applicable to Covered Bonds issued pursuant to such prospectus; the remainder of such prospectus is not relevant for prospective investors or is covered elsewhere in this document and is not incorporated by reference;

(h) the section entitled "Terms and Conditions of the Covered Bonds" set out on pages 71 to 105 of the prospectus (https://www.desjardins.com/ressources/pdf/d00-prospectus-21-12-2020-e.pdf?resVer=1608816198000) in connection with the Programme dated December 21, 2020, comprising the terms and conditions applicable to Covered Bonds issued pursuant to such prospectus; the remainder of such prospectus is not relevant for prospective investors or is covered elsewhere in this document and is not incorporated by reference;

(i) the section entitled "Terms and Conditions of the Covered Bonds" set out on pages 79 to 124 of the prospectus (https://www.desjardins.com/ressources/pdf/d00-prospectus-21-12-2021-e.pdf?resVer=1641483159000) in connection with the Programme dated December 21, 2021, comprising the terms and conditions applicable to Covered Bonds issued pursuant to such prospectus; the remainder of such prospectus is not relevant for prospective investors or is covered elsewhere in this document and is not incorporated by reference; and

(j) the section entitled "Terms and Conditions of the Covered Bonds" set out on pages 81 to 134 of the prospectus (https://www.desjardins.com/ressources/pdf/d00-prospectus-19-12-2022-e.pdf?resVer=1671645408000) in connection with the Programme dated December 19, 2022, comprising the terms and conditions applicable to Covered Bonds issued pursuant to such prospectus; the remainder of such prospectus is not relevant for prospective investors or is covered elsewhere in this document and is not incorporated by reference.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus will not form part of this Base Prospectus. Any non-incorporated parts of a document referred to herein are either (i) not considered by the Issuer to be relevant for investors in the Covered Bonds to be issued under the Programme, or (ii) is covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus, one or more supplements to this Base Prospectus may be prepared by the Issuer and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. The Issuer will prepare supplements to this Base Prospectus from time to time for the purpose of incorporating by reference Investor Reports into this Base Prospectus.

Copies of this Base Prospectus and the documents incorporated by reference in this Base Prospectus and any supplement hereto approved by the Central Bank can be (i) viewed on the website of the Issuer and Desjardins Group at https://www.desjardins.com/ca/about-us/investor-relations/annual-quarterly-reports/federation-caisse-desjardins-quebec/index.jsp and https://www.desjardins.com/ca/about-us/investor-relations/annual-quarterly-reports/desjardins-group/index.jsp; (ii) obtained on written request and without charge from the specified offices of the Issuer and each Paying Agent, as set out at the end of this Base Prospectus; and (iii) viewed on the Issuer's website maintained in respect of the Programme in French at http://www.desjardins.com/a-propos/relations-investisseurs/investisseurs-titres-revenu-fixe/obligations-securisees-ccd-modalites-acces/index.jsp and in English at http://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/ccd-covered-bonds-terms-access/index.jsp. Copies of this Base Prospectus and any supplement hereto approved by the Central Bank can be viewed on the website of Euronext Dublin under the name of the Issuer. The Issuer's disclosure documents may also be accessed through the Internet on the Canadian System for Electronic Document Analysis and Retrieval at https://www.sedarplus.ca/ (an internet-based securities regulatory filing system).

Except as stated within this section, neither the content of any website nor the content of any website accessible from hyperlinks within such website is incorporated by reference into, or forms a part of, this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to the information included in this Base Prospectus which may affect the assessment of any Covered Bonds, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Covered Bonds issued in circumstances requiring publication of a prospectus under the Prospectus Regulation. The Issuer has undertaken to the Dealers in the Dealership Agreement that it will comply with the Prospectus Regulation.

FINAL TERMS OR STAND-ALONE PROSPECTUS

In this section the expression "necessary information" means, in relation to any Series or Tranche of Covered Bonds, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Covered Bonds. In relation to the different types of Covered Bonds which may be issued under the Programme the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Covered Bonds which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Covered Bonds.

Any information relating to the Covered Bonds which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Series or Tranche of Covered Bonds will be contained in the applicable Final Terms. For a Series or Tranche of Covered Bonds which is the subject of the Final Terms, those Final Terms will, for the purposes of such Series or Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus.

Together with this Base Prospectus and any supplement to this Base Prospectus, the Final Terms will be a single document containing the necessary information relating to the Issuer, the Guarantor and the relevant Covered Bonds.

FORM OF THE COVERED BONDS

The Covered Bonds of each Series will be in either bearer form, with or without receipts, interest coupons and/or talons attached, or registered form, without receipts, interest coupons and/or talons attached. Bearer Covered Bonds will be offered and sold only outside the United States to persons that are not US persons in reliance on Regulation S under the Securities Act and Registered Covered Bonds may be offered and sold both outside the United States to persons that are not US persons in reliance on the exemption from registration provided by Regulation S and within the United States or to, or for the benefit of U.S. persons who are QIBs, in reliance on Rule 144A, or to Institutional Accredited Investors, in reliance on Section 4(a)(2) of the Securities Act.

Bearer Covered Bonds

Each Tranche of Bearer Covered Bonds will be initially issued in the form of a temporary global covered bond without receipts or interest coupons attached (a "**Temporary Global Covered Bond**") or, if so specified in the applicable Final Terms, a permanent global covered bond without receipts or interest coupons attached (a "**Permanent Global Covered Bond**" and, together with the Temporary Global Covered Bonds, the "**Bearer Global Covered Bonds**" and each a "**Bearer Global Covered Bond**") which, in either case, will:

(a) if the Bearer Global Covered Bonds are intended to be issued in NGCB form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to one of the international central securities depositories as common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"); and

(b) if the Bearer Global Covered Bonds are not intended to be issued in NGCB form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg.

While any Bearer Covered Bond is represented by a Temporary Global Covered Bond, payments of principal, interest (if any) and any other amount payable in respect of the Bearer Covered Bonds due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Covered Bond if the Temporary Global Covered Bond is not intended to be issued in NGCB form) only to the extent that certification to the effect that the beneficial owners of interests in such Bearer Covered Bond are not U.S. persons for U.S. federal income tax purposes or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Covered Bond is issued, interests in such Temporary Global Covered Bond will be exchangeable (free of charge) upon a request as described therein either for: (i) interests in a Permanent Global Covered Bond of the same Series; or (ii) Bearer Definitive Covered Bonds of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Bearer Definitive Covered Bonds, to such notice period as is specified in the applicable Final Terms), in each case against certification of non-US beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Covered Bond for an interest in a Permanent Global Covered Bond or for Bearer Definitive Covered Bonds is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Covered Bond will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Covered Bond if the Permanent Global Covered Bond is not intended to be issued in NGCB form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Bearer Definitive Covered Bonds with, where applicable, receipts, interest coupons and talons attached upon either: (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) to the Issuing and Paying Agent as described therein; or (ii) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of at least 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bearer Covered Bonds represented by the Permanent Global Covered Bond in definitive form. The Issuer will promptly give notice to holders of the Covered Bonds of each Series of Bearer Global Covered Bonds in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event described in (i) above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global

Covered Bond) or the Bond Trustee may give notice to the Issuing and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent.

If the applicable Final Terms indicate that a Bearer Global Covered Bond is exchangeable for Bearer Definitive Covered Bonds at the option of a Holder, the Covered Bonds shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) set out in the applicable Final Terms and integral multiples thereof.

Where Covered Bonds are issued in a minimum Specified Denomination plus one or higher integral multiples of another smaller amount, a Holder may, as a result of trading in the clearing systems, hold an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time. In such case, the Holder may not receive a Bearer Definitive Covered Bond in respect of such holding and would need to purchase or sell a principal amount of Covered Bonds such that its holding amounts to a Specified Denomination before Bearer Definitive Covered Bonds are issued to such Holder.

Bearer Global Covered Bonds and Bearer Definitive Covered Bonds, other than Temporary Global Covered Bonds, will be issued pursuant to the Agency Agreement.

The following legend will appear on all Bearer Covered Bonds (other than Temporary Global Covered Bonds) which have an original maturity of more than one year and on all receipts and interest coupons relating to such Bearer Covered Bonds:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE".

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Covered Bonds, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Bearer Covered Bonds, receipts or interest coupons.

Covered Bonds which are represented by a Bearer Global Covered Bond will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Legended Covered Bonds

The Legended Covered Bonds of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global covered bond in registered form (a "**Regulation S Global Covered Bond**"). Prior to expiry of the Distribution Compliance Period (as defined in Regulation S) applicable to each Tranche of Covered Bonds, beneficial interests in a Regulation S Global Covered Bond may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Regulation S Global Covered Bond will bear a legend regarding such restrictions on transfer.

The Legended Covered Bonds of each Tranche may only be offered and sold in the United States or to U.S. persons in transactions exempt from registration under the Securities Act: (i) to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act; or (ii) to institutional "accredited investors" (as defined in Rule 501(a) under the Securities Act) who agree to purchase the Covered Bonds for their own account and not with a view to the distribution thereof.

The Legended Covered Bonds of each Tranche sold to QIBs will be represented by a global covered bond in registered form (a "**Rule 144A Global Covered Bond**" and, together with a Regulation S Global Covered Bond, the "**Registered Global Covered Bonds**").

If the Registered Global Covered Bonds are stated in the applicable Final Terms to be held under the NSS, Euroclear and Clearstream, Luxembourg will be notified by or on behalf of the Federation as to whether or not the Covered Bonds are intended to be recognised as eligible collateral for European monetary policy and intra-day credit operations by the Eurosystem, notwithstanding that such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Covered Bonds meet such Eurosystem eligibility criteria.

Registered Global Covered Bonds will either: (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC or CDS for the accounts of its participants or Euroclear and Clearstream, Luxembourg; or (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg; or (iii) in the case of Registered Global Covered Bonds held under the NSS, delivered to, and registered in the name of a nominee of, a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Covered Bonds will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Covered Bonds in fully registered form.

The Legended Covered Bonds of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof ("**Definitive IAI Registered Covered Bonds**"). Definitive IAI Registered Covered Bond will be issued in the denominations specified in the applicable Final Terms in U.S. dollars (or the approximate equivalents in the applicable Specified Currency). The Rule 144A Global Covered Bonds and the Definitive IAI Registered Covered Bonds will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions described under "*Subscription and Sale and Transfer and Selling Restrictions*".

Payments of principal, interest and any other amount in respect of the Registered Global Covered Bonds will, in the absence of provision to the contrary, be made to the person shown on the Register as the registered holder of the Registered Global Covered Bonds. None of the Issuer, the Guarantor, the Bond Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Legended Covered Bonds in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date immediately preceding the due date for payment in the manner provided in that Condition. Interests in a Registered Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Registered Definitive Covered Bonds without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) in the case of Covered Bonds registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Covered Bonds and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act; (ii) in the case of Covered Bonds registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of at least 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; (iii) in the case of Covered Bonds registered in the name of CDS or its nominee, CDS has notified the Issuer that it is unwilling or unable to continue to act as a depositary for the Covered Bonds and a successor depositary is not appointed by the Issuer within 90 days after receiving such notice, or has ceased to be a recognized clearing agency under the *Securities Act* (Ontario) or a self-regulatory organization under the *Securities Act* (Québec) or other applicable Canadian securities legislation and a successor is not appointed by the Issuer within 90 days after the Issuer becoming aware that CDS is no longer so authorized; or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Covered Bonds represented by the Registered Global Covered Bond in definitive form. The Issuer will promptly give notice to holders of the Covered Bonds of each Series of Registered Global Covered Bonds in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event described in (i) to (iii) above, DTC, CDS, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any registered holder of an interest in such Registered Global Covered Bond) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Definitive Rule 144A Covered Bonds, Definitive IAI Registered Covered Bonds and Definitive N Covered Bonds will be issued in the minimum denominations specified in the applicable Final Terms in U.S. dollars (or the approximate equivalents in the applicable Specified Currency).

Definitive N Covered Bonds will be issued to each holder by a Definitive N Covered Bonds Deed.

Transfer of Interests

Interests in a Registered Global Covered Bond may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Covered Bond or in the form of a Definitive IAI Registered Covered Bond, and Definitive IAI Registered Covered Bonds may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Covered Bonds in the form of an interest in a Registered Global Covered Bond. No beneficial owner of an interest in a Registered Global Covered Bond will be able to transfer such interest, except in accordance with the applicable procedures of DTC, CDS, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Legended

Covered Bonds are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "Subscription and Sale and Transfer and Selling Restrictions".

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Covered Bonds*"), the Issuing and Paying Agent shall arrange that, where a further Tranche of Covered Bonds is issued which is intended to form a single Series with an existing Tranche of Covered Bonds, the Covered Bonds of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Covered Bonds of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to the Covered Bonds of such Tranche.

Any reference herein to DTC, CDS, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Covered Bonds in NGCB form or held under the NSS, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Issuing and Paying Agent and the Bond Trustee.

No holder of the Covered Bonds, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Bond Trustee, having become so bound to proceed, fails so to do within a reasonable period and the failure shall be continuing.

TERMS AND CONDITIONS OF THE COVERED BONDS

*The following are the terms and conditions of the Covered Bonds (the "*Terms and Conditions*" or the "*Conditions*"), which will, as completed by the applicable Final Terms in relation to a Tranche of Covered Bonds, apply to each Global Covered Bond and each Definitive Covered Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such definitive Global Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Covered Bond and Definitive Covered Bond.*

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by the Fédération des caisses Desjardins du Québec (the "**Federation**" or the "**Issuer**") as part of the Issuer's C$26 billion Global Covered Bond programme (the "**Programme**") and constituted by a Trust Deed dated the Programme Establishment Date, as amended and restated on December 19, 2018, as further amended and restated on December 21, 2020, as further amended and restated on December 19, 2022, and as further amended pursuant to an amending agreement dated December 19, 2023 (as the same may be further amended, restated, supplemented or replaced from time to time, the "**Trust Deed**") made between the Issuer, CCDQ Covered Bond (Legislative) Guarantor Limited Partnership, as guarantor (the "**Guarantor**") and Computershare Trust Company of Canada, as bond trustee (in such capacity, the "**Bond Trustee**" which expression shall include any successor as bond trustee).

The Covered Bonds have the benefit of an agency agreement dated as of the Programme Establishment Date (as amended, restated, supplemented or replaced from time to time, the "**Agency Agreement**") and made between the Issuer, the Guarantor, the Bond Trustee, The Bank of New York Mellon in its capacities as U.S. registrar (the "**U.S. Registrar**", which expression shall include any successor in such capacity), transfer agent, exchange agent (the "**U.S. Exchange Agent**", which expression shall include any successor in such capacity) and paying agent (the "**U.S. Paying Agent**", which expression shall include any successor in such capacity), The Bank of New York Mellon SA/NV, Luxembourg Branch, in its capacity as European registrar (the "**European Registrar**", which expression shall include any successor to The Bank of New York Mellon SA/NV, Luxembourg Branch, in its capacity as such, and the "**Registrar**" or "**Registrars**" for a Tranche (as defined below) shall be as specified in the applicable Final Terms (as defined below)) and as transfer agent (the "**European Transfer Agent**") and The Bank of New York Mellon, London Branch, in its capacity as issuing and principal paying agent (the "**Issuing and Paying Agent**", which expression shall include any successor to The Bank of New York Mellon, London Branch, in such capacity), calculation agent (the "**Calculation Agent**", which expression shall include any successor to The Bank of New York Mellon SA/NV, Luxembourg Branch, in its capacity as such and any substitute calculation agent appointed in accordance with the Agency Agreement either with respect to the Programme or with respect to a particular Series), exchange agent (the "**European Exchange Agent**", and collectively with the U.S. Exchange Agent, the "**Exchange Agent**", which expression shall include any successor in this capacity) and as transfer agent (together with the European Transfer Agent and the other transfer agents named therein collectively, the "**Transfer Agent**" which expression shall include any Registrar and any additional or successor transfer agents), and the paying agents named therein (the "**Paying Agents**", which expression shall include the Issuing and Paying Agent, the U.S. Paying Agent and any substitute or additional paying agents appointed in accordance with the Agency Agreement either with respect to the Programme or with respect to a particular Series). As used herein, "**Agents**" shall mean the Paying Agents, the Registrar or Registrars, the Exchange Agent and the Transfer Agents.

Save as provided in Conditions 7 and 13, references in these Terms and Conditions to "**Covered Bonds**" are to Covered Bonds of this Series and shall mean:

(a) in relation to any Covered Bonds represented by a global covered bond (a "**Global Covered Bond**"), units of the lowest Specified Denomination in the Specified Currency;

(b) any Global Covered Bond;

(c) any definitive Covered Bonds in bearer form ("**Bearer Definitive Covered Bonds**") issued in exchange for a Global Covered Bond in bearer form; and

(d) any definitive Covered Bonds in registered form ("**Registered Definitive Covered Bonds**") (whether or not issued in exchange for a Global Covered Bond in registered form).

Save as provided in Conditions 7 and 13, any references to "**Coupons**" (as defined in Condition 1.06), "**Receipts**" (as defined in Condition 1.07) or "**Talons**" (as defined in Condition 1.06) are to Coupons, Receipts and Talons relating to Covered Bonds of this Series.

References in these Terms and Conditions to the Final Terms are to Part A of the Final Terms prepared in relation to the Covered Bonds of the relevant Tranche or Series.

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

The Covered Bonds are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Covered Bonds. Each Tranche will be the subject of Final Terms (each, "**Final Terms**"), a copy of which will be available free of charge during normal business hours at the specified office of the Issuing and Paying Agent and/or, as the case may be, the applicable Registrar and each other Paying Agent. In the case of a Tranche of Covered Bonds that is not offered to the public nor admitted to trading on a regulated market in the EEA in circumstances requiring publication of a prospectus in accordance with Regulation (EU) 2017/1129, copies of the Final Terms will only be available for inspection by a Holder of or, as the case may be, a Relevant Account Holder (each as defined herein) in respect of, such Covered Bonds.

The Bond Trustee acts for the benefit of the holders for the time being of the Covered Bonds (the "**holders of the Covered Bonds**", which expression shall, in relation to any Covered Bonds represented by a Global Covered Bond, be construed as provided below), the holders of the Receipts (the "**Receiptholders**") and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons (as defined in Condition 1.06 below)), and for holders of each other series of Covered Bonds in accordance with the provisions of the Trust Deed.

The Guarantor has, in the Trust Deed, irrevocably and unconditionally guaranteed the due and punctual payment of the Guaranteed Amounts in respect of the Covered Bonds as and when the same shall become due for payment on certain dates and in accordance with the Trust Deed ("**Due for Payment**"), but only after the occurrence of a Covered Bond Guarantee Activation Event.

The security for the obligations of the Guarantor under the Covered Bond Guarantee and the other Transaction Documents to which it is a party has been created in and pursuant to, and on the terms set out in security agreements (as amended, restated, supplemented or replaced from time to time, the "**Security Agreements**") dated the Programme Establishment Date and made between the Guarantor, the Bond Trustee and certain other Secured Creditors.

These Terms and Conditions include summaries of and are subject to, the provisions of the Trust Deed, the Security Agreements, the Agency Agreement and the other Transaction Documents. Copies of the Trust Deed, the Security Agreements, the Master Definitions and Construction Agreement (as defined below), the Agency Agreement and each of the other Transaction Documents (other than the Dealership Agreement and any subscription agreements) are available for inspection during normal business hours at the office for the time being of the Bond Trustee being at the date of this Base Prospectus at 650 De Maisonneuve Boulevard West, 7th Floor, Montréal, Québec, Canada, H3A 3T2, and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms of all Covered Bonds of each Series (including in relation to unlisted Covered Bonds of any Series) are obtainable during normal business hours of the specified office of each of the Paying Agents, and any holder of the Covered Bonds must produce evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, relevant Paying Agent as to its holding of Covered Bonds and identity. The holders of the Covered Bonds, the Receiptholders and Couponholders are deemed to have notice of, or are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Trust Deed, the Security Agreements, the Master Definitions and Construction Agreement, the Agency Agreement, each of the other Transaction Documents (other than the Dealership Agreement and any subscription agreements) and the applicable Final Terms which are applicable to them and to have notice of each set of Final Terms relating to each other Series.

Except where the context otherwise requires, capitalized terms used or otherwise defined in these Terms and Conditions shall bear the meanings given to them in the Master Definitions and Construction Agreement made between certain parties to the Transaction Documents on the Programme Establishment Date, as amended and restated on December 19, 2018, and as further amended and restated on December 19, 2022 (as the same may be further amended, restated, supplemented or replaced from time to time, the "**Master Definitions and Construction Agreement**"), a copy of each of which may be obtained as described above.

1 Form and Denomination

1.01 Covered Bonds are issuable in bearer form ("**Bearer Covered Bonds**") or in registered form ("**Registered Covered Bonds**"), or in such other form as shall be agreed upon by the Issuer, the Guarantor, the relevant Dealer(s) or Covered Bondholder(s), as the case may be, and the Bond Trustee, as specified in the Final Terms and are serially numbered. Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds and vice versa.

The Covered Bond is a Fixed Rate Covered Bond, a Floating Rate Covered Bond or a Zero Coupon Covered Bond or any appropriate combination thereof, depending on the Interest Basis specified in the applicable Final Terms. The Covered Bond may also be an Instalment Covered Bond depending upon the Redemption/Payment Basis specified in the applicable Final Terms.

1.02 For so long as any of the Covered Bonds is represented by a Temporary Global Covered Bond and/ or a Permanent Global Covered Bond held on behalf of Euroclear and/or Clearstream, Luxembourg or so long as The Depository Trust Company ("DTC")

or its nominee or CDS or its nominee is the registered holder of a Registered Global Covered Bond, each person (other than Euroclear or Clearstream, Luxembourg, DTC or CDS) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg, DTC or CDS as the holder of a particular principal amount of such Covered Bonds (a "Relevant Account Holder") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg, DTC or CDS as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent, the Registrar and any other Agent as the holder of such principal amount of such Covered Bonds for all purposes, in accordance with and subject to the Terms and Conditions of the relevant Global Covered Bond and the Trust Deed, other than with respect to the payment of principal or interest on the Covered Bonds, and, in the case of DTC or its nominee or CDS or its nominee, voting, giving consents and making requests, for which purpose the bearer of the relevant Temporary Global Covered Bond and/or Permanent Global Covered Bond or registered holder of a Registered Global Covered Bond (or in either case, the Bond Trustee in accordance with the Trust Deed) shall be treated by the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent and any Agent and any Registrar as the holder of such principal amount of such Covered Bonds in accordance with and subject to the terms of the relevant Global Covered Bond and the expression "Holder" and related expressions shall be construed accordingly. Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the then current rules and procedures of Euroclear or of Clearstream, Luxembourg, DTC or CDS or any other relevant clearing system, as the case may be.

References to DTC, CDS, Euroclear or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Covered Bonds in NGCB form or held under the New Safekeeping Structure for registered global securities, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms as may otherwise be approved by the Issuer, the Issuing and Paying Agent and the Bond Trustee.

Bearer Covered Bonds

1.03 The Final Terms shall, if applicable, specify whether rules identical to the rules in effect prior to the repeal of section 163(f)(2)(B) of the Internal Revenue Code of 1986, as amended (the "**Code**") pursuant to the Hiring Incentives to Restore Employment Act of 2010 provided in U.S. Treasury regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") or U.S. Treasury regulation § 1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") shall apply. Each Tranche of Bearer Covered Bonds with an original maturity of more than one year is represented upon issue by a Temporary Global Covered Bond, unless the Final Terms specify otherwise, in particular, when the TEFRA C Rules apply.

Where the Final Terms applicable to a Tranche of Bearer Covered Bonds so specify or where a Tranche of Bearer Covered Bonds has an original maturity of one year or less, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a Permanent Global Covered Bond.

Interests in the Temporary Global Covered Bond may be exchanged for:

(a) interests in a Permanent Global Covered Bond; or

(b) if so specified in the Final Terms, Bearer Definitive Covered Bonds.

Exchanges of interests in a Temporary Global Covered Bond for Bearer Definitive Covered Bonds or, as the case may be, a Permanent Global Covered Bond will be made only on or after the Exchange Date (as specified in the Final Terms) and (unless the Final Terms specify that the TEFRA C Rules are applicable to the Covered Bonds) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations has been received in accordance with the terms of the Temporary Global Covered Bond (each certification in substantially the form set out in the Temporary Global Covered Bond or in such other form as is customarily issued in such circumstances by the relevant clearing system).

1.04 The bearer of any Temporary Global Covered Bond shall not (unless, upon due presentation of such Temporary Global Covered Bond for exchange (in whole but not in part only) for a Permanent Global Covered Bond or for delivery of Bearer Definitive Covered Bonds, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to collect any payment in respect of the Covered Bonds represented by such Temporary Global Covered Bond which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date specified in the applicable Final Terms.

1.05 Unless the Final Terms specify that the TEFRA C Rules are applicable to the Covered Bonds and subject to Condition 1.04 above, if any date on which a payment of interest is due on the Covered Bonds of a Tranche occurs while any of the Covered Bonds of that Tranche are represented by a Temporary Global Covered Bond, the related interest payment will be made on the Temporary Global Covered Bond only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Covered Bond or in such other form as is

customarily issued in such circumstances by the relevant clearing system), has been received by Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or any other relevant clearing system in accordance with the terms of the Temporary Global Covered Bond. Payments of amounts due in respect of a Permanent Global Covered Bond or (subject to Condition 1.04 above) a Temporary Global Covered Bond will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for further certification. Any reference herein to Euroclear or Clearstream, Luxembourg shall be deemed to include a reference to any other relevant clearing system.

1.06 Bearer Definitive Covered Bonds that are not Zero Coupon Covered Bonds have attached thereto, at the time of their initial delivery, coupons ("**Coupons**"), the presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. Definitive Covered Bonds that are not Zero Coupon Covered Bonds, if so specified in the Final Terms, have attached thereto, at the time of their initial delivery, a talon ("**Talon**") for further coupons and the expression "Coupons" shall, where the context so requires, include Talons.

1.07 Bearer Definitive Covered Bonds, the principal amount of which is repayable by partial payments as specified in the applicable Final Terms (each, an "**Instalment Amount**") and which, when aggregated represent payment of an amount equal to the principal amount of such Covered Bonds ("**Instalment Covered Bonds**"), have endorsed thereon a grid for recording the repayment of Instalment Amounts or, if so specified in the Final Terms, have attached thereto, at the time of their initial delivery, payment receipts ("**Receipts**") in respect of the Instalment Amounts repaid.

Denomination

Denomination of Bearer Covered Bonds

1.08 Bearer Covered Bonds are in the Specified Denomination(s) specified in the Final Terms. Bearer Covered Bonds of one denomination may not be exchanged for Bearer Covered Bonds of any other denomination.

Denomination of Registered Covered Bonds

1.09 Registered Covered Bonds are in the Specified Denominations specified in the Final Terms.

Currency of Covered Bonds

1.10 The Covered Bonds are denominated in such currency as may be specified in the Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

2 Title and Transfer

2.01 Title to Bearer Covered Bonds, Receipts and Coupons passes by delivery. References herein to the "Holders" of Bearer Covered Bonds or of Receipts or Coupons are to the bearers of such Bearer Covered Bonds or such Receipts or Coupons.

2.02 Title to Registered Covered Bonds passes by due endorsement in the relevant register. The Issuer shall procure that the Registrar keep a register or registers in which shall be entered the names and addresses of the Holders of Registered Covered Bonds and particulars of the Registered Covered Bonds held by them. Such registration shall be noted on the Registered Covered Bonds by the Registrar.

References herein to the "**Holders**" of Registered Covered Bonds are to the persons in whose names such Registered Covered Bonds are so registered in the relevant register.

2.03 The Holder of any Bearer Covered Bond, Coupon, Receipt or Registered Covered Bond will for all purposes of the Trust Deed, Security Agreements and Agency Agreement (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof and no person shall be liable for so treating such Holder.

Transfer of Registered Covered Bonds

2.04 A Registered Covered Bond may, upon the terms and subject to the terms and conditions set forth in the Agency Agreement and as required by law, be transferred in whole or in part only (provided that such part is a Specified Denomination specified in the Final Terms) upon the surrender of the Registered Covered Bond to be transferred, together with a form of transfer duly completed and executed, at the specified office of the Registrar. A new Registered Covered Bond will be issued to the

transferee and, in the case of a transfer of part only of a Registered Covered Bond, a new Registered Covered Bond in respect of the balance not transferred will be issued to the transferor.

2.05 Each new Registered Covered Bond to be issued upon the registration of the transfer of a Registered Covered Bond will, within three Relevant Banking Days of the transfer date be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such transfer, be mailed (by uninsured mail at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer received by the Registrar or the Issuing and Paying Agent after the Record Date in respect of any payment due in respect of Registered Covered Bonds shall be deemed not to be effectively received by the Registrar or the Issuing and Paying Agent until the day following the due date for such payment.

2.06 Transfers of beneficial interests in Rule 144A Global Covered Bonds (as defined below) and Regulation S Global Covered Bonds (as defined below) (together, the "**Registered Global Covered Bonds**") will be effected by DTC, CDS, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. The laws of some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Covered Bonds represented by a Registered Global Covered Bond accepted by DTC to pledge such Covered Bonds to persons or entities that do not participate in the DTC system or otherwise take action in respect of such Covered Bonds may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. A beneficial interest in a Registered Global Covered Bond will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Registered Definitive Covered Bonds or for a beneficial interest in another Registered Global Covered Bond only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, CDS, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Covered Bond registered in the name of a nominee for DTC or CDS shall be limited to transfers of such Registered Global Covered Bond, in whole but not in part, to another nominee of DTC or CDS or to a successor of DTC or CDS, as applicable, or such successor's nominee.

2.07 Subject as provided in Conditions 2.09, 2.10, 2.11, 2.12 and 22, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Definitive Covered Bond may be transferred in whole or in part in the authorized denominations set out in the applicable Final Terms. In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their, attorney or attorneys duly authorized in writing, and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent, and (b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer, the Bond Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in the Agency Agreement).

Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with, any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Definitive Covered Bond of a like aggregate nominal amount to the Registered Definitive Covered Bond (or the relevant part of the Registered Definitive Covered Bond) transferred.

In the case of the transfer of part only of a Registered Definitive Covered Bond, a new Registered Definitive Covered Bond in respect of the balance of the Registered Definitive Covered Bond not transferred will (in addition to the new Registered Definitive Covered Bond in respect of the nominal amount transferred) be so authenticated and delivered or (at the risk of the transferor) so sent by uninsured mail to the address specified by the transferor.

2.08 For the purposes of these Terms and Conditions:

(a) "**Distribution Compliance Period**" means the period that ends 40 days after the completion of the distribution of each Tranche of Covered Bonds;

(b) "**Institutional Accredited Investor**" means an institutional "accredited investor" (as defined in Rule 501 (a) under the Securities Act);

(c) "**Legended Covered Bonds**" means Registered Definitive Covered Bonds that are issued to Institutional Accredited Investors and Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

(d) "**NGCB**" means a Temporary Global Covered Bond or a Permanent Global Covered Bond, in either case in respect of which the applicable Final Terms specify that it is a new global covered bond;

(e) "**QIB**" means a "qualified institutional buyer" within the meaning of Rule 144A;

(f) "**Regulation S**" means Regulation S under the Securities Act;

(g) "**Regulation S Global Covered Bond**" means a Registered Global Covered Bond representing Covered Bonds sold outside the United States in reliance on Regulation S;

(h) "**Relevant Banking Day**" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Covered Bond for a Registered Covered Bond, where such request for exchange is made to the Issuing and Paying Agent, in the place where the specified office of the Issuing and Paying Agent is located;

(i) "**Rule 144A**" means Rule 144A under the Securities Act;

(j) "**Rule 144A Global Covered Bond**" means a Registered Global Covered Bond representing Covered Bonds sold in the United States to QIBs in reliance on Rule 144A;

(k) "**Securities Act**" means the U.S. Securities Act of 1933, as amended; and

(l) the "**transfer date**" shall be the Relevant Banking Day following the day on which the relevant Registered Covered Bond shall have been surrendered for transfer in accordance with Condition 2.04.

2.09 The issue of new Registered Covered Bonds on transfer will be effected without charge by or on behalf of the Issuer, the Issuing and Paying Agent or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Issuing and Paying Agent or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

2.10 In the event of a partial redemption of Covered Bonds under Condition 6, the Issuer shall not be required to register the transfer of any Registered Covered Bond, or part of a Registered Covered Bond called for partial redemption.

2.11 Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Covered Bond to a transferee in the United States or who is a U.S. person will only be made:

(a) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Covered Bond or beneficial interest therein to the effect that such transfer is being made:

(i) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(ii) to a person who is an Institutional Accredited Investor, together with, in the case of this paragraph (ii), a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an "**IAI Investment Letter**"); or

(b) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of United States counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of (a)(i) above, such transferee may take delivery through a Legended Covered Bond in global or definitive form and, in the case of (a)(ii) above, such transferee may take delivery only through a Legended Covered Bond in definitive form. Prior to the end of the applicable Distribution Compliance Period, beneficial interests in Covered Bonds which are offered or sold outside the United States in reliance on Regulation S registered in the name of a nominee for DTC may only be held through the accounts of Euroclear and Clearstream, Luxembourg. After expiry of the applicable Distribution Compliance Period: (A) beneficial interests in Regulation S Global Covered Bonds registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC or indirectly through a participant in DTC; and (B) such certification requirements will no longer apply to such transfers.

2.12 Transfers of Legended Covered Bonds or beneficial interests therein may be made:

(a) to a transferee who takes delivery of such interest through a Regulation S Global Covered Bond, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Regulation S Global Covered Bond registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Covered Bonds being transferred will be held immediately thereafter through CDS, Euroclear and/or Clearstream, Luxembourg; or

(b) to a transferee who takes delivery of such interest through a Legended Covered Bond:

(i) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(ii) where the transferee is an Institutional Accredited Investor, subject, in the case of this paragraph (ii), to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or

(c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of United States counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Covered Bonds transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear or Clearstream, Luxembourg, as appropriate, and the Registrar will arrange for any Covered Bonds which are the subject of such a transfer to be represented by the appropriate Registered Global Covered Bonds, where applicable. Upon the transfer, exchange or replacement of Legended Covered Bonds, or upon specific request for removal of the legend therein, the Registrar shall deliver only Legended Covered Bonds or refuse to remove the legend therein, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of United States counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

3 Status of the Covered Bonds

The Covered Bonds will not be insured under the Deposit Institutions and Deposit Protection Act or the *Canada Deposit Insurance Corporation Act*. The Covered Bonds will constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer. In the event of the insolvency or winding-up of the Issuer in accordance with applicable law, the Covered Bonds will rank *pari passu* with all deposit liabilities of Groupe coopératif Desjardins without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Groupe coopératif Desjardins, present and future (except as otherwise prescribed by law). Unless otherwise specified in the Final Terms, the investments to be evidenced by the Covered Bonds will be accepted by the Issuer at its executive office in Montréal, but without prejudice to the provisions of Condition 9.

4 Guarantee

Payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment has been unconditionally and irrevocably guaranteed by the Guarantor (the "**Covered Bond Guarantee**") in favour of the Bond Trustee (for

and on behalf of the Covered Bondholders) following a Covered Bond Guarantee Activation Event pursuant to the terms of the Trust Deed. The Guarantor shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until a Covered Bond Guarantee Activation Event (as defined below) has occurred. The obligations of the Guarantor under the Covered Bond Guarantee are direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and, except as provided in the Guarantee Priority of Payments, unsubordinated obligations of the Guarantor, which are secured as provided in the Security Agreements. For the purposes of these Terms and Conditions, a "**Covered Bond Guarantee Activation Event**" means the earlier to occur of (i) an Issuer Event of Default together with the service of an Issuer Acceleration Notice on the Issuer and the service of a Notice to Pay on the Guarantor; and (ii) a Guarantor Event of Default together with the service of a Guarantor Acceleration Notice on the Issuer and the Guarantor. If a Notice to Pay is served on the Guarantor, the Guarantor shall pay Guaranteed Amounts in respect of the Covered Bonds on the Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

Any payment made by the Guarantor under the Covered Bond Guarantee shall (unless such obligation shall have been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to Condition 7) discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Covered Bonds, Receipts and Coupons except where such payment has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the holders of the Covered Bonds.

5 Interest

Interest

5.01 Covered Bonds may be interest-bearing or non-interest-bearing. The Interest Basis is specified in the applicable Final Terms. Words and expressions appearing in this Condition 5 and not otherwise defined herein shall have the meanings given to them in Condition 5.09.

Interest on Fixed Rate Covered Bonds

5.02 Each Fixed Rate Covered Bond bears interest on its Outstanding Principal Amount from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year up to and including the Final Maturity Date if that does not fall on an Interest Payment Date.

Unless otherwise provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on, but excluding, such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

As used in these Terms and Conditions, "**Fixed Interest Period**" means the period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first) Interest Payment Date.

Interest will be calculated on the Calculation Amount of the Fixed Rate Covered Bonds and will be paid to the Holders of the Covered Bonds (in the case of a Global Covered Bond, interest will be paid to Clearstream, Luxembourg and/or Euroclear and/or DTC and/or CDS for distribution by them to Relevant Account Holders in accordance with their usual rules and operating procedures). If interest is required to be calculated for a period ending other than on an Interest Payment Date, or if no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated in accordance with Condition 5.08.

Notwithstanding anything else in this Condition 5.02, if an Extended Due for Payment Date is specified in the Final Terms, interest following the Original Due for Payment Date will continue to accrue and be payable on any unpaid amount in accordance with Condition 5 at a Rate of Interest specified in the applicable Final Terms which may provide that such Series of Fixed Rate Covered Bonds will continue to bear interest at a fixed rate or at a floating rate determined in accordance with Condition 5.03 despite the fact that interest accrued and was payable on such Covered Bonds prior to the Final Maturity Date at a fixed rate.

Interest on Floating Rate Covered Bonds

5.03 Interest Payment Dates

Each Floating Rate Covered Bond bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

(a) the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year specified in the applicable Final Terms; or

(b) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. Interest will be calculated on the Calculation Amount of the Floating Rate Covered Bonds and will be paid to the Holders of the Covered Bonds (in the case of a Global Covered Bond, interest will be paid to Clearstream, Luxembourg and/or Euroclear and/or DTC and/or CDS for distribution by them to Relevant Account Holders in accordance with their usual rules and operating procedures).

Rate of Interest – Other than SONIA, SOFR, €STR or SARON

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Covered Bonds is specified in the applicable Final Terms as being a rate other than SONIA, SOFR, €STR or SARON, the Rate of Interest for each Interest Period will, subject to the provisions of Condition 13.02, be determined by the Issuer or its Designee on the following basis:

(a) the Issuer or its Designee will obtain the Reference Rate specified in the Final Terms (if there is only one quotation for the Reference Rate on the Relevant Screen Page) or, as the case may require, determine the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 per cent being rounded upwards) of the quotations for the Reference Rate in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(b) if, on any Interest Determination Date, no rate so appears or, as the case may be, if fewer than two quotations for the Reference Rate so appear on the Relevant Screen Page or if the Relevant Screen Page is unavailable, the Issuer or its designee will request quotations of the Reference Rate and will determine the arithmetic mean (rounded as described above) of the rates at which deposits in the relevant currency are offered by the Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the Euro-zone (as defined herein) interbank market in the case of EURIBOR for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

(c) if, on any Interest Determination Date, only two or three rates are so quoted, the Issuer or its designee will determine the arithmetic mean (rounded as described above) of the rates so quoted; or

(d) if fewer than two rates are so quoted, the Issuer or its designee will determine the arithmetic mean (rounded as described above) of the rates quoted by major banks in the Financial Centre as selected by the Issuer or its designee, at approximately the Relevant Time on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period for the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Covered Bonds during each Interest Period will be the Reference Rate or, as the case may be, the arithmetic mean (rounded as described above) of the rates so determined, plus or minus (as indicated in the Final Terms) the Margin, if any, provided however that if the Calculation Agent is unable to obtain a Reference Rate or, as the case may be, an arithmetic mean of rates in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Covered Bonds during such Interest Period will be the rate or, as the case may be, the arithmetic mean (rounded as described above) of the rates determined in relation to such Covered Bonds in respect of the last preceding Interest Period, plus or minus (as indicated in the Final Terms) the Margin, if any.

Rate of Interest – SONIA

Compounded Daily Rate

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms as being SONIA and the Calculation Method is specified in the applicable Final Terms as being "**Compounded Daily Rate**", then the Rate of Interest for each Interest Period will, subject as provided below and subject to the provisions of Condition 13.02, be Compounded Daily SONIA plus or minus the Margin (as indicated in the applicable Final Terms) as determined by the Calculation Agent.

"**Compounded Daily SONIA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily SONIA reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{Relevant\ SONIA_i\ x\ n_i}{365}\right)-1\right] \text{ x } \frac{365}{d}$$

where:

"**d**" is the number of calendar days in:

(a) where Lag is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or

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

"**d_o**" is the number of London Banking Days in:

(a) where Lag is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or

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

"**i**" is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

(a) where Lag is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or

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

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, United Kingdom;

"**n_i**", for any London Banking Day "**i**", means the number of calendar days from and including such London Banking Day "i" to, but excluding, the following London Banking Day;

"**Observation Look-Back Period**" is as specified in the applicable Final Terms;

"**Observation Period**" means the period from and including the date falling "p" London Banking Days prior to the first day of the relevant Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling "p" London Banking Days prior to the Interest Payment Date (or other date on which the relevant payment of interest falls due) for such Interest Accrual Period;

"**p**" is the number of London Banking Days included in the Observation Look-Back Period, as specified in the applicable Final Terms, which shall not be specified in the applicable Final Terms as less than five London Banking Days without the prior agreement of the Calculation Agent;

"**Relevant SONIA$_i$"** means, in respect of any London Banking Day "i":

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, $SONIA_{i\text{-}pLBD}$; or

(b) where "Shift" is specified as the Observation Method in the applicable Final Terms, $SONIA_{iLBD}$;

"**$SONIA_{iLBD}$**" means, in respect of any London Banking Day "i" falling in the relevant Observation Period, the SONIA reference rate for such London Banking Day "i";

"**$SONIA_{i\text{-}pLBD}$**" means in respect of any London Banking Day "i" falling in the relevant Interest Accrual Period, the SONIA reference rate for London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i".

"**SONIA reference rate**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day.

If, in respect of any London Banking Day in the relevant Interest Period, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA reference rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, then, subject to Condition 13.02, the SONIA reference rate in respect of such London Banking Day shall be: (a) (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5:00 p.m. (or, if earlier, close of business) on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days in respect of which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or (b) if the Bank Rate is not available on the relevant London Banking Day, the most recent SONIA reference rate in respect of a London Banking Day.

Notwithstanding the paragraph above and without prejudice to Condition 13.02, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined or (ii) any rate that is to replace the SONIA reference rate, the Issuer shall provide written notice to the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) and the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA reference rate for any London Banking Day "i" for the purpose of the relevant Series of Covered Bonds for so long as the SONIA reference rate is not available and has not been published by the authorised distributors.

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Covered Bonds become due and payable, and the Rate of Interest of such Covered Bonds shall, for so long as such Covered Bonds remain outstanding, be that determined on such date.

Compounded Index Rate

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms as being SONIA and the Calculation Method is specified in the applicable Final Terms as being "**Compounded Index Rate**", then the Rate of Interest for each Interest Accrual Period will, subject as provided below and subject to the provisions of Condition 13.02 to be Compounded Daily SONIA for the Interest Accrual Period determined by reference to the screen rate or index for Compounded Daily SONIA administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the relevant Index Determination Dates specified below, as further specified in the applicable Final Terms (the "**SONIA Compounded Index**") and in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 per cent. being rounded upwards, plus or minus the Margin (as indicated in the applicable Final Terms) as determined by the Calculation Agent.

$$\left(\frac{SONIA\ Compounded\ Index_{y}}{SONIA\ Compounded\ Index_{x}} - 1\right) \times \frac{365}{d}$$

"**x**" denotes that the relevant SONIA Compounded Index is the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of the relevant Interest Accrual Period;

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

A day on which the SONIA Compounded Index is determined pursuant to paragraph "**x**" or "**y**" above is referred to as an "**Index Determination Date**";

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

"**Relevant Number**" is as specified in the applicable Final Terms (or, if no such number is so specified, five London Banking Days).

If the SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service at the relevant time on any relevant Index Interest Determination Date, the Compounded Daily SONIA rate for the applicable Interest Accrual Period for which SONIA Compounded Index is not available shall be "Compounded Daily SONIA" determined in accordance with Condition 5.03 above as if Compounded Daily Rate had been specified in the applicable Final Terms. For these purposes, the "**Calculation Method**" shall be deemed to be "**Compounded Daily Rate**", the "**Relevant Number**" specified in the applicable Final Terms shall be the "**Observation Look-back Period**" and "**Observation Method**" shall be deemed to be "**Shift**" as if Compounded Index Rate is not specified as being applicable and these alternative elections had been made.

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Covered Bonds become due and payable and the Rate of Interest on such Covered Bonds shall, for so long as such Covered Bonds remain outstanding, be that Rate of Interest determined on such date.

Rate of Interest – SOFR

SOFR is published by the SOFR Administrator and is intended to be a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities.

The SOFR Administrator notes on its publication page for SOFR that use of SOFR is subject to important limitations, indemnification obligations and disclaimers, including that the SOFR Administrator may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice.

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms as being SOFR, then the Rate of Interest for each Interest Period will, subject as provided below and subject to the provisions of Condition 13.02, be Compounded SOFR plus or minus the Margin (as indicated in the applicable Final Terms) as determined by the Calculation Agent. Compounded SOFR will be determined in accordance with either the observation shift method (an "**Observation Shift Convention**") or the index method (a "**SOFR Index Convention**", each a "**Compounded SOFR Convention**"), in accordance with the terms and provisions applicable to either such convention as set forth below. The applicable Final Terms will specify the applicable Compounded SOFR Convention.

Observation Shift Convention

Where the Compounded SOFR Convention is specified in the applicable Final Terms as Observation Shift Convention, "Compounded SOFR" means, in relation to any Interest Period, the rate of return of a daily compound interest investment (with SOFR as the reference rate for the calculation of interest) as calculated by the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest) on the relevant Interest Determination Date in

accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 per cent. being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right] \times \frac{360}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Shift Period;

"$\mathbf{d_o}$" for any Observation Shift Period, is the number of U.S. Government Securities Business Days in the relevant Observation Shift Period;

"**i**" is a series of whole numbers from one to do, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Shift Period; and

"$\mathbf{n_i}$" for any U.S. Government Securities Business Day "i" in the relevant Observation Shift Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day "i+1".

"**Observation Shift Period**" means in respect of each Interest Period, the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period.

"**p**", for any Observation Shift Period, is the number of U.S. Government Securities Business Days specified in the applicable Final Terms, which shall not be specified in the applicable Final Terms as less than five U.S. Government Securities Business Days without the prior agreement of the Calculation Agent.

"**Secured Overnight Financing Rate**" or "**SOFR**" means, with respect to any U.S. Government Securities Business Day:

(1) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or

(2) if the rate specified in (1) above does not so appear, unless both a Benchmark Transition Event (as defined in Condition 13.02(c)(ii)) and its related Benchmark Replacement Date (as defined in Condition 13.02(c)(ii)) have occurred, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website.

(3) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, then SOFR shall be determined to be the rate determined in accordance with Condition 13.02(c)(ii).

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate).

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source.

SOFR Index Convention

Where the Compounded SOFR Convention is specified in the applicable Final Terms as SOFR Index Convention, "**Compounded SOFR**" means, in relation to any Interest Period, the rate of return of a daily compound interest investment (with SOFR as the reference rate for the calculation of interest) as calculated by the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 per cent. being rounded upwards):

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

where:

"**SOFR Index$_{Start}$**" is the SOFR Index value for the day which is "*p*" U.S. Government Securities Business Days preceding the first date of the relevant Interest Period;

"**SOFR Index$_{End}$**" is the SOFR Index value for the day which is "*p*" U.S. Government Securities Business Days preceding the Interest Payment Date relating to such Interest Period;

"**d**" is the number of calendar days from, and including, the SOFR Index$_{Start}$ to, but excluding, the SOFR Index$_{End}$;

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

(a) the SOFR Index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on such U.S. Government Securities Business Day (the "**SOFR Index Determination Time**"); provided that:

(b) if a SOFR Index value does not so appear as specified in (1) above at the SOFR Determination Time, unless both a Benchmark Transition Event (as defined in Condition 13.02(c)(ii)) and its related Benchmark Replacement Date (as defined in Condition 13.02(c)(ii)) have occurred, then Compounded SOFR shall be the rate determined pursuant to the "SOFR Index Unavailable" provisions (defined below).

(c) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then Compounded SOFR shall be the rate determined pursuant to Condition 13.02(c)(ii).

For the definition of "SOFR Index," "SOFR" means the daily secured overnight financing rate provided by the SOFR Administrator on the SOFR Administrator's website.

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Covered Bonds become due and payable, and the Rate of Interest on such Covered Bonds shall, for so long as such Covered Bonds remain outstanding, be that determined on such date.

For the purposes of this section "*Rate of Interest – SOFR*", the following expressions have the following meaning:

"**SOFR Index Unavailable**" means if a SOFR Index$_{Start}$ or SOFR Index$_{End}$ is not published on the associated Interest Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, "Compounded SOFR" means, for the applicable Interest Period for which such index is not available, the rate of return on a daily compounded interest investment calculated by the Issuer or its designee on the relevant Interest Determination Date in accordance with the formula for SOFR Averages, and the definitions required for such formula, published on the SOFR Administrator's Website at https://www.newyorkfed.org/markets/treasury-repo-reference-rates-information. For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "SOFR Index Observation Period", as defined in this Condition and the words "that is, 30-, 90-, or 180- calendar days" shall be removed. If the daily SOFR ("**SOFR$_i$**") does not so appear for any day "i" in the SOFR Index Observation Period, SOFR$_i$ shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for with SOFR was published on the SOFR Administrator's Website.

"**SOFR Index Observation Period**" means in respect of each Interest Period, the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period, or such other period as may be specified in the Final Terms.

"**p**", for any SOFR Index Observation Period, is the number of U.S. Government Securities Business Days specified in the applicable Final Terms, which shall not be specified in the applicable Final Terms as less than five U.S. Government Securities Business Days without the prior agreement of the Calculation Agent.

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Rate of Interest – €STR

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms as being €STR, then the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus the Margin (as indicated in the applicable Final Terms) as determined by the Calculation Agent.

"**Compounded Daily €STR**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with each 0.00005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{(€\text{STR}_{i-pTBD}\times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"***d_o***", for any Interest Period, is the number of T2 Business Days (as defined below) in the relevant Interest Period;

"**$€\text{STR}_{i\text{-pTBD}}$**" means, in respect of any T2 Business Day "*i*" falling in the relevant Interest Period, the €STR Reference Rate for the T2 Business Day falling "p" T2 Business Days prior to that T2 Business Day "*i*";

"***i***" is a series of whole numbers from one to d_o, each representing the relevant T2 Business Day in chronological order from, and including, the first T2 Business Day in the relevant Interest Period;

"**n_i**" for any T2 Business Day "*i*" is the number of calendar days from, and including, such T2 Business Day "*i*" up to, but excluding, the earlier of (i) the following T2 Business Day, and (ii) the last day of the relevant Interest Period or, in respect of the final Interest Period, the Final Maturity Date;

"**p**", for any Interest Period, is the number of T2 Business Days included in the Observation Look-Back Period, as specified in the applicable Final Terms;

"**ECB Recommended Rate Index Cessation Effective Date**" means, in respect of an ECB Recommended Rate Index Cessation Event, the first date on which the ECB Recommended Rate would ordinarily have been provided and is no longer provided;

"**ECB Recommended Rate Index Cessation Event**" means the occurrence of one or more of the following events:

(a) a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB

Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate;

"**€STR Index Cessation Event**" means the occurrence of one or more of the following events:

(a) a public statement or publication of information by or on behalf of the administrator of €STR announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR; or

(b) a public statement or publication of information by the regulatory supervisor for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a resolution authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to publish or provide €STR;

"**€STR Index Cessation Effective Date**" means, in respect of €STR and an €STR Index Cessation Event, the first date on which €STR would ordinarily have been provided and is no longer provided;

"**€STR Reference Rate**" means in respect of any T2 Business Day, a reference rate equal to the daily euro short-term rate ("**€STR**") for such T2 Business Day as provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank, currently at http://www.ecb.europa.eu, or any successor website officially designated by the European Central Bank (the "**ECB's Website")** (in each case, on or before 9:00 a.m. Frankfurt Time on the T2 Business Day immediately following such T2 Business Day, or any amended publication time for €STR as specified by the administrator of €STR in the €STR benchmark methodology);

"**Observation Look-Back Period**" is as specified in the applicable Final Terms;

"**T2 Business Day**" or "**TBD**" means a day on which the T2 System is open;

If the €STR Reference Rate does not appear on a T2 Business Day as specified above, unless both an €STR Index Cessation Event and an €STR Index Cessation Effective Date (each as defined above) have occurred, the €STR Reference Rate shall be a rate equal to €STR in respect of the last T2 Business Day for which such rate was published on the ECB's Website.

If the €STR Reference Rate does not appear on a T2 Business Day as specified above, and both an €STR Index Cessation Event and an €STR Index Cessation Effective Date have occurred, the rate for each T2 Business Day occurring on or after such €STR Index Cessation Effective Date will be determined as if references to "€STR" were references to the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for €STR by the European Central Bank (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by (i) the European Central Bank (or any successor administrator of €STR) and/or (ii) the European Securities and Markets Authority, in each case for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor (the "**ECB Recommended Rate**"), provided that, if no such rate has been recommended before the end of the first T2 Business Day following the €STR Index Cessation Effective Date, then the rate for each T2 Business Day occurring on or after such €STR Index Cessation Effective Date will be determined as if references to €STR were references to the Eurosystem Deposit Facility Rate, the rate on the deposit facility that banks may use to make overnight deposits with the Eurosystem, as published on the ECB's Website (the "**EDFR**") on such T2 Business Day plus the arithmetic mean of the daily difference between the €STR Reference Rate and the EDFR over an observation period of 30 T2 Business Days starting 30 T2 Business Days prior to the date on which the €STR Index Cessation Event occurs and ending on the T2 Business Day immediately preceding the day on which the €STR Index Cessation Event occurs (the "**EDFR Spread**"); provided further that, if both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate for each T2 Business Day occurring on or after that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to "€STR" were references to the EDFR on such T2 Business Day plus the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR over an observation period of 30 T2 Business Days starting 30 T2 Business Days prior to the date on which the ECB Recommended Rate Index Cessation Event occurs and ending on the T2 Business Day immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurs.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, (i) the Rate of Interest shall be that determined at the last preceding Interest Determination Date or (ii) if there is no such preceding Interest Determination Date, the Rate of Interest shall be determined as if references to €STR for each T2 Business Day in the relevant Interest Period

occurring on or after the €STR Index Cessation Effective Date were references to the latest published ECB Recommended Rate or, if the EDFR is published on a later date than the latest published ECB Recommended Rate, the latest published EDFR plus the EDFR Spread.

If a €STR Index Cessation Event and an €STR Index Cessation Effective Date occur, the Issuer will promptly notify the Covered Bondholders in accordance with Condition 14 and the Calculation Agent thereof and of the action taken according to the foregoing provisions.

If the Covered Bonds become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which the Covered Bonds became due and payable with corresponding adjustments being deemed to be made to the Compounded Daily €STR formula and the Rate of Interest on the Covered Bonds shall, for so long as any such Covered Bonds remain outstanding, be the Rate of Interest determined on such date.

Rate of Interest – SARON

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms as being SARON, then the Rate of Interest for each Interest Period will, subject as provided below and subject to the provisions of Condition 13.02, be Compounded Daily SARON plus or minus the Margin (as indicated in the applicable Final Terms) as determined by the Calculation Agent.

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

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

where:

"d_b" means the number of Zurich Banking Days (as defined below) in the relevant Observation Period;

"$\mathbf{d}_c$" is the number of calendar days in the relevant Observation Period;

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

"$\mathbf{n}_i$" for any Zurich Banking Day "i" is the number of calendar days from, and including, such Zurich Banking Day "i" up to, but excluding, the first following Zurich Banking Day;

"**Observation Period**" means, in respect of an Interest Period, the period from, and including, the date falling "p" Zurich Banking Days prior to the first day of such Interest Period and ending on, but excluding, the date falling "p" Zurich Banking Days prior to the Interest Payment Date for such Interest Period;

"**p**", for any Interest Period, is the number of T2 Business Days included in the Observation Look-Back Period, as specified in the applicable Final Terms;

"$\mathbf{SARON}_i$" means, in respect of any Zurich Banking Day i, SARON for such Zurich Banking Day i;

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

if SARON does not so appear on the SARON Administrator Website or is not so published by the Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have not both occurred on or prior to such Zurich Banking Day, the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the first preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website; or

if such rate does not so appear on the SARON Administrator Website or is not so published by the Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have both occurred on or prior to such Zurich Banking Day, then SARON shall be determined to be the SARON Replacement determined in accordance with Condition 13.02 (c) (iii).

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Covered Bonds become due and payable, and the Rate of Interest on such Covered Bonds shall, for so long as such Covered Bonds remain outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

ISDA Rate Covered Bonds

5.04 Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin, if any. For purposes of this Condition 5.04, "**ISDA Rate**" for an Interest Period means a rate equal to the Fixed Rates, Fixed Amounts, Floating Rates or Floating Amounts, as the case may be, as set out in the applicable Final Terms, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into a schedule and confirmation and credit support annex, if applicable, in respect of the relevant Tranche or Series of Covered Bonds, as applicable, with the Holder of such Covered Bond under the terms of an agreement to which the ISDA Definitions applied and under which:

- the Fixed Rate Payer, Fixed Amount Payer, Floating Rate Payer or, as the case may be, Floating Amount Payer is the Issuer (as specified in the Final Terms);
- the Effective Date is the Interest Commencement Date;
- the Floating Rate Option (which may refer to a Rate Option or a Price Option, specified in the ISDA Definitions) is as specified in the applicable Final Terms;
- the Designated Maturity, if applicable, is the period specified in the applicable Final Terms;
- the Calculation Agent will be the Issuer or its designee;
- the Calculation Periods are the Interest Periods;
- the Payment Dates are the Interest Payment Dates;
- the relevant Reset Date is the day as specified in the applicable Final Terms;
- if applicable, the Applicable Benchmark, Fixing Day, Fixing Time and /or any other items specified in the Final Terms as relating to ISDA Determination are as specified in the Final Terms;
- the Calculation Amount is the principal amount of such Covered Bond;
- the Day Count Fraction applicable to the calculation of any amount is that specified in the Final Terms (which may be Actual/Actual, Actual/365 (Sterling), Actual/Actual (ISDA), Actual/365 (Fixed), Actual/360, 30E/360, Eurobond Basis, 30/360, 360/360, Bond Basis, 30E/360 (ISDA), Actual/Actual (ICMA) or Act/Act (ICMA)), or if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- the Business Day Convention applicable to any date is that specified in the Final Terms (which may be Following Business Day Convention, Modified Following Business Day Convention, Modified Business Day Convention, Preceding Business Day Convention, FRN Convention or Eurodollar Convention), or if none is so specified, as may be determined in accordance with the ISDA Definitions.

For the purposes of this Condition 5.04, "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**", "**Applicable Benchmark**", "**Fixing Day**" and "**Fixing Time**" have the meanings given to those terms in the ISDA Definitions.

Maximum Rate of Interest or Minimum Rate of Interest

5.05 If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

Accrual of Interest after the due date

5.06 Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Covered Bond, in respect of each Instalment Amount, on the due date for payment of the relevant Instalment Amount) unless upon due presentation or surrender thereof (if required), payment in full of the Final Redemption Amount or the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the payment thereof. In such event, interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Rate of Interest then applicable or such other rate as may be specified for this purpose in the Final Terms if permitted by applicable law ("**Default Rate**") until the date on which, upon due presentation or surrender of the relevant Covered Bond (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Covered Bond is not required as a precondition of payment), the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Covered Bonds in accordance with Condition 14 that the Issuing and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Amount(s), Calculation Agent and Reference Banks

5.07 If a Calculation Agent is specified in the Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Final Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation) will determine the Rate of Interest and calculate the amount(s) of interest payable (the "**Interest Amount(s)**") in the manner specified in Condition 5.08 below, calculate the Final Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Final Redemption Amount or any Instalment Amount to be notified to the Issuing and Paying Agent, the Registrar (in the case of Registered Covered Bonds), the Issuer, the Holders in accordance with Condition 14 and, if the Covered Bonds are listed on a stock exchange or admitted to listing by any other authority and the rules of such exchange or other relevant authority so require, such exchange or listing authority as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter (or, in the case of Covered Bonds where the applicable Final Terms specify the Reference Rate as being SONIA, no later than the second London Banking Day thereafter) or, if earlier in the case of notification to the stock exchange or other relevant authority, the time required by the relevant stock exchange or listing authority. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Covered Bonds become due and payable under Condition 7, the Rate of Interest and the accrued interest payable in respect of the Covered Bonds shall, save in the case of SONIA, nevertheless continue to be calculated in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it. In no event shall the Calculation Agent be responsible for choosing any substitute for any base reference rate set forth in the applicable Final Terms, for making any determination as to whether a benchmark transition event has occurred, or for making any adjustments to any Alternative Base Rate or spread thereon, the Business Day Convention, Interest Determination Dates or any other relevant methodology for calculating any such Alternative Base Rate, even in the circumstances where the Issuer has not made such determinations. In connection with the foregoing, the Calculation Agent will be entitled to conclusively rely on any determinations made by the Issuer or its designee and will have no liability for such actions taken at the direction of the Issuer. At no time shall the Calculation Agent have any responsibility in connection therewith.

The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Rate of Interest applicable to the Covered Bonds and a Calculation Agent, if provision is made for one in the Terms and Conditions.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts or any other requirements, the Bond Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having regard as it shall think fit to the foregoing provision of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all circumstances or, as the case may be, the Bond Trustee shall calculate (or appoint an agent to calculate) the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances. In no event shall the Calculation Agent have any liability for any calculation or determination made by the Bond Trustee. The Calculation Agent may not resign its duties without a successor having been appointed.

Calculations and Adjustments

5.08 The amount of interest payable in respect of any Covered Bond for any period shall be calculated by applying the Rate of Interest to the Calculation Amount, and, in each case, multiplying such sum by the Day Count Fraction, save that if the Final Terms specify a specific amount in respect of such period, the amount of interest payable in respect of such Covered Bond for such period will be equal to such specified amount.

For the purposes of any calculations referred to in these Terms and Conditions, (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent being rounded up to 0.00001 per cent), (b) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount and (c) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the smallest sub unit of such currency, with halves being rounded upwards.

Where the Covered Bonds are represented by a Global Covered Bond or where the Specified Denomination of a Covered Bond in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Outstanding Principal Amount of the Global Covered Bond or the Specified Denomination of a Covered Bond in definitive form, without any further rounding.

Definitions

5.09 In the Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Banking Day**" means, in respect of any city, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that city.

"**Business Day**" means (i) in relation to Covered Bonds payable in other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the relevant currency in the Financial Centre(s) specified in the Final Terms (ii) if TARGET 2 is specified in the Final Terms, a T2 Business Day or (iii) in relation to Covered Bonds payable in euro, a day (other than a Saturday or Sunday) which is a T2 Business Day (as defined below) and on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Financial Centre(s) specified in the Final Terms.

"**Business Day Convention**" means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Final Terms in relation to any date applicable to any Covered Bonds, shall have the following meanings:

(a) "**Following Business Day Convention**" means that such date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" means that such date shall be brought forward to the first preceding day that is a Business Day; and

(d) "**FRN Convention**" or "**Eurodollar Convention**" means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Final Terms after the calendar month in which the preceding such date occurred, provided that:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

"**Calculation Agent**" means the Issuing and Paying Agent or such person named herein or in the Final Terms as the Calculation Agent.

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (each such period an "**Accrual Period**"), such day count fraction as may be specified in the Final Terms and:

(a) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Accrual Period divided by 365 (or, if any portion of the Accrual Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365);

(b) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Accrual Period divided by 365 or, in the case where the last day of the Accrual Period falls in a leap year, 366;

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Accrual Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Accrual Period divided by 360;

(e) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2, will be 30;

(f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(g) if "**30E/360 (ISDA)**" is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where,

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Accrual Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included the Accrual Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Accrual Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless (i) that day is the last day of February but not the Final Maturity Date or (ii) such number would be 31, in which case D_2 will be 30; and

(h) if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is specified in the applicable Final Terms, then:

(A) in the case of Covered Bonds where the Accrual Period is equal to or shorter than the Determination Period during which the Accrual Period ends, it means the number of days in such Accrual Period divided by the product of: (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, it means the sum of:

(I) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of: (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(II) the number of days in such Accrual Period falling in the next Determination Period divided by the product of: (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

"**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated on the Reference Rate.

"**Determination Date**" means such dates as specified in the applicable Final Terms.

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"**Euro-zone**" means the region comprised of those member states of the European Union participating in the European Monetary Union from time to time.

"**Financial Centre**" means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of "Business Day" in the ISDA Definitions or indicated in the Final Terms or, in the case of Covered Bonds denominated in euro, such financial centre or centres as the Issuer or its designee may select.

"**Interest Accrual Period**" means (a) any given Interest Period or (b) in the event the Covered Bonds become due and payable on a date other than an Interest Payment Date, the period beginning on and including the last Interest Payment Date and ending on but excluding the date on which the interest and principal on the Covered Bonds are due to be paid;

"**Interest Commencement Date**" means the date of issue (the "**Issue Date**") of the Covered Bonds (as specified in the Final Terms) or such other date as may be specified as such in the Final Terms.

"**Interest Determination Date**" means, in respect of any Interest Period or, as the case may be, Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified:

(a) in the case of Covered Bonds denominated in Pounds Sterling where the Reference Rate is SONIA, the fifth London Banking Day prior to the end of each Interest Accrual Period; or

(b) in the case of Covered Bonds denominated in U.S. Dollars where the Reference Rate is SOFR, five U.S. Government Securities Business Days prior to each Interest Payment Date; or

(c) in the case of Covered Bonds denominated in euro where the Reference Rate is €STR, the fifth T2 Business Day prior to the end of each Interest Period; or

(d) in the case of Covered Bonds denominated in Swiss Francs where the Reference Rate is SARON, the fifth Zurich Banking Day prior to the end of each Interest Period; or

(e) in any other case, the date falling two London Banking Days (or, in the case of EURIBOR, two T2 Business Days) prior to the first day of such Interest Period.

"**Interest Payment Date**" means the date or dates specified as such in the Final Terms and, as the same may be adjusted in accordance with the Business Day Convention, if any, specified in the Final Terms or if the Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Issue Date of the Covered Bonds (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

"**Interest Period**" means (i) each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date, provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the Final Maturity Date, or the Extended

Due for Payment Date, as applicable; or (ii) such other period (if any) in respect of which interest is to be calculated being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which in the case of the scheduled final or early redemption of any Covered Bonds, shall be such redemption date and in other cases where the relevant Covered Bonds become due and payable in accordance with Condition 7, shall be the date on which such Covered Bonds become due and payable).

"**ISDA Definitions**" means, in relation to any Series of Covered Bonds:

(a) unless "2021 ISDA Definitions" are specified as being applicable in the relevant Final Terms, the 2006 ISDA Definitions (as amended and supplemented as at the date of issue of the first Tranche of the Covered Bonds of such Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc. (or any successor) ("**ISDA**"); or

(b) if "2021 ISDA Definitions" are specified as being applicable in the relevant Final Terms, the latest version of the ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), each as published by ISDA at the date of issue of the first Tranche of the Covered Bonds of such Series.

"**Montréal 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 Montréal.

"**Outstanding Principal Amount**" means, in respect of a Covered Bond, its principal amount less, in respect of any Instalment Covered Bond, any principal amount on which interest shall have ceased to accrue in accordance with Condition 5.06 or otherwise as indicated in the Final Terms.

"**Rate of Interest**" means, in relation to a particular Series or Tranche, the rate or rates (expressed as a percentage per annum) as calculated or determined in accordance with Condition 5.03 or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Covered Bonds, to be specified in the applicable Final Terms.

"**Reference Banks**" means such banks as may be specified in the Final Terms as the Reference Banks, or, if none are specified, or "Not Applicable" is specified in the Final Terms, "Reference Banks" has the meaning given in the ISDA Definitions, *mutatis mutandis*.

"**Reference Rate**" means the relevant EURIBOR, SONIA, SOFR, €STR, SARON or, any other reference rate specified in the applicable Final Terms.

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the "Relevant Screen Page" in the applicable Final Terms, or such other page, section or other part as may replace it in that information service (or any successor page thereto or any page of any successor information service, as applicable), in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

"**Relevant Time**" means the time as of which any rate is to be determined as specified in the Final Terms (which in the case of SONIA means London time or in the case of EURIBOR means Central European Time) or, if none is specified, at which it is customary to determine such rate.

"**Reuters Screen Page**" means, when used in connection with a designated page and any designated information, the display page so designated on the Reuters Market 3000 (or such other page as may replace that page on that service for the purpose of displaying such information).

"**T2 Business Day**" means, a day in which the T2 System is open.

Linear Interpolation

5.10 Where "Linear Interpolation" is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the

Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as identified to it by the Issuer or its Designee.

Zero-Coupon Covered Bonds

5.11 If any Final Redemption Amount in respect of any Zero Coupon Covered Bond is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortization Yield defined in the Final Terms or at such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Covered Bond (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Covered Bond is not required as a precondition of payment), the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Covered Bonds in accordance with Condition 14 that the Issuing and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 5.08 as if the Rate of Interest was the Amortization Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Final Terms or, if not so specified, 30E/360 (as defined in Condition 5.09).

6 Redemption and Purchase

Redemption at Maturity

6.01 Unless previously redeemed, or purchased and cancelled, this Covered Bond shall be redeemed at its Final Redemption Amount specified in the applicable Final Terms in the Specified Currency on the Final Maturity Date.

Without prejudice to Condition 7, if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms (or after expiry of the grace period set out in Condition 7.01(a)) and, following service of a Notice to Pay on the Guarantor by no later than the date falling one Business Day prior to the Extension Determination Date, the Guarantor has insufficient moneys available in accordance with the Guarantee Priority of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds on the date falling on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 7.02) under the terms of the Covered Bond Guarantee or (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Guarantor under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date, provided that in respect of any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above, the Guarantor will apply any moneys available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) to pay the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds on any Interest Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

The Issuer shall confirm to the Issuing and Paying Agent as soon as reasonably practicable and in any event at least 4 Business Days prior to the Final Maturity Date of such Series of Covered Bonds whether payment will be made in full of the Final Redemption Amount in respect of such Series of Covered Bonds on that Final Maturity Date.

The Guarantor shall notify the relevant holders of the Covered Bonds (in accordance with Condition 14), the Rating Agencies, the Bond Trustee, the Issuing and Paying Agent and the Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) of the second paragraph of this Condition 6.01 of any inability of the Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Guarantor to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

In the circumstances outlined above, the Guarantor shall on the earlier of (a) the date falling two Business Days after the service of a Notice to Pay on the Guarantor or if later the Final Maturity Date (or, in each case, after the expiry of the applicable grace period set out in Condition 7.02) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) *pro rata* in part payment of an amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds and shall pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such Covered Bond on such date. The obligation of the Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount

not so paid shall be deferred as described above. Such failure to pay by the Guarantor shall not constitute a Guarantor Event of Default.

Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee shall be disregarded for the purposes of determining the amounts to be paid by the Guarantor under the Covered Bond Guarantee in connection with this Condition 6.01.

For the purposes of these Terms and Conditions:

"**Extended Due for Payment Date**" means, in relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date.

"**Extension Determination Date**" means, in respect of a Series of Covered Bonds, the date falling two Business Days after the expiry of seven days from (and including) the Final Maturity Date of such Series of Covered Bonds.

"**Guarantee Priority of Payments**" means the priority of payments relating to moneys received by the Cash Manager for and on behalf of the Guarantor and moneys standing to the credit of the Guarantor Accounts, to be paid on each Guarantor Payment Date in accordance with the Limited Partnership Agreement.

"**Rating Agency**" means any of Moody's Investors Service Inc. or Fitch Ratings, Inc., to the extent that at the relevant time they provide ratings in respect of the then outstanding Covered Bonds, or their successors and "**Rating Agencies**" means each Rating Agency.

Early Redemption for Taxation Reasons

6.02 If, in relation to any Series of Covered Bonds (i) as a result of any amendment to, clarification of, or change including any announced proposed change in the laws or regulations, or the application or interpretation thereof of Canada or the United Kingdom or any political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of Covered Bonds issued by a branch of the Issuer outside Canada, of the country in which such branch is located or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date of such Covered Bonds or any other date specified in the Final Terms, (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an "administrative action"); or (iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any administrative action or any interpretation or pronouncement that provides for a position with respect to such administrative action that differs from the theretofore generally accepted position, in each of case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, administrative action, interpretation or pronouncement is made known, which amendment, clarification, change or administrative action is effective or which interpretation, pronouncement or administrative action is announced on or after the date of issue of the Covered Bonds, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or administrative action is effective and applicable) the Issuer would be required to pay additional amounts as provided in Condition 8, and such circumstances are evidenced by the delivery by the Issuer to the Issuing and Paying Agent and Bond Trustee of (x) a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto, and (y) an opinion of independent legal advisers of recognized standing to the effect that the circumstances set forth in (i), (ii) or (iii) above prevail, the Issuer may, at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of Floating Rate Covered Bonds, on an Interest Payment Date) to the Holders of the Covered Bonds in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Covered Bonds at their Outstanding Principal Amount or, in the case of Zero Coupon Covered Bonds, their Amortized Face Amount (as defined in Condition 6.10) or such Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the Final Terms, together with accrued interest (if any) thereon, provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Floating Rate Covered Bonds a number of days which is equal to the aggregate of the number of days falling within the then current Interest Period plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due.

The Issuer may not exercise such option in respect of any Covered Bond which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Covered Bond under Condition 6.06.

Call Option

6.03 If a Call Option is specified in the Final Terms as being applicable, then the Issuer may, having given the appropriate notice to the Holders in accordance with Condition 14, which Notice shall be irrevocable, and shall specify the date fixed for redemption, redeem all, or if so specified in the applicable Final Terms, some only of the Covered Bonds of this Series outstanding on any Optional Redemption Date at the Optional Redemption Amount(s) specified in, or determined in the manner specified in the applicable Final Terms together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Covered Bond which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Covered Bond under Condition 6.06.

6.04 The appropriate notice referred to in Condition 6.03 is a notice given by the Issuer to the Holders of the Covered Bonds of the relevant Series in accordance with Condition 14, which notice shall be irrevocable and shall specify:

- the Series of Covered Bonds subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Global Covered Bond) the serial numbers of the Covered Bonds of the relevant Series which are to be redeemed;
- the due date for such redemption, which shall be not less than 30 days nor more than 60 days after the date on which such notice is given and which shall be such date or the next of such dates ("**Call Option Date(s)**") or a day falling within such period ("**Call Option Period**"), as may be specified in the Final Terms and which is, in the case of Covered Bonds which bear interest at a floating rate, a date upon which interest is payable; and
- the Optional Redemption Amount at which such Covered Bonds are to be redeemed.

Partial Redemption

6.05 If the Covered Bonds are to be redeemed in part only on any date in accordance with Condition 6.03:

- such redemption must be for an amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms;
- in the case of a partial redemption of Bearer Definitive Covered Bonds, the Covered Bonds to be redeemed shall be drawn by lot in such European city as the Issuing and Paying Agent may specify, or identified in such other manner or in such other place as the Issuing and Paying Agent may approve and deem appropriate and fair;
- in the case of a Global Covered Bond, the Covered Bonds to be redeemed shall be selected in accordance with the then rules of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or CDS and/or any other relevant clearing system (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or CDS or such other relevant clearing system as either a pool factor or a reduction in principal amount, at their discretion); and
- in the case of Registered Definitive Covered Bonds, the Covered Bonds shall be redeemed (so far as may be practicable) pro rata to their principal amounts, provided always that the amount redeemed in respect of each Covered Bond shall be equal to a Specified Denomination,

subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Covered Bonds may be listed.

In the case of the redemption of part only of a Registered Definitive Covered Bond, a new Registered Definitive Covered Bond in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.08, which shall apply as in the case of a transfer of Registered Definitive Covered Bonds as if such new Registered Definitive Covered Bond were in respect of the untransferred balance.

Put Option

6.06 If a Put Option is specified in the Final Terms as being applicable, upon the Holder of any Covered Bond of this Series giving the required notice to the Issuer specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will,

upon expiry of such notice, redeem such Covered Bond subject to and in accordance with the terms specified in the applicable Final Terms in whole (but not in part only) on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than 45 days before the Optional Redemption Date where the Covered Bond is a Covered Bond in definitive form held outside Euroclear, Clearstream, Luxembourg, DTC and/or CDS deposit the relevant Covered Bond (together, in the case of a Bearer Definitive Covered Bond that is not a Zero Coupon Covered Bond, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the Optional Redemption Date (failing which the provisions of Condition 9.05 apply)) during normal business hours at the specified office of, in the case of a Bearer Covered Bond, any Paying Agent or, in the case of a Registered Covered Bond, the Registrar together with a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar specifying, in the case of a Global Covered Bond, the aggregate principal amount in respect of which such option is exercised (which must be a Specified Denomination specified in the Final Terms). Notwithstanding the foregoing, Covered Bonds represented by a Permanent Global Covered Bond or Registered Global Covered Bond shall be deemed to be deposited with the Paying Agent or the Registrar, as the case may be, for purposes of this Condition 6.06 at the time a Put Notice has been received by the Paying Agent or Registrar, as the case may be, in respect of such Covered Bonds. No Covered Bond so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement).

In the case of the redemption of part only of a Registered Covered Bond, a new Registered Definitive Covered Bond in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.08 which shall apply as in the case of a transfer of Registered Definitive Covered Bonds as if such new Registered Definitive Covered Bond were in respect of the untransferred balance.

The Holder of a Covered Bond may not exercise such Put Option (i) in respect of any Covered Bond which is the subject of an exercise by the Issuer of its option to redeem such Covered Bond under either Condition 6.02 or 6.03, or (ii) following an Issuer Event of Default.

Purchase of Covered Bonds

6.07 The Issuer or any of its subsidiaries may at any time, but will at no time be obligated to, purchase Covered Bonds in the open market or otherwise and at any price provided that all unmatured Receipts and Coupons appertaining thereto are purchased therewith. If purchases are made by tender, tenders must be available to all Holders of the relevant Covered Bonds alike.

Cancellation of Redeemed and Purchased Covered Bonds

6.08 All unmatured Covered Bonds and Coupons redeemed in accordance with this Condition 6 will be cancelled forthwith and may not be reissued or resold. All unmatured Covered Bonds and Coupons purchased in accordance with Condition 6.07 may be cancelled or may be reissued or resold.

Further Provisions applicable to Redemption Amount and Instalment Amount

6.09 The provisions of Condition 5.07 and the last paragraph of Condition 5.08 shall apply to any determination or calculation of the Redemption Amount or any Instalment Amount required by the Final Terms to be made by the Calculation Agent (as defined in Condition 5.09).

References herein to "**Redemption Amount**" shall mean, as appropriate, the Final Redemption Amount, final Instalment Amount, the Optional Redemption Amount, the Early Redemption Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with, the provisions of the applicable Final Terms.

6.10 In the case of any Zero Coupon Covered Bond, the "**Amortized Face Amount**" shall be an amount equal to the sum of:

(a) the Issue Price specified in the Final Terms; and

(b) the product of the Amortization Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the Final Terms to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 5.09) specified in the Final Terms.

6.11 If any Redemption Amount (other than the Final Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortized Face Amount shall be calculated as provided in Condition 6.10 but as if references in subparagraph (b) to the date fixed for redemption or the date upon which such Zero Coupon Covered Bond becomes due and repayable were replaced by references to the earlier of:

(a) the date on which, upon due presentation or surrender of the relevant Covered Bond (if required), the relevant payment is made; and

(b) (except where presentation or surrender of the relevant Covered Bond is not required as a precondition of payment), the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Covered Bonds in accordance with Condition 14 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

Instalment Covered Bonds

6.12 Any Instalment Covered Bond will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

Redemption due to Illegality

6.13 The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the Issuing and Paying Agent, the Registrar and, in accordance with Condition 14, all holders of the Covered Bonds (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Issuer to make, fund or allow to remain outstanding any advance made by it to the Guarantor pursuant to the Intercompany Loan Agreement, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date. Covered Bonds redeemed pursuant to this Condition 6.13 will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 6.13, the Issuer shall deliver to the Issuing and Paying Agent and Bond Trustee a certificate signed by two senior officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Issuing and Paying Agent and Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the Covered Bonds, Receiptholders and Couponholders.

7 Events of Default

Issuer Events of Default

7.01 The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose or the purpose of any Extraordinary Resolution (as defined in the Trust Deed) referred to in this Condition 7.01 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in CAD converted into CAD at the applicable Covered Bond Swap Rate) or if so directed by an Extraordinary Resolution of all the holders of the Covered Bonds shall, (but in the case of the happening of any of the events mentioned in sub-paragraphs (b) to (f) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series) (subject in each case to being indemnified and/or secured to its satisfaction), give notice (an "**Issuer Acceleration Notice**") in writing to the Issuer that as against the Issuer (but, for the avoidance of doubt, not against the Guarantor under the Covered Bond Guarantee) each Covered Bond of each Series is, and each such Covered Bond shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each, an "**Issuer Event of Default**") shall occur and be continuing:

(a) the Issuer fails to pay any principal or interest in respect of the Covered Bonds within 10 Montréal Business Days in the case of principal and 30 days in the case of interest, in each case of the respective due date; or

(b) the Issuer fails to perform or observe any obligations (other than those specified in subparagraph (a) above and (f) below) under the Covered Bonds, Receipts or Coupons of any Series, the Trust Deed or any other Transaction Document (other than the Dealership Agreement, any subscription agreement for the Covered Bonds and any Definitive N Covered Bond Deeds) to which the Issuer is a party (other than any obligation of the Issuer to comply with the Asset Coverage Test and any other obligation of the Issuer specifically provided for in this Condition 7.01) and such failure continues for the period of 30 days (or such longer period as the Bond Trustee may permit) next following the service by the Bond Trustee on the Issuer of notice requiring the same to be remedied (except in circumstances where the Bond Trustee considers such failure to be incapable of remedy in which case no period of continuation will apply and no notice by the Bond Trustee will be required); or

(c) an Insolvency Event in respect of the Issuer; or

(d) an Asset Coverage Test Breach Notice has been served and not revoked (in accordance with the terms of the Transaction Documents) on or before the Guarantor Payment Date immediately following the next Calculation Date after service of such Asset Coverage Test Breach Notice; or

(e) if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached less than six months prior to the Final Maturity Date of that Series of Hard Bullet Covered Bonds, and the Guarantor has not taken the necessary actions to cure the breach before the earlier to occur of: (i) ten Montréal Business Days from the date that the Seller is notified of the breach of the Pre-Maturity Test and (ii) the Final Maturity Date of that Series of Hard Bullet Covered Bonds; or

(f) if a ratings trigger prescribed by the Conditions or the Transaction Documents (and not otherwise specifically provided for in this Condition 7.01) is breached and the prescribed remedial action is not taken within the specified time period, unless, in respect of any ratings trigger other than the Account Depository Institution Threshold Ratings, the Standby Account Depository Institution Ratings, the Cash Management Deposit Ratings and the Servicer Deposit Threshold Ratings, such breach occurs at a time that the Guarantor is Independently Controlled and Governed.

For the purposes of these Terms and Conditions "**Calculation Date**" means the last Montréal Business Day of each month.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer pursuant to this Condition 7.01, the Bond Trustee shall forthwith serve a notice to pay (the "**Notice to Pay**") on the Guarantor pursuant to the Covered Bond Guarantee and the Guarantor shall be required to make payments of Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of the Covered Bond Guarantee. Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may or shall take such proceedings against the Issuer in accordance with the first paragraph of Condition 7.03.

The Trust Deed provides that all moneys (the "**Excess Proceeds**") received by the Bond Trustee from the Issuer or any receiver, liquidator, administrator or other similar official appointed in relation to the Issuer following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, shall be paid by the Bond Trustee, as soon as practicable after receipt thereof by the Bond Trustee, on behalf of the holders of the Covered Bonds of the relevant Series to the Guarantor (or the Cash Manager on its behalf) for the account of the Guarantor and shall be held in the Guarantor Accounts and the Excess Proceeds shall thereafter form part of the Security granted pursuant to the Security Agreements and shall be used by the Guarantor (or the Cash Manager on its behalf) in the same manner as all other moneys from time to time held by the Cash Manager and/or standing to the credit of the Guarantor in the Guarantor Accounts. Any Excess Proceeds received by the Bond Trustee shall discharge *pro tanto* the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds, Receipts and Coupons. However, the obligations of the Guarantor under the Covered Bond Guarantee are, following a Covered Bond Guarantee Activation Event, unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds shall not reduce or discharge any of such obligations.

By subscribing for Covered Bonds, each holder of the Covered Bonds shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Guarantor in the manner as described above.

Guarantor Events of Default

7.02 The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 7.02 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not

denominated in CAD converted into CAD at the applicable Covered Bond Swap Rate) or if so directed by an Extraordinary Resolution of all the holders of the Covered Bonds shall (but in the case of the happening of any of the events described in paragraphs (b) to (f) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series) (subject in each case to being indemnified and/or secured to its satisfaction) give notice (the "**Guarantor Acceleration Notice**") in writing to the Issuer and to the Guarantor, that (x) each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following an Issuer Event of Default), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) all amounts payable by the Guarantor under the Covered Bond Guarantee shall thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest, in each case as provided in the Trust Deed and thereafter the Security shall become enforceable if any of the following events (each, a "**Guarantor Event of Default**") shall occur and be continuing:

(a) default is made by the Guarantor for a period of seven days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the Covered Bonds of any Series, except in the case of the payment of a Guaranteed Amount when Due for Payment under Condition 6.01 where the Guarantor shall be required to make payments of Guaranteed Amounts which are Due for Payment on the dates specified therein; or

(b) if default is made by the Guarantor in the performance or observance of any obligation, condition or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series or any other obligation specifically provided for in this Condition 7.02) under the Trust Deed, the Security Agreements or any other Transaction Document (other than the obligation of the Guarantor to (i) repay the Demand Loan pursuant to the terms of the Intercompany Loan Agreement, or (ii) make a payment under a Swap Agreement if it has insufficient funds therefor) to which the Guarantor is a party and, except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Guarantor requiring the same to be remedied; or

(c) an Insolvency Event in respect of the Guarantor; or

(d) a failure to satisfy the Amortization Test as at any Calculation Date following the occurrence and during the continuance of an Issuer Event of Default; or

(e) the Covered Bond Guarantee is not, or is claimed by the Guarantor not to be, in full force and effect; or

(f) if a ratings trigger prescribed by the Conditions or the Transaction Document (and not otherwise specifically provided for in this Condition 7.02) is breached and the prescribed remedial action is not taken within the specified time period, unless, in respect of any ratings trigger other than the Account Depository Institution Threshold Ratings, the Standby Account Depository Institution Ratings, the Cash Management Deposit Ratings and the Servicer Deposit Threshold Ratings, such breach occurs at a time that the Guarantor is Independently Controlled and Governed.

Following the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice on the Guarantor, the Bond Trustee may or shall take such proceedings or steps in accordance with the first and second paragraphs, respectively, of Condition 7.03 and the holders of the Covered Bonds shall have a claim against the Guarantor, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount together with accrued but unpaid interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 8) as provided in the Trust Deed in respect of each Covered Bond.

Enforcement

7.03 The Bond Trustee may at any time, at its discretion and without further notice, take such proceedings against the Issuer and/or the Guarantor, as the case may be, and/or any other person as it may think fit to enforce the provisions of the Trust Deed, the Covered Bonds, the Receipts and the Coupons, but it shall not be bound to take any such enforcement proceedings in relation to the Trust Deed, the Covered Bonds, the Receipts or the Coupons or any other Transaction Document unless (i) it shall have been so directed by an Extraordinary Resolution of all the holders of the Covered Bonds of all Series (with the Covered Bonds of all Series taken together as a single Series as described above) or so requested in writing by the holders of not less than 25 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (taken together and converted into CAD at the applicable Covered Bond Swap Rate) and (ii) it shall have been indemnified and/or secured to its satisfaction.

The Bond Trustee may at any time, at its discretion and without further notice, take such proceedings against the Guarantor and/or any other person as it may think fit to enforce the provisions of the Security Agreements and may, at any time after the Security has become enforceable, take such steps as it may think fit to enforce the Security, but it shall not be bound to take any such steps unless (i) it shall have been so directed by an Extraordinary Resolution of all the holders of the Covered Bonds of all Series (with the Covered Bonds of all Series taken together as a single Series as described above) or a request in writing by the holders of not less than 25 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (taken together and converted into CAD at the applicable Covered Bond Swap Rate); and (ii) it shall have been indemnified and/or secured to its satisfaction.

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

No holder of the Covered Bonds, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor or to take any action with respect to the Trust Deed, the Covered Bonds, the Receipts, the Coupons, or the Security unless the Bond Trustee, having become bound so to proceed, fails so to do within a reasonable time and such failure shall be continuing.

8 Taxation

8.01 All payments (whether in respect of principal or interest) in respect of the Covered Bonds, Receipts and Coupons by or on behalf of the Issuer will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of Covered Bonds, Receipts or Coupons issued by a branch of the Issuer located outside Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Covered Bonds, Receipts or Coupons (as the case may be), in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Covered Bond, Receipt or Coupon:

(a) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Covered Bond, Receipt or Coupon by reason of his having some connection with Canada (for these purposes "connection" includes but is not limited to any present or former connection between such holder (or between a fiduciary, seller, beneficiary, member or shareholder of, or possessor of power over such holder if such holder is an estate, trust, partnership, limited liability company or corporation) and such jurisdiction) otherwise than the mere holding of (but not the enforcement of) such Covered Bond, Receipt or Coupon; or

(b) to, or to a third party on behalf of, a Holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the Holder or any other person entitled to payments under the Covered Bonds being a person with whom the Issuer is not dealing at arm's length (within the meaning of the Income Tax Act) or being a person who is, or does not deal at arm's length with any person who is, a "specified shareholder" of the Issuer for purposes of the thin capitalization rules in the Income Tax Act, or being an entity that is a "specified entity" (as defined in proposed subsection 18.4(1) of the Income Tax Act set out in proposals to amend such Act released on April 29, 2022) in respect of the Holder or recipient of the payment; or

(c) for or on account of any withholding tax or deduction imposed or collected pursuant to Sections 1471 through 1474 of the Code (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, whether currently in effect or as published and amended from time to time ("**FATCA**"); or

(d) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day; or

(e) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or other governmental charges by reason of such Holder's failure to comply with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with Canada of such Holder, if (i) compliance is required by law as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and (ii) the Issuer has given Holders at least 30 days' notice that Holders will be required to provide such certification, identification, documentation or other requirement; or

(f) in respect of any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or governmental charge; or

(g) where any combination of items (a) – (f) above applies;

nor will such additional amounts be payable with respect to any payment in respect of the Covered Bonds, Receipts and Coupons to a holder that is a fiduciary or partnership or to any person other than the sole beneficial owner of such Covered Bond, Receipt or Coupon to the extent that the beneficiary or seller with respect to such fiduciary, or member of such partnership or beneficial owner thereof would not have been entitled to receive a payment of such additional amounts had such beneficiary, seller, member or beneficial owner received directly its beneficial or distributive share of such payment. For the purposes of this Condition 8.01, the term "**Holder**" shall be deemed to refer to the beneficial holder for the time being of the Covered Bonds.

8.02 For the purposes of these Terms and Conditions, the "**Relevant Date**" means, in respect of any Covered Bond, Receipt or Coupon, the date on which payment thereof first become due and payable, or, if the full amount of the moneys payable has not been received by the Issuing and Paying Agent, or as the case may be, the Registrar on or prior to such due date, the date on which, the full amount of such moneys shall have been so received and notice to that effect shall have been duly given to the Holders in accordance with Condition 14.

8.03 If the Issuer and/or the Guarantor become subject generally at any time to any taxing jurisdiction other than or in addition to Canada, references in Condition 6.02, Condition 8.01 and Condition 8.05, as applicable, to Canada shall be read and construed as references to Canada and/or to such other jurisdiction(s), provided, for *the avoidance of doubt*, that the Issuer shall not be considered to be subject generally to the taxing jurisdiction of the United States for purposes of this Condition 8.03 solely because payments in respect of the Covered Bonds, Receipts and Coupons are subject to a U.S. federal withholding Tax imposed under FATCA.

8.04 Any reference in these Terms and Conditions to any payment due in respect of the Covered Bonds, Receipts or Coupons shall be deemed to include any additional amounts which may be payable under this Condition 8. Unless the context otherwise requires, any reference in these Terms and Conditions to "principal" shall include any premium payable in respect of a Covered Bond, any Instalment Amount or Final Redemption Amount, any Excess Proceeds which may be payable by the Bond Trustee under or in respect of the Covered Bonds and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and "interest" shall include all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

8.05 Should any payments made by the Guarantor under the Covered Bond Guarantee be subject to any withholding or deduction for or on account of taxes or duties of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political sub-division thereof or by any authority or agency therein or thereof having power to tax or, in the case of Covered Bonds, Receipts or Coupons issued by a branch of the Issuer located outside Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax, the Guarantor will not be obliged to pay any additional amounts as a consequence.

9 Payments

Payments—Bearer Covered Bonds

9.01 Conditions 9.02 to 9.06 are applicable in relation to Bearer Covered Bonds.

9.02 Payment of amounts (other than interest) due in respect of Bearer Covered Bonds will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount other than the final Instalment Amount) surrender of the relevant Bearer Covered Bonds at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Covered Bond which is a Bearer Definitive Covered Bond with Receipts will be made against presentation of the Covered Bond together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Covered Bond to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Covered Bond without the relevant Receipt or the presentation of a Receipt without the Covered Bond to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

9.03 Payment of amounts in respect of interest on Bearer Covered Bonds will be made:

(a) in the case of a Temporary Global Covered Bond or Permanent Global Covered Bond, against presentation of the relevant Temporary Global Covered Bond or Permanent Global Covered Bond at the specified office of any of the Paying Agents outside (unless Condition 9.04 applies) the United States and, in the case of a Temporary Global Covered Bond, upon due certification as required therein;

(b) in the case of Bearer Definitive Covered Bonds without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Bearer Definitive Covered Bonds at the specified office of any of the Paying Agents outside (unless Condition 9.04 applies) the United States; and

(c) in the case of Bearer Definitive Covered Bonds delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on an Interest Payment Date, against presentation of the relevant Bearer Definitive Covered Bonds, in either case at the specified office of any of the Paying Agents outside (unless Condition 9.04 applies) the United States.

9.04 Notwithstanding the foregoing (and in relation to payments in U.S. dollars only), payments of amounts due in respect of interest on the Bearer Covered Bonds and exchanges of Talons for Coupon sheets in accordance with Condition 9.06 will not be made at the specified office of any Paying Agent in the United States (as defined in the Code and Regulations thereunder) unless (i) payment in full of amounts due in respect of interest on such Covered Bonds when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) such payment or exchange is permitted by applicable United States law. If clauses (i) and (ii) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

9.05 Each Bearer Definitive Covered Bond initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:

(a) the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the Redemption Amount due) relating to Bearer Definitive Covered Bonds that are Fixed Rate Covered Bonds or bear interest in fixed amounts will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within two years of the Relevant Date applicable to payment of such Redemption Amount (whether or not the Issuer's obligation to make payment in respect of such Coupon would otherwise have ceased under Condition 10);

(b) all unmatured Coupons relating to such Bearer Definitive Covered Bonds that are Floating Rate Covered Bonds or that bear interest in variable amounts (whether or not such Coupons are surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;

(c) in the case of Bearer Definitive Covered Bonds initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and

(d) in the case of Bearer Definitive Covered Bonds initially delivered with Receipts attached thereto, all Receipts relating to such Covered Bonds in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (a) of this Condition 9.05 notwithstanding, if any Bearer Definitive Covered Bonds should be issued with a Final Maturity Date and Rate or Rates of Interest such that, on the presentation for payment of any such Bearer Definitive Covered Bond without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (a) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Bearer Definitive Covered Bond, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (a) in respect of such Coupons as have not so become void, the amount required by paragraph (a) to be deducted would not be greater than the Redemption Amount otherwise due for payment.

Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Bearer Definitive Covered Bond to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

9.06 In relation to Bearer Definitive Covered Bonds initially delivered with Talons attached thereto, on or after the Interest Payment Date of the final Coupon comprised in any Coupon sheet, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 9.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relevant Coupon sheet matures.

Payments—Registered Covered Bonds

9.07 Condition 9.08 is applicable in relation to Registered Covered Bonds.

9.08 Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Covered Bond at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by electronic transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the register (the "**Register**") of holders of the Registered Covered Bonds maintained by the Registrar at the close of business on the third Business Day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a "Designated Account" or (ii) the principal amount of the Covered Bonds held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a "**Designated Bank**" and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the Business Day in the city where the specified office of the Registrar is located on the relevant due date to the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the Register at the close of business on (i) the first Clearing System Business Day (in relation to Global Covered Bonds), where "Clearing System Business Day" means (x) Monday to Friday inclusive except December 25 and January 1 in the case of Global Covered Bonds held in Euroclear and/or Clearstream, Luxembourg and (y) "Business Day" as defined in Condition 5.09 in the case of Global Covered Bonds held in any other Clearing System; and (ii) the fifteenth day (in relation to Registered Definitive Covered Bonds), whether or not such fifteenth day is a Business Day, before the relevant due date (the "**Record Date**") at the holder's address shown in the Register on the Record Date and at the holder's risk. Upon application of the holder to the specified office of the Registrar not less than three Business Days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Covered Bond, the payment may be made by electronic transfer on the due date in the manner provided in the preceding paragraph. Any such application for electronic transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Covered Bonds which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Covered Bond on redemption and the final instalment of principal will be made in the same manner as payment of the principal in respect of such Registered Covered Bond.

Holders of Registered Covered Bonds will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Covered Bond as a result of a cheque posted in accordance with this Condition arriving after the

due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Covered Bonds.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Covered Bond in respect of Covered Bonds denominated in a Specified Currency other than U.S. dollars shall be paid by electronic transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement. None of the Issuer, the Guarantor, the Bond Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments—General Provisions

9.09 Save as otherwise specified in these Terms and Conditions, Conditions 9.10 to 9.14 are applicable in relation to Bearer Covered Bonds and Registered Covered Bonds.

9.10 Payments of amounts due (whether principal, interest or otherwise) in respect of Covered Bonds will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency (or in the case of euro, an account to which euro may be credited or transferred) specified by the payee. In the case of Bearer Covered Bonds, if payments are made by transfer, such payments will only be made by transfer to an account maintained by the payee outside of the United States. In no event will payment of amounts due in respect of Bearer Covered Bonds be made by a cheque mailed to an address in the United States. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto.

9.11 For the purposes of these Terms and Conditions:

(a) "**local banking 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 the place of presentation of the relevant Covered Bond or, as the case may be, Coupon; and

(b) "**Payment Day**" means (a) in the case of any currency other than euro, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) and foreign exchange markets settle payments in the Financial Centre(s) specified in the Final Terms and on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency, (b) if T2 is specified in the Final Terms, a T2 Business Day or (c) in the case of payment in euro, a day which is a T2 Business Day and on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Financial Centre(s) specified in the Final Terms.

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

9.13 If the due date for payment of any amount due in respect of any Covered Bond is not a Payment Day (as defined in Condition 9.11), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Payment Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, if applicable, Condition 5.11.

9.14 If Covered Bonds are payable in a currency (the "**original currency**") other than United States dollars and the original currency is unavailable on the foreign exchange markets due to the imposition of exchange controls, the original currency's replacement or disuse or other circumstances beyond its control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in United States dollars on the basis of the spot exchange rate determined at such time by the Issuer (the "**USD FX Rate**"). The USD FX Rate applied in such circumstances could result in a reduced payment to the Holders of Covered Bonds and such payment amount may be zero.

Compensation or Set-off

9.15 Any payments under or pursuant to the Definitive N Covered Bonds shall be made by the Issuer free of compensation or set-off and withholding.

10 Prescription

10.01 Subject to applicable law, the Issuer's obligation to pay an amount of principal and interest in respect of Covered Bonds will cease if the Covered Bonds or Coupons, as the case may be, are not presented within two years after the Relevant Date (as defined in Condition 8.02) for payment thereof.

10.02 In relation to Bearer Definitive Covered Bonds initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void pursuant to Condition 9.05 or this Condition 10 or the maturity date or due date for the payment of which would fall after the due date for the redemption of the relevant Covered Bond, or any Talon the maturity date of which would fall after the due date for the redemption of the relevant Covered Bond.

11 The Paying Agents, the Registrar, Transfer Agents, the Calculation Agent and the Exchange Agent

11.01 The initial Paying Agents, the Registrar, the Transfer Agents and the Exchange Agent and their respective initial specified offices are specified herein. Each of the Issuer and the Guarantor (in respect of itself only) reserves the right, without approval of the Bond Trustee, at any time to vary or terminate the appointment of any Paying Agent (including the Issuing and Paying Agent), any Transfer Agent(s), the Registrar, the Exchange Agent or the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents or another Registrar, Exchange Agent or Calculation Agent provided that the Issuer and the Guarantor will at all times maintain 1. an Issuing and Paying Agent, 2. in the case of Registered Covered Bonds, a Registrar, 3. in respect of Definitive Covered Bonds, a Paying Agent (which may be the Issuing and Paying Agent) with a specified office in a city in Europe (which is deemed, for greater certainty, to include London), 4. so long as the Covered Bonds are admitted to the Official List and to trading on Euronext Dublin and/or admitted to listing or trading on any other stock exchange or relevant authority, a Paying Agent (in the case of Bearer Covered Bonds) and a Transfer Agent (in the case of Registered Covered Bonds), which may in either case be the Issuing and Paying Agent, each with a specified office in London and/or in such other place as may be required by the rules of such other stock exchange or other relevant authority, 5. in the circumstances described in Condition 9.04, a Paying Agent with a specified office in New York City, 6. a Calculation Agent where required by the Terms and Conditions applicable to any Covered Bonds, and 7. so long as any of the Registered Global Covered Bonds payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in the United States (in the case of 1, 2, 3 and 6 with a specified office located in such place (if any) as may be required by the Terms and Conditions). The Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same metropolitan area. Notice of all changes in the identities or specified offices of any Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer or the Guarantor to the Holders in accordance with Condition 14.

11.02 The Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer and the Guarantor and, in certain circumstances of the Bond Trustee, and save as provided in the Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Covered Bond, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

11.03 Notwithstanding the foregoing, the Issuing and Paying Agent, on behalf of itself and the other Paying Agents, shall have the right to decline to act as the Paying Agent with respect of any Covered Bonds issued pursuant to the Programme that are payable and/or dischargeable by the Issuer by the payment or delivery of securities and/or other property or any combination of cash, securities and/or property whereupon the Issuer or an affiliate thereof shall either (i) act as Paying Agent or (ii) engage another financial institution to act as Paying Agent in respect of such Covered Bonds. The Final Terms relating to such Covered Bonds shall include the relevant details regarding the applicable Paying Agent.

12 Replacement of Covered Bonds

If any Covered Bond, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent or any Paying Agent (in the case of Bearer Covered Bonds and Coupons) or of the Registrar or any Transfer Agent (in the case of Registered Covered Bonds) (the "**Replacement Agent**"), subject to all applicable laws and the requirements of any stock exchange on which the Covered Bonds are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the

Replacement Agent may require. Mutilated or defaced Covered Bonds, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

13 Meetings of Holders of the Covered Bonds, Modification and Waiver

13.01 Meetings of Holders of the Covered Bonds

The Trust Deed contains provisions for convening meetings of the holders of the Covered Bonds (including at a physical location or by means of an electronic platform (such as a conference call or videoconference) or a combination thereof) to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions or the provisions of the Trust Deed. The quorum at any such meeting in respect of any Covered Bonds of any Series for passing an Extraordinary Resolution is one or more persons holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing holders of the Covered Bonds whatever the nominal amount of the Covered Bonds of such Series so held or represented, except that at any meeting the business of which includes the modification of any Series Reserved Matter (as defined below), the quorum shall be one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding. An Extraordinary Resolution passed at any meeting of the holders of the Covered Bonds of a Series shall, subject as provided below, be binding on all the holders of the Covered Bonds of such Series, whether or not they are present at the meeting signed a written resolution or provided an electronic consent, and on all Receiptholders and Couponholders in respect of such Series of Covered Bonds. Pursuant to the Trust Deed, the Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the holders of such Covered Bonds, in which event the provisions of this paragraph shall apply thereto *mutatis mutandis*.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Bond Trustee to accelerate the Covered Bonds pursuant to Condition 7 or to direct the Bond Trustee to take any enforcement action (a "**Programme Resolution**") shall only be capable of being passed at a single meeting of the holders of the Covered Bonds of all Series then outstanding. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Guarantor or the Bond Trustee or by holders of the Covered Bonds of any Series. The quorum at any such meeting for passing a Programme Resolution is one or more persons holding or representing at least a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding or at any adjourned such meeting one or more persons holding or representing Covered Bonds whatever the nominal amount of the Covered Bonds of any Series so held or represented. A Programme Resolution passed at any meeting of the holders of the Covered Bonds of all Series shall be binding on all holders of the Covered Bonds of all Series, whether or not they are present at the meeting, and on all related Receiptholders and Couponholders in respect of such Series of Covered Bonds.

In connection with any meeting of the holders of Covered Bonds of more than one Series the Covered Bonds of any Series not denominated in CAD shall be converted into CAD at the applicable Covered Bond Swap Rate.

13.02 Modification and Waiver

The Bond Trustee, the Guarantor and the Issuer may also agree, without the consent of the holders of the Covered Bonds, Receiptholders or Couponholders of any Series and without the consent of the other Secured Creditors (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter), to:

(a) any modification of the Covered Bonds of one or more Series, the related Receipts and/or Coupons or any Transaction Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of any of the holders of the Covered Bonds of any Series; or

(b) any modification of the Covered Bonds of any one or more Series, the related Receipts and/or Coupons or any Transaction Document which is of a formal, minor or technical nature or is in the opinion of the Bond Trustee made to correct a manifest error or to comply with mandatory provisions of law; or

(c) (i) any modification (other than in respect of a Series Reserved Matter, provided that a Base Rate Modification (as defined below) will not constitute a Series Reserved Matter) to the Conditions and/or any Transaction Document (including, for the avoidance of doubt but without limitation, the Covered Bond Swap Agreement in relation to the relevant Series of Covered Bonds and subject to the consent only of the Secured Creditors (i) party to the relevant Transaction Document being amended or (ii) whose ranking in any Priorities of Payments is affected) that the Issuer considers necessary following the occurrence of an €STR Index Cessation Effective Date or otherwise for the purpose of changing the base rate in respect of the Covered Bonds from a Reference

Rate to an alternative base rate (any such rate, an "**Alternative Base Rate**") (other than in respect of USD Benchmark) and making such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Base Rate Modification**"), provided that:

(A) the Issuer certifies to the Bond Trustee in writing (such certificate, a "**Base Rate Modification Certificate**") that:

(1) such Base Rate Modification is being undertaken due to:

(I) a material disruption to the relevant Reference Rate, an adverse change in the methodology of calculating the relevant Reference Rate or the relevant Reference Rate ceasing to exist or be published;

(II) the insolvency or cessation of business of the administrator of the Reference Rate (in circumstances where no successor administrator has been appointed);

(III) a public statement by the administrator of the relevant Reference Rate that it will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator for the Reference Rate has been appointed that will continue publication of the relevant Reference Rate) and such cessation is reasonably expected by the Issuer to occur prior to the Final Maturity Date or the Extended Due for Payment Date, as applicable;

(IV) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner and such cessation is reasonably expected by the Issuer to occur prior to the Final Maturity Date or the Extended Due for Payment Date, as applicable;

(V) a public statement by the supervisor of the administrator of the relevant Reference Rate that means such Reference Rate may no longer be used or that its use is or will be subject to restrictions or adverse consequences;

(VI) an official announcement by the supervisor of the administrator of the original Reference Rate that the original Reference Rate is no longer representative of its relevant underlying market;

(VII) it has become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any holders of the Covered Bonds, Receiptholders or Couponholders of any Series using the relevant Reference Rate; or

(VIII) the reasonable expectation of the Issuer that any of the events specified in sub-paragraphs (I), (II), (III), (IV), (V), (VI) or (VII) will occur or exist within six months of the proposed effective date of such Base Rate Modification,

(2) the modifications proposed are required solely for the purpose of applying the Alternative Base Rate and making consequential modifications to the Conditions and/or any Transaction Document which are, as reasonably determined by the Issuer as necessary or advisable in its reasonable judgement, and the modifications have been drafted solely to such effect; and

(3) the consent of each Secured Creditor (x) which is party to the relevant Transaction Document being amended, or (y) whose ranking in any Priorities of Payments is affected has been obtained (evidence of which shall be provided by the Issuer to the Bond Trustee with the Base Rate Modification Certificate) and, subject to Condition 13.02(c)(i), no other consents are required to be obtained in relation to the Base Rate Modification; and

(B) such Alternative Base Rate is:

(I) a base rate published, endorsed, approved or recognised by the Bank of England, the Federal Reserve, the European Commission or the European Central Bank, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Covered Bonds are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or

(II) a base rate utilised in a material number of publicly-listed, publicly-offered or benchmark new issues of floating rate covered bonds or floating rate senior unsecured notes prior to the effective date of such Base Rate Modification (for these purposes, five such issues shall be considered material); or

(III) a base rate utilised in a publicly-listed, publicly-offered or benchmark new issue of floating rate covered bonds where the issuer (or, in the case of asset backed securities, the originator of the relevant assets) is the Issuer or a Subsidiary of the Issuer,

(C) at least 30 days' prior written notice of any Base Rate Modification has been given to the Bond Trustee and the Calculation Agent;

(D) the Base Rate Modification Certificate is provided to the Bond Trustee at the time the Bond Trustee is notified of the Base Rate Modification and on the effective date of such Base Rate Modification;

(E) with respect to each Rating Agency, the Rating Agency Confirmation (as specified in Condition 19) has been obtained;

(F) the Issuer pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Bond Trustee in connection with such Base Rate Modification;

(G) the Issuer has provided at least 30 days' notice to the Covered Bondholders of the relevant Series of Covered Bonds of the Base Rate Modification in accordance with Condition 14 and by publication on Bloomberg on the "Company News" screen relating to the Covered Bonds (in each case specifying the date and time by which Covered Bondholders must respond), and Covered Bondholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds then outstanding have not notified the Issuer or the Issuing and Paying Agent in accordance with the then current practice of any applicable Clearing System through which such Covered Bonds may be held by the time specified in such notice that such Covered Bondholders do not consent to the Base Rate Modification.

If Covered Bondholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds then outstanding have notified the Issuer or the Issuing and Paying Agent in accordance with the then current practice of any applicable Clearing System through which the Covered Bonds may be held or in the manner specified in the next following paragraph of this Condition 13.02(c)(i) where there is no applicable Clearing System by the time specified in such notice that such Covered Bondholders do not consent to the Base Rate Modification, then the Base Rate Modification will not be made unless an Extraordinary Resolution of the Covered Bondholders of the relevant Series then outstanding is passed in favour of the Base Rate Modification in accordance with this Condition 13.02(c)(i).

Where there is no applicable Clearing System, Covered Bondholders may object in writing to a Base Rate Modification by notifying the Issuer or the Issuing and Paying Agent but any such objection in writing must be accompanied by evidence to the Bond Trustee's satisfaction (having regard to prevailing market practices) of the relevant Covered Bondholder's holding of the Covered Bonds.

For the avoidance of doubt, the Issuer may give effect to an Alternative Base Rate on more than one occasion provided that the conditions set out in this Condition 13.02(c)(i) are satisfied.

(ii) *Effect of Benchmark Transition Event on USD Benchmark-referenced Floating Rate Covered Bonds*

If the Issuer or the Benchmark Transition Designee determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined below) have occurred with respect to a USD Benchmark, then the Bond Trustee shall, without the consent or sanction of the

Covered Bondholders being required (including without the requirement to provide Covered Bondholders an opportunity to object) and subject only to the consent of the Secured Creditors (i) party to the relevant Transaction Document being amended or (ii) whose ranking in any Priorities of Payments is affected, subject to the satisfaction of Condition 13.02(c)(ii)(D) (the "**Benchmark Transition Event Conditions**"), concur with the Issuer or the Benchmark Transition Designee in making any modification (other than in respect of a Series Reserved Matter, provided that neither replacing the then-current USD Benchmark with the Benchmark Replacement nor any Benchmark Replacement Conforming Changes (each as defined below) shall constitute a Series Reserved Matter) of these Conditions or any of the Transaction Documents solely with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to the USD Benchmark that the Issuer or the Benchmark Transition Designee decides may be appropriate to give effect to the provisions set forth under Condition 13.02(c)(ii) in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark and any related Covered Bond Swap Agreements, provided that:

A) *Benchmark Replacement*. If the Issuer or the Benchmark Transition Designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Relevant Time in respect of any determination of the USD Benchmark on any date applicable to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark, subject to satisfaction of the Benchmark Transition Event Conditions, the Benchmark Replacement will replace the then-current USD Benchmark for all purposes relating to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark in respect of such determination on such date and all determinations on all subsequent dates.

B) *Benchmark Replacement Conforming Changes*. In connection with the implementation of a Benchmark Replacement with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark, the Issuer or the Benchmark Transition Designee will have the right, subject to satisfaction of the Benchmark Transition Event Conditions, to make Benchmark Replacement Conforming Changes with respect to any U.S. dollar denominated Floating Rate Covered Bonds from time to time.

C) *Decisions and Determinations*. Any determination, decision or election that may be made by the Issuer or the Benchmark Transition Designee pursuant to this Condition 13.02(c)(ii), including any determination with respect to tenor, rate or adjustment or of the occurrence or non- occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark:

(i) will be conclusive and binding absent manifest error;
(ii) if made by the Issuer, will be made in the Issuer's sole discretion;
(iii) if made by the Benchmark Transition Designee, will be made after consultation with the Issuer, and the Benchmark Transition Designee will not make any such determination, decision or election to which the Issuer objects; and
(iv) shall become effective without consent from any other party (including Covered Bondholders), except with respect to Secured Creditors as otherwise provided in this Condition 13.02(c)(ii).

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

None of the Agents or the Calculation Agent shall be under any obligation (i) to monitor, determine or verify the unavailability or cessation of a USD Benchmark or any other reference rate or whether or when there has occurred, or to give notice to any other transaction party of the occurrence of, any Benchmark Transition Event (or any reference rate transition event) or related Benchmark Replacement Date or any related reference rate replacement date, (ii) to select, determine or designate any Benchmark Replacement or any other reference rate, or other successor or Benchmark Replacement index, or whether any conditions to the designation of such a rate or index have been satisfied, or (iii) to select, determine or designate any Benchmark Replacement Adjustment, or other modifier to any replacement or successor index, or (iv) to determine whether or not Benchmark Replacement Conforming Changes or any other reference rate conforming changes are necessary or

advisable, if any, in connection with any of the foregoing, including, but not limited to, adjustments as to any alternative spread thereon, the business day convention, interest determination dates or any other relevant methodology applicable to such substitute or successor benchmark. In connection with the foregoing, each of Agents and the Calculation Agent shall be entitled to conclusively rely on any determinations made by the Benchmark Transition Designee or the Issuer without independent investigation, and none will have any liability for actions taken at our direction in connection therewith.

None of the Agents or the Calculation Agent shall be liable for any inability, failure or delay on its part to perform any of its duties set forth in this Base Prospectus as a result of the unavailability of a USD Benchmark or other reference rate, including as a result of any failure, inability, delay, error or inaccuracy on the part of any other transaction party in providing any direction, instruction, notice or information required or contemplated by the terms of this Base Prospectus and reasonably required for the performance of such duties. None of the Agents or the Calculation Agent shall be responsible or liable for the Issuer's actions or omissions or for those of the Benchmark Transition Designee, or for any failure or delay in the performance by the Benchmark Transition Designee, nor shall any of the Agents or the Calculation Agent be under any obligation to oversee or monitor our performance or that of the Benchmark Transition Designee.

D) *Other Conditions.*

(i) The Issuer shall certify in writing to the Bond Trustee and the Calculation Agent (such certificate, a "**USD Benchmark Base Rate Modification Certificate**") that (I) a Benchmark Transition Event and its related Benchmark Replacement Date have occurred specifying the Benchmark Replacement; and (II) that the Benchmark Replacement Conforming Changes have been made in accordance with this Condition 13.02(c)(ii);

(ii) The Issuer shall have obtained the consent of each Secured Creditor (x) which is party to the relevant Transaction Document being amended, or (y) whose ranking in any Priorities of Payments is affected (evidence of which shall be provided by the Issuer to the Bond Trustee with the Base Rate Modification Certificate);

(iii) with respect to each Rating Agency, the Rating Agency Confirmation (as specified in Condition 19) has been satisfied; and

(iv) the Issuer pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Bond Trustee in connection with such Base Rate Modification.

The following definitions shall apply with respect to this Condition 13.02(c)(ii):

"**USD Benchmark**" means, initially, Compounded SOFR, as such term is defined in Condition 5.03; provided that if the Issuer or the Benchmark Transition Designee determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or the Benchmark Transition Designee as of the Benchmark Replacement Date:

(i) the sum of: (a) an alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current USD Benchmark and (b) the Benchmark Replacement Adjustment;

(ii) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(iii) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or the Benchmark Transition Designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current USD Benchmark for U.S. dollar denominated floating rate covered bonds at such time and (b) the Benchmark Replacement Adjustment.

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Issuer or the Benchmark Transition Designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; and

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or the Benchmark Transition Designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current USD Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate covered bonds at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark (including the timing and frequency of determining rates and making payments of interest, the rounding of amounts, changes to the definition of " Corresponding Tenor" solely when such tenor is longer than the Interest Period and other administrative matters) and any related Covered Bond Swap Agreements that the Issuer or the Benchmark Transition Designee decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark in a manner substantially consistent with market practice (or, if the Issuer or the Benchmark Transition Designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or the Benchmark Transition Designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or the Benchmark Transition Designee determines is reasonably practicable).

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

(i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the USD Benchmark permanently or indefinitely ceases to provide the USD Benchmark; or

(ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

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

"**Benchmark Transition Designee**" means, with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark and a particular obligation to be performed in connection with the transition to a Benchmark Replacement, such investment bank of national standing in the United States as the Issuer may appoint, from time to time, to assist with any benchmark replacement determinations, including for greater certainty, an affiliate of the Issuer.

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

(i) a public statement or publication of information by or on behalf of the administrator of the USD Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the USD Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the USD Benchmark (or such component);

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

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the USD Benchmark announcing that the USD Benchmark is no longer representative.

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

"**Relevant ISDA Definitions**" means either the 2006 ISDA Definitions or the 2021 ISDA Definitions.

"**2006 ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"**2021 ISDA Definitions**" means in relation to a Series of the Covered Bonds, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the Issue Date of the first Tranche of the Covered Bonds, as published by ISDA on its website (www.isda.org).

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

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

"**Reference Time**" with respect to any determination of the USD Benchmark means (1) if the USD Benchmark is Compounded SOFR, the SOFR Determination Time or the SOFR Index Determination Time, as applicable, and (2) if the USD Benchmark is not Compounded SOFR, the time determined by the Issuer or the Benchmark Transition Designee after giving effect to the Benchmark Replacement Conforming Changes.

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

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

To the extent that there is any inconsistency between the conditions set out in Condition 13.02(c)(ii) and any other Condition, the statements in this section shall prevail with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark.

Nothing in this Condition 13.02(c)(ii) affects the rights of the Covered Bondholders of Covered Bonds other than any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to a USD Benchmark.

(iii) For the avoidance of doubt, the Issuer may give effect to an Alternative Base Rate or Benchmark Replacement on more than one occasion provided that the conditions set out in this Condition 13.02(c) are satisfied.

Without prejudice to the obligations of the Issuer under this Condition 13.02(c), any Reference Rate (including in respect of a USD Benchmark) and the fallback provisions provided for in Condition 5.03 will continue to apply unless and until the Bond Trustee has received the USD Benchmark Base Rate Modification Certificate or Base Rate Modification Certificate, as applicable in accordance with this Condition 13.02(c). For the avoidance of doubt, this paragraph shall apply to the determination of the Interest Rate on the relevant Interest Determination Date, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the operation of, and to adjustment as provided in, this Condition 13.02(c).

(iii) *Effect of a SARON Index Cessation Event on SARON-referenced Floating Rate Covered Bonds*

If the Issuer or its designee determines on or prior to the Reference Time that a SARON Index Cessation Event and its related SARON Index Cessation Effective Date (each as defined below) have occurred with respect to SARON-referenced Covered Bonds, then the Bond Trustee shall be obliged, without the consent or sanction of the Covered Bondholders (including without the requirement to provide to Covered Bondholders an opportunity to object) and subject to the consent only of the Secured Creditors (x) party to the relevant Transaction Document being amended or (y) whose ranking in any Priorities of Payments is affected, subject to satisfaction of Condition 13.02(c)(iii)(D) (the "**Benchmark Transition Event Conditions**"), to concur with the Issuer or its designee in making any modification (other than in respect of a Series Reserved Matter, provided that neither replacing SARON with the SARON Replacement nor any SARON Replacement Conforming Changes (each as defined below) shall constitute a Series Reserved Matter) of these Conditions or any of the Transaction Documents solely with respect to any SARON-referenced Floating Rate Covered Bonds that the Issuer or its designee decides may be appropriate to give effect to the provisions set forth under this Condition 13.02(c)(iii) in relation only to all determinations of the rate of interest payable on any SARON-referenced Floating Rate Covered Bonds (and any related swap agreements), provided that:

(A) *Benchmark Replacement*. If the Issuer or its designee determines that a SARON Index Cessation Event and its related SARON Index Cessation Effective Date have occurred prior to the Relevant Time in respect of any determination of SARON on any date applicable to any SARON-referenced Floating Rate Covered Bonds, subject to satisfaction of the Benchmark Transition Event Conditions, the SARON Replacement will replace SARON for all purposes relating to any Floating Rate Covered Bonds calculated by reference to SARON in respect of such determination on such date and all determinations on all subsequent dates;

(B) *SARON Replacement Conforming Changes*. In connection with the implementation of a SARON Replacement with respect to any Floating Rate Covered Bonds calculated by reference to SARON, the Issuer or its designee will have the right, subject to satisfaction of the Benchmark Transition Event Conditions, to make SARON Replacement Conforming Changes with respect to any SARON-referenced Floating Rate Covered Bonds from time to time;

(C) *Decisions and Determinations*. Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 13.02(c)(iii), including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any Floating Rate Covered Bonds calculated by reference to SARON:

(I) will be conclusive and binding absent manifest error;

(II) if made by the Issuer, will be made in the Issuer's sole discretion;

(III) if made by the Issuer's designee, will be made after consultation with the Issuer, and the designee will not make any such determination, decision or election to which the Issuer objects; and

(IV) shall become effective without consent, sanction or absence of objection from the Covered Bondholders or any other party, except as otherwise provided in this Condition 13.02(c)(iii).

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

In no event shall the Calculation Agent or Swiss Paying Agent be the "designee" of the Issuer nor be responsible for determining any substitute for SARON, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Calculation Agent will be entitled to conclusively rely on any determinations made by the Issuer or its designee and will have no liability for such actions taken at the direction of the Issuer or its designee.

None of the Swiss Paying Agent or the Calculation Agent will have any liability for any determination made by or on behalf of the Issuer or its designee in connection with a SARON Index Cessation Event or a SARON Replacement.

None of the Agents or the Calculation Agent shall be under any obligation (i) to monitor, determine or verify the unavailability or cessation of a SARON or any SARON Replacement or any other reference rate or whether or when there has occurred, or to give notice to any other transaction party of the occurrence of, any Benchmark Transition Event (or any reference rate transition event) or related Benchmark Replacement Date or any related reference rate replacement date, (ii) to select, determine or designate any SARON Replacement, or other successor or Benchmark Replacement index, or whether any conditions to the designation of such a rate or index have been satisfied, or (iii) to select, determine or designate any SNB Adjustment Spread, or other modifier to any replacement or successor index, or (iv) to determine whether or SARON Replacement Conforming Changes or any other reference rate conforming changes are necessary or advisable, if any, in connection with any of the foregoing, including, but not limited to, adjustments as to any alternative spread thereon, the business day convention, interest determination dates or any other relevant methodology applicable to such substitute or successor benchmark. In connection with the foregoing, each of Paying Agents, the Exchange Agent, the Registrar, the Transfer Agents and the Calculation Agent shall be entitled to conclusively rely on any determinations made by the designee or the Issuer without independent investigation, and none will have any liability for actions taken at our direction in connection therewith.

None of the Agents or the Calculation Agent shall be liable for any inability, failure or delay on its part to perform any of its duties set forth in this Base Prospectus as a result of the unavailability of SARON or other reference rate, including as a result of any failure, inability, delay, error or inaccuracy on the part of any other transaction party in providing any direction, instruction, notice or information required or contemplated by the terms of this Base Prospectus and reasonably required for the performance of such duties. None of the Agents or the Calculation Agent shall be responsible or liable for the Issuer's actions or omissions or for those of the designee, or for any failure or delay in the performance by the designee, nor shall any of the Agents or the Calculation Agent be under any obligation to oversee or monitor our performance or that of the designee.

(D) *Other conditions*.

(I) The Issuer shall certify in writing to the Bond Trustee, the Swiss Paying Agent and the Calculation Agent in writing (such certificate, a "**SARON Base Rate Modification Certificate**") that (I) a SARON Index Cessation Event and its related SARON Index Cessation Effective Date have occurred specifying the SARON Replacement; and (II) that the SARON Replacement Conforming Changes have been made in accordance with this Condition 13.02(c)(iii);

(II) The Issuer shall have obtained the consent of each Secured Creditor (x) which is party to the relevant Transaction Document being amended, or (y) whose ranking in any Priorities of Payments is affected has been obtained (evidence of which shall be provided by the Issuer to the Bond Trustee with the SARON Base Rate Modification Certificate) and no other consents are required to be obtained in relation to the SARON Replacement, provided, for the avoidance of doubt, that the Calculation Agent and the Swiss Paying Agent, as Secured Creditors, shall not be obliged to agree to any SARON Replacement Conforming Changes to any

Transaction Documents, which, in the sole opinion of such Calculation Agent or the Swiss Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to any such person in the Agency Agreement;

(III) With respect to each Rating Agency, a Rating Agency Confirmation (as defined in Condition 19) has been obtained; and

(IV) The Issuer shall pay (or arrange for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Bond Trustee in connection with such SARON Replacement.

(E) *Definitions*. The following definitions shall apply with respect to this Condition 13.02 (c)(iii):

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

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

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

(a) that the Recommending Body has recommended be applied to such Recommended Replacement Rate in the case of fixed income securities with respect to which such Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon; or

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

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

"**SARON Administrator**" means SIX Swiss Exchange or any successor administrator of SARON.

"**SARON Administrator Website**" means the website of the SARON Administrator.

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

(a) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the Swiss Average Rate Overnight permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the Swiss Average Rate Overnight; or

(b) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (x) the Swiss Average Rate Overnight is no longer representative or will as of a certain date no longer be representative, or (y) the Swiss Average Rate Overnight may no longer be used after a certain

date, which statement, in the case of subclause (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives.

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

(a) (in the case of a SARON Index Cessation Event described in clause (a) of the definition thereof) the date on which the SARON Administrator of the Swiss Average Rate Overnight ceases to provide the Swiss Average Rate Overnight;

(b) (in the case of a SARON Index Cessation Event described in clause (b)(x) of the definition thereof) the latest of

(i) the date of such statement or publication;

(ii) the date, if any, specified in such statement or publication as the date on which the Swiss Average Rate Overnight will no longer be representative; and

(iii) if a SARON Index Cessation Event described in clause (b)(y) of the definition of SARON Index Cessation Event has occurred on or prior to either or both dates specified in subclauses (i) and (ii) of this clause (b), the date as of which the Swiss Average Rate Overnight may no longer be used; and

(c) (in the case of a SARON Index Cessation Event described in clause (b)(y) of the definition thereof) the date as of which the Swiss Average Rate Overnight may no longer be used.

"**SARON Replacement**" means (i) the Recommended Replacement Rate, giving effect to the Recommended Adjustment Spread, if any or (ii) if there is no Recommended Replacement Rate within one Zurich Business Day of the SARON Index Cessation Effective Date, the policy rate of the Swiss National Bank (the "**SNB Policy Rate**") for such Zurich Banking Day, giving effect to the SNB Adjustment Spread, if any.

"**SARON Replacement Conforming Changes**" means, with respect to any SARON Replacement, any technical, administrative or operational changes (including without limitation changes to the definition of "Interest Period", determination dates, timing and frequency of determining rates and making payments, rounding of amounts, or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such SARON Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the SARON Replacement exists, in such other manner as the Issuer or its designee) determines is reasonably necessary).

"**SIX Swiss Exchange**" means SIX Swiss Exchange AG and any successor thereto.

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

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

(F) *Conflict*. To the extent that there is any inconsistency between the conditions set out in Condition 13.02(c)(iii) and any other Condition, the statements in this section shall prevail with respect to any Floating Rate covered bonds calculated by reference to SARON.

Without prejudice to the obligations of the Issuer under this Condition 13.02(c)(iii), SARON and the temporary fallback provisions provided for in Condition 5.03 will continue to apply unless and until the Bond Trustee has received the SARON Base Rate Modification Certificate in accordance with this Condition 13.02(c)(iii). For the avoidance of doubt, this Condition 13.02(c)(iii) shall apply to the determination of the Interest Rate on the relevant Interest Determination Date, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the operation of, and to adjustment as provided in, this Condition 13.02(c)(iii).

(d) When implementing any modification pursuant to Condition 13.02(c):

(A) the Bond Trustee shall not consider the interests of the Covered Bondholders, any other Secured Creditor or any other person and shall act and rely solely and without investigation or liability on any Base Rate Modification Certificate or USD Benchmark Base Rate Modification Certificate or other certificate or evidence provided to it by the Issuer and shall not be liable to the Covered Bondholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and

(B) the Bond Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Bond Trustee, would have the effect of (i) exposing the Bond Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights, powers, authorisations, discretions, indemnification or protections, of the Bond Trustee in the Transaction Documents and/or these Conditions.

The Bond Trustee may also agree, without the consent of the holders of the Covered Bonds of any Series, the related Receiptholders and/or Couponholders, to the waiver or authorization of any breach or proposed breach of any of the provisions of the Covered Bonds of any Series, or determine, without any such consent as described above, that any Issuer Event of Default or Guarantor Event of Default or Potential Issuer Event of Default or Potential Guarantor Event of Default shall not be treated as such, provided that, in any such case, it is not, in the opinion of the Bond Trustee, materially prejudicial to the interests of any of the holders of the Covered Bonds of any Series.

Any such modification, waiver, authorization or determination shall be binding on all holders of the Covered Bonds of all Series of Covered Bonds for the time being outstanding, the related Receiptholders and the Couponholders and the other Secured Creditors, and unless the Bond Trustee otherwise agrees, any such modification shall be notified by the Issuer to the holders of the Covered Bonds of all Series of Covered Bonds for the time being outstanding and the other Secured Creditors in accordance with the relevant terms and conditions as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorization or determination), the Bond Trustee shall have regard to the general interests of the holders of the Covered Bonds of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual holders of the Covered Bonds, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual holders of the Covered Bonds, the related Receiptholders, Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee shall not be entitled to require, nor shall any holder of the Covered Bonds, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Bond Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual holders of the Covered Bonds, Receiptholders and/or Couponholders, except to the extent already provided for in Condition 8 and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

For the purposes of these Terms and Conditions:

"**Potential Issuer Event of Default**" means any condition, event or act which, with the lapse of time and/ or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Issuer Event of Default;

"**Potential Guarantor Event of Default**" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute a Guarantor Event of Default; and

"**Series Reserved Matter**" in relation to Covered Bonds of a Series means (other than, for the avoidance of doubt, a Base Rate Modification, the replacement of the USD Benchmark to the Benchmark Replacement or effecting Benchmark Replacement Conforming Changes): (i) reduction or cancellation of the amount payable or, where applicable, modification of the method of

calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds; (ii) alteration of the currency in which payments under the Covered Bonds, Receipts and Coupons are to be made; (iii) alteration of the majority required to pass an Extraordinary Resolution; (iv) any amendment to the Covered Bond Guarantee or the Security Agreements (except in a manner determined by the Bond Trustee not to be materially prejudicial to the interests of the holders of the Covered Bonds of any Series); (v) except in accordance with Condition 13, the sanctioning of any such scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds in consideration of, shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations and/or securities as described above and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the holders of the Covered Bonds to execute an instrument of transfer of the Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively; and (vi) alteration of specific sections of the Trust Deed relating to the quorum and procedure required for meetings of holders of Covered Bonds.

14 Notices

To Holders of Bearer Definitive Covered Bonds

14.01 Notices to Holders of Bearer Definitive Covered Bonds will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*). The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Covered Bonds are listed. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Covered Bonds in accordance with this Condition.

To Holders of Registered Definitive Covered Bonds

14.02 Notices to Holders of Registered Definitive Covered Bonds, save where another means of effective communication has been specified herein, will be deemed to be validly given if sent by first class mail (or equivalent) or, if posted to an overseas address, by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day. The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Covered Bonds are listed.

To Issuer

14.03 Notices to be given by any holder of Covered Bonds to the Issuer shall be in writing and given by lodging the same, together with the relevant Covered Bond or Covered Bonds, with the Issuing and Paying Agent or the Registrar, as the case may be. While any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any accountholder to the Issuing and Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Issuing and Paying Agent or the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Global Covered Bonds

14.04 So long as the Covered Bonds are represented in their entirety by any Global Covered Bonds held on behalf of DTC and/or CDS and/or Euroclear and/or Clearstream, Luxembourg, there may be substituted for publication in newspaper(s) (in accordance with Condition 14.01) the delivery of the relevant notice to DTC and/or CDS and/or Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Covered Bonds and, in addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to listing by any other relevant authority and the rules of the stock exchange, or as the case may be, other relevant authority so require, such notice shall be published in a manner which complies with the rules and regulations of that stock exchange, as the case may be, or any other relevant authority. Any such notice shall be deemed to have been given to the holders of the Covered Bonds on the day on which the said notice was given to DTC and/or CDS and/or Euroclear and/or Clearstream, Luxembourg.

15 Further Issues

The Issuer may from time to time, without the consent of the Holders of any Covered Bonds or Coupons, create and issue further Covered Bonds having the same terms and conditions as such Covered Bonds in all respects (or in all respects except for the first payment of interest, if any, on them and/or the Specified Denomination thereof) so as to form a single series with the Covered Bonds of any particular Series.

16 Currency Indemnity

The currency in which the Covered Bonds are denominated or, if different, payable, as specified in the Final Terms (the "**Contractual Currency**"), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Covered Bonds, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction or otherwise) by any Holder of a Covered Bond or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Covered Bond or Coupon in respect of such Covered Bond or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Covered Bond or Coupon and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Covered Bonds or any judgement or order. Any such loss shall be deemed to constitute a loss suffered by the relevant Holder of a Covered Bond or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

17 Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Covered Bond, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

18 Substitution

Subject as provided in the Trust Deed, the Bond Trustee, if it is satisfied that to do so would not be materially prejudicial to the interests of the holders of the Covered Bonds, may agree, without the consent of the holders of the Covered Bonds, Receiptholders or Couponholders, to the substitution of a Subsidiary of the Issuer in place of the Issuer as principal debtor under the Covered Bonds and the Trust Deed, provided that the obligations of such Subsidiary in respect of the Covered Bonds and the Trust Deed shall be guaranteed by the Issuer in such form as the Bond Trustee may require.

Any substitution pursuant to this Condition 18 shall be binding on the holders of the Covered Bonds, the Receiptholders and the Couponholders and, unless the Bond Trustee agrees otherwise, shall be notified to the holders of the Covered Bonds as soon as practicable thereafter in accordance with Condition 14.

It shall be a condition of any substitution pursuant to this Condition 18 that (i) the Covered Bond Guarantee shall remain in place or be modified to apply *mutatis mutandis* and continue in full force and effect in relation to any Subsidiary of the Issuer which is proposed to be substituted for the Issuer as principal debtor under the Covered Bonds and the Trust Deed; and (ii) any Subsidiary of the Issuer which is proposed to be substituted for the Issuer is included in the Registry as a registered issuer and that all other provisions of the Covered Bond Legislative Framework and the CMHC Guide are satisfied prior to the substitution of the Issuer.

19 Rating Agency Confirmation

19.01 By subscribing for or purchasing Covered Bond(s), each holder of Covered Bonds shall be deemed to have acknowledged and agreed that a credit rating of a Series of Covered Bonds by the Rating Agencies is an assessment of credit risk and does not address other matters that may be of relevance to holders of Covered Bonds, including, without limitation, (i) in the case of each Rating Agency other than Fitch, confirmation in writing by such Rating Agency that any action proposed to be taken by the Issuer, the Guarantor, the Seller, the Servicer, the Cash Manager, the Bond Trustee or any other party to a Transaction Document will not result in a reduction or withdrawal of the rating of the Covered Bonds in effect immediately before the taking of such action, and (ii) in the case of Fitch, at least 5 Business Days' prior written notice of any action proposed to be taken by the Issuer, the Guarantor,

the Seller, the Servicer, the Cash Manager, the Bond Trustee or any other party to a Transaction Document shall have been provided to Fitch, (in each case, a "**Rating Agency Confirmation**"), whether such action is either (i) permitted by the terms of the relevant Transaction Document or (ii) in the best interests of, or not prejudicial to, some or all of the holders of Covered Bonds.

19.02 In being entitled to have regard to the fact that a Rating Agency has confirmed that the then current rating of the relevant Series of Covered Bonds would not be reduced or withdrawn, each of the Issuer, the Guarantor, the Bond Trustee, and the Secured Creditors (including the Holders of Covered Bonds) is deemed to have acknowledged and agreed that a Rating Agency Confirmation does not impose or extend any actual or contingent liability on the Rating Agencies to the Issuer, the Guarantor, the Bond Trustee, the Secured Creditors (including the Holders of Covered Bonds) or any other person or create any legal relations between the Rating Agencies and the Issuer, the Guarantor, the Bond Trustee, the Secured Creditors (including the Holders of Covered Bonds) or any other person whether by way of contract or otherwise.

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

(a) a Rating Agency Confirmation may or may not be given at the sole discretion of each Rating Agency;

(b) depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Rating Agency Confirmation in the time available, or at all, and the Rating Agency shall not be responsible for the consequences thereof;

(c) a Rating Agency Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the Covered Bonds forms a part; and

(d) a Rating Agency Confirmation represents only a restatement of the opinions given, and shall not be construed as advice for the benefit of any holder of Covered Bonds or any other party.

19.04 If a Rating Agency Confirmation or some other response by a Rating Agency is a condition to any action or step or is otherwise required under any Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to that Rating Agency by any of the Issuer, the Guarantor and/or the Bond Trustee, as applicable (each a "**Requesting Party**"), and either (i) the Rating Agency indicates that it does not consider such confirmation or response necessary in the circumstances or (ii) within 10 Business Days of actual receipt of such request by the Rating Agency, such request elicits no confirmation or response and/or such request elicits no statement by the Rating Agency that such confirmation or response could not be given, the Requesting Party will be entitled to disregard the requirement for a Rating Agency Confirmation or affirmation of rating or other response by the Rating Agency and proceed on the basis that such confirmation or affirmation of rating or other response by the Rating Agency is not required in the particular circumstances of the request. The failure by a Rating Agency to respond to a written request for a confirmation or affirmation shall not be interpreted to mean that such Rating Agency has given any deemed Rating Agency Confirmation or affirmation of rating or other response in respect of such action or step.

20 Indemnification of Bond Trustee and Bond Trustee contracting with the Issuer and/or the Guarantor

If, in connection with the exercise of its powers, trusts, authorities or discretions the Bond Trustee is of the opinion that the interests of the holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, the Bond Trustee shall not exercise such power, trust, authority or discretion without the approval by Extraordinary Resolution of such holders of the relevant Series of Covered Bonds then outstanding or by a direction in writing of such holders of the Covered Bonds of at least 25 per cent of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding.

The Trust Deed and the Security Agreements contain provisions for the indemnification of the Bond Trustee and for relief from responsibility, including provisions relieving the Bond Trustee from taking any action unless indemnified and/or secured to the satisfaction of the Bond Trustee. The Trust Deed and the Security Agreements also contain provisions pursuant to which the Bond Trustee is entitled, among other things: (i) to enter into business transactions with the Issuer, the Guarantor and/or any of their respective Subsidiaries and affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Guarantor and/or any of their respective Subsidiaries and affiliates; (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the holders of the Covered Bonds, Receiptholders or Couponholders or the other Secured Creditors; and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Loans or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organizations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Bond Trustee. The Bond Trustee will not be responsible for: (i) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Bond Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents; (iii) monitoring the Covered Bond Portfolio, including, without limitation, whether the Covered Bond Portfolio is in compliance with the Asset Coverage Test and/or the Amortization Test; or (iv) monitoring whether Loans and their Related Security satisfy the Eligibility Criteria. The Bond Trustee will not be liable to any holder of the Covered Bonds or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by reasonable and prudent institutional mortgage or hypothecary lenders in the Seller's or the applicable Originator's market in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.

21 Law and Jurisdiction

The Trust Deed, Agency Agreement, the Covered Bonds and Receipts, Coupons and Talons related thereto and the other Transaction Documents, except for the Origination Hypothecary Loan Sale Agreements, the Subservicing Agreement and certain Security Agreements, are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Origination Hypothecary Loan Sale Agreements may be governed by and construed in accordance with the laws of the Province of Ontario or the laws of the Province of Québec and the federal laws of Canada applicable therein. The Subservicing Agreement and certain Security Agreements are governed by and shall be construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

22 Terms and Conditions of Definitive N Covered Bonds

22.01 If in the applicable Final Terms it is specified that Definitive N Covered Bonds are issued, then the following Conditions shall apply in addition to the terms and conditions set out in Condition 1 through Condition 21 above. In the event of any inconsistency between Conditions 1 until and including 21 and this Condition 22, this Condition 22 will prevail with regard to Definitive N Covered Bonds.

22.02 *Interpretation*: For the purposes of this Condition 22, "**Holder**" means the registered holder of a Definitive N Covered Bond. Any reference herein to Holder in plural form shall constitute a reference to Holder in singular form. Any reference herein to Definitive N Covered Bond includes, unless the context otherwise requires, any new Definitive N Covered Bond that has been issued upon transfer of a Definitive N Covered Bond. With respect to Definitive N Covered Bonds, any applicable reference herein to Covered Bonds, Definitive Covered Bonds or Definitive N Covered Bonds in plural form shall constitute a reference to Covered Bond, Definitive Covered Bond or Definitive N Covered Bond in singular form. All grammatical and other changes required by the use of the each singular form shall be deemed to have been made herein and the provisions hereof shall be applied so as to give effect to such change.

22.03 *Currency and Principal Amount*: Definitive N Covered Bonds may be issued by the Issuer in a specified currency and in a principal amount as specified in the applicable Final Terms.

22.04 *Form*: Each Definitive N Covered Bond will be issued in registered form and signed manually by two authorized signatories of the Issuer and authenticated manually by or on behalf of the Registrar.

22.05 *Payment*: The Issuer is only obliged to perform its payment obligations owed to the Holder of a Definitive N Covered Bond upon the surrender of such Definitive N Covered Bond.

22.06 Transfer:

(a) The rights of the Holder evidenced by a Definitive N Covered Bond and title to a Definitive N Covered Bond itself will pass by absolute assignment between the transferor and transferee with notification thereof to the Issuer and registration in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, any applicable Agents and the Registrar shall deem and treat the registered Holder of a Definitive N Covered Bond as the absolute Holder thereof and of the rights evidenced thereby.

(b) The rights of the Holder evidenced by a Definitive N Covered Bond and title to a Definitive N Covered Bond itself shall be transferred upon the surrender of a Definitive N Covered Bond, together with the form of

assignment and notification duly completed and executed, at the specified office of the Registrar. In the case of a transfer of a Definitive N Covered Bond, a new Definitive N Covered Bond will be issued to the transferee upon request of the transferee.

(c) Each new Definitive N Covered Bond to be issued upon transfer of a Definitive N Covered Bond will, within seven Business Days of delivery of such Definitive N Covered Bond and the duly completed and executed form of assignment and notification, be available for collection at the specified office of the Registrar or, at the request of the Holder making such delivery and as specified in the relevant form of assignment, be mailed at the risk of the new Holder entitled to the new Definitive N Covered Bond to such address as may be specified in the form of assignment.

(d) Transfers will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment (or the giving of such indemnity as may be required from the Issuer, any applicable Agents or the Registrar) in respect of any tax, duty or other charges which may be imposed in relation to it.

(e) A Holder may not transfer a Definitive N Covered Bond (i) during the 15 Business Day period prior to the Final Maturity Date (and the 15 Business Day period prior to the Extended Due for Payment Date, as applicable) or (ii) after such Definitive N Covered Bond has been called for redemption.

22.07 *Redenomination*: Each Definitive N Covered Bond may be redenominated at the specified office of the Replacement Agent, subject to all applicable laws, upon such terms as to evidence and otherwise as the Issuer and the Replacement Agent may require. The original Definitive N Covered Bond must be surrendered before redenominated Definitive N Covered Bonds will be delivered therefor.

USE OF PROCEEDS

Unless otherwise specified in the applicable Final Terms, the net proceeds from each issue of Covered Bonds will be used by the Federation for the purpose of carrying out its functions as treasurer and financial agent of Desjardins Group including meeting the liquidity, loss absorbing capacity, regulatory capital and capital base diversification needs and requirements of Desjardins Group and offering financing, banking and international services to its clients and members, including institutions and organizations (governments, municipalities, school districts, etc.), large and medium size businesses and the various entities of Desjardins Group.

In addition, however, where it is stated in "*Proceeds*" in Part B of the applicable Final Terms that the net proceeds from the issue of the Covered Bonds (or an amount at least equal to such net proceeds) are intended to be applied to the financing and/or refinancing, in whole or in part, of Eligible Assets that, in each case, fall within the scope of the Green Assets Eligible Category or the Social Assets Eligibility Category (or a combination of both such categories) as outlined in the Federation's "*Sustainable Bond Framework*" that starts on page 135 of this Base Prospectus, the net proceeds from such Covered Bonds (or an amount at least equivalent to such net proceeds) will, as at the Issue Date, be intended to be used as so described.

SUSTAINABLE BOND FRAMEWORK

The Sustainable Bond Framework, its Four Core Components and Sustainable Covered Bonds

The Sustainable Bond Framework of Desjardins Group was established in April 2021 (as amended or supplemented from time to time, the "**Sustainable Bond Framework**") and has been drawn up by Desjardins Group in alignment with the International Capital Market Association ("**ICMA**") Green Bond Principles 2018, Social Bond Principles 2020 and Sustainability Bond Guidelines 2018 (together, the "**ICMA Principles**"). The following four core components of the ICMA Principles will, in accordance with the Sustainable Bond Framework, be adopted by the Federation in connection with the issue and offering of each of its Sustainable Covered Bonds (as defined below):

- Use of Proceeds;
- Process for Project Evaluation and Selection;
- Management of Proceeds; and
- Reporting.

The ICMA Principles are voluntary process guidelines that were developed by an industry working group administered by ICMA that recommend transparency and disclosure and are intended to promote integrity in the development of the green, social and sustainability bond markets by clarifying the approach for issuance of such bonds. Desjardins Group intends to review the Sustainable Bond Framework on a regular basis and may update or amend it, including as to the definition of Eligible Assets (as defined below). The Sustainable Bond Framework is, and any updates will be, available on the website of Desjardins Group at https://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/sustainable-bonds/index.jsp.

The Federation may, if so specified in the applicable Final Terms issue Covered Bonds under the Programme where an amount at least equivalent to the net proceeds of the issue of the Covered Bonds are intended to be applied, in part or in full, to the financing and/or refinancing of loans, investments or internal or external projects that, in each case, fall within the scope of the Green Assets Eligible Category and/or the Social Assets Eligibility Category (or a combination of both such categories) (**"Eligible Assets"**), each as outlined in the Sustainable Bond Framework and as described below.

The Sustainable Bond Framework designates Covered Bonds where an amount at least equivalent to the net proceeds of which are intended to be applied, in part or in full, to the financing and/or refinancing of Eligible Assets that fall within the scope of (i) the Green Assets Eligible Category, as "Green Bonds", (ii) the Social Assets Eligibility Category, as "Social Bonds" and (iii) both the Green Assets Eligible Category and the Social Assets Eligibility Category, as Sustainability Bonds. Green Bonds, Social Bonds and Sustainability Bonds are together referred to in this Base Prospectus as "Sustainable Covered Bonds".

The Green Asset Eligible Category and the Social Assets Eligible Category

The Green Assets Eligible Category consists of Eligible Assets that meet the eligibility criteria outlined in the Sustainable Bond Framework under the following eight categories:

- Renewable energy

- Energy Efficiency
- Green Buildings
- Clean Transportation
- Sustainable Food Production
- Environmentally Sustainable Management of Living Natural Resources and Land Use
- Sustainable Water and Wastewater Management
- Pollution Prevention and Control,

all as more fully described in the Sustainable Bond Framework, and the Social Assets Eligibility Category consists of Eligible Assets that meet the eligibility criteria outlined in the Sustainable Bond Framework under the following three categories:

- Affordable Housing
- Employment Generation through SME Financing
- Access to Essential Services,

all as more fully described in the Sustainable Bond Framework.

The Sustainable Bond Framework provides that general corporate loans may qualify as Eligible Assets where the recipient of the loan from any lender within the Desjardins Group derives at least 90 per cent. of its revenues from sources that fall within the scope of, and meet the eligibility criteria related to, the Green Assets Eligible Category and/or the Social Assets Eligibility Category.

Use of Proceeds

The Sustainable Bond Framework includes, however, that the net proceeds of any Sustainable Covered Bonds (or an amount at least equivalent thereto) will not be used to knowingly finance or refinance, in whole or in part, any loans, investments or internal or external projects covered by the "Exclusionary Criteria" outlined in the Sustainable Bond Framework which include, as of the date of this Base Prospectus, loans, investments or internal or external projects, the principal use of, or activity or focus of which, is linked to:

- tobacco
- thermal coal
- unconventional or nuclear weapons
- predatory lending
- gambling or
- adult entertainment.

The Sustainable Bond Framework provides, as at the date of this Base Prospectus, that an activity is deemed to be the principal activity of a business if such activity represents at least 90% of the revenue of such business.

The Sustainable Bond Framework outlines the intention of the Federation to allocate the net proceeds of any Sustainable Covered Bond (or an amount at least equivalent thereto) to Eligible Assets that have been originated no more than 36 months prior to the Issue Date of the relevant Sustainable Covered Bonds and it is the Federation's objective for an amount at least equivalent to the net proceeds of an issue of Sustainable Covered Bonds to be fully allocated within 24-months of the issuance of such Sustainable Covered Bonds.

Process for Project Evaluation and Selection

The board of directors of Desjardins Group has mandated a steering committee of senior managers from the business sectors and support functions of Desjardins Group to support and advise the management committee, and ultimately the board of directors, of Desjardins Group on sustainability issues (the "**ESG Steering Committee**"). The ESG Steering Committee is responsible for, amongst other items, reviewing environmental, social and governance position statements, assessing their inherent risks and alignment with Desjardins Group's strategic priorities, as well as establishing Desjardins Group's "sustainable bonds program".

The Sustainable Bond Framework, a key element of the sustainable bonds program of Desjardins Group and approved by the ESG Steering Committee, establishes Desjardins Group's Sustainable Finance Working Group (the "**SFWG**") that consists of senior representatives from the following departments of Desjardins Group:

- Corporate Treasury
- Sustainable Development and Responsible Finance
- Capital Markets
- Personal & Commercial Banking
- Group Risk Management
- Legal Affairs

The SFWG is chaired by Corporate Treasury and meets on a quarterly basis. The SFWG is responsible for regularly reviewing the Sustainable Bond Framework, reviewing, validating and documenting the pool of Eligible Assets, reporting annually to investors by means of the Sustainable Bond Report, reviewing the post-issuance external verification report in relation to the relevant Sustainable Covered Bonds and monitoring and resolving any issues that may arise in relation to an issue of Sustainable Covered Bonds.

Management of Proceeds

The net proceeds of the issue of Sustainable Covered Bonds will be deposited in the general funding accounts of the Federation. An amount at least equal to the net proceeds of such issue of Sustainable Covered Bonds will be earmarked for allocation to Eligible Assets to be included in a sustainable bond portfolio (the "**Sustainable Bond Portfolio**") established by the Federation in accordance with the Sustainable Bond Framework.

Any portion of the net proceeds of an issue of Sustainable Covered Bonds that have not been allocated to Eligible Assets will be held in line with the Federation's existing liquidity management guidelines until allocation to Eligible Assets. The Federation intends to fully allocate an amount at least equivalent to the net proceeds of any Sustainable Covered Bonds within a period of 24 months from the issue date of such Sustainable Covered Bonds.

Until the maturity of any Series of Sustainable Covered Bonds, in case of divestment or cancellation of an allocated asset, or if an allocated asset no longer meets the eligibility criteria of the Green Assets Eligible Category and/or the Social Assets Eligible Category, the Sustainable Bond Framework provides, as at the date of this Base Prospectus, that the Federation will use its best efforts to substitute as soon as practical (and, in any case, within 24 months) in place of such allocated asset a qualifying Eligible Asset.

Reporting

The Sustainable Bond Framework provides that Desjardins Group shall publish annually a sustainable bond report (the "**Sustainable Bond Report**") on its website at https://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/sustainable-bonds/index.jsp that shall include at least the following information:

(a) Net proceeds from each issue of Sustainable Covered Bonds

(b) Aggregate amount of proceeds allocated to each of the Green Assets Eligible Category and the Social Assets Eligible Category

(c) Allocation of proceeds by reference to the geographic location of Eligible Assets

(d) Split of allocated net proceeds between financing and refinancing of Eligible Assets

(e) Balance of unallocated net proceeds from the issue of Sustainable Covered Bonds

(f) Types and use of unallocated net proceeds from the issue of Sustainable Covered Bonds

Where feasible, the Sustainable Bond Report will include qualitative and, if reasonably practicable, quantitative environmental and social performance indicators. Performance indicators may change from year to year.

For the year ended December 31, 2022, Desjardins Group instructed a qualified external auditor to review the compliance of Eligible Assets with the eligibility criteria of the Green Assets Eligible Category and/or the Social Assets Eligible Category, the correct allocation of amounts at least equivalent to the net proceeds of the Sustainable Covered Bonds to Eligible Assets and the management of any such amounts that have not been allocated as aforesaid, in each case, in accordance with the Sustainable Bond Framework. The external auditor's report is available on the Desjardins Group's website at: https://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/sustainable-bonds/index.jsp.

Pursuant to the Sustainable Bond Framework, a second party opinion has been obtained from an appropriate second party opinion provider to provide an external review of the Sustainable Bond Framework and confirm its alignment with ICMA Principles. The second party opinion is available on the Federation's website at https://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/sustainable-bonds/index.jsp.

ANY WEBSITES INCLUDED OR REFERRED TO IN THIS BASE PROSPECTUS ARE FOR INFORMATION PURPOSES ONLY AND DO NOT FORM PART OF THIS BASE PROSPECTUS.

EXPENSES

Except as otherwise set out in the applicable Final Terms, expenses related to the issue and distribution of each Tranche of Covered Bonds will be paid as agreed in the Dealership Agreement.

PRO FORMA FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under this Base Prospectus.

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

Legal Entity Identifier: 549300B2Q47IR0CR5B54

C$26,000,000,000
Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
CCDQ COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP
(a limited partnership formed under the laws of Ontario)

[Notice Regarding Offers in the EEA and the UK

The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Covered Bonds in any Member State of the European Economic Area or in the United Kingdom will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation") or the Prospectus Regulation as it forms part of United Kingdom domestic law (the "UK Prospectus Regulation") by virtue of the European Union (Withdrawal) Act 2018, as amended (the "EUWA"), as applicable, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly, any person making or intending to make an offer in any Member State of the European Economic Area or in the United Kingdom of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or section 85 of the Financial Services and Markets Act 2000 (as amended) (the "FSMA"), as applicable, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or the UK Prospectus Regulation, as applicable, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Covered Bonds in any other circumstances.] [1]

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THESE FINAL TERMS. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

THE COVERED BONDS AND THE COVERED BOND GUARANTEE HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY OTHER SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE COVERED BONDS AND THE COVERED BOND GUARANTEE OR APPROVED THIS BASE PROSPECTUS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

The Guarantor is not now, and immediately following the issuance of the Covered Bonds pursuant to the Trust Deed will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the U.S. Bank Holding Company Act of 1956, as amended (the "**BHC Act**"), commonly known as the "Volcker Rule." In reaching this conclusion, although other statutory or regulatory exemptions under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and under the Volcker Rule and its related regulations may be available, the Guarantor has relied on the exemption from registration set forth in

[1] **If an issue of Covered Bonds is (i) NOT admitted to trading on regulated market in the EEA and (ii) only offered in the EEA or in the United Kingdom in circumstances where a prospectus is not required under the Prospectus Regulation or the UK Prospectus Regulation, as applicable, the Issuer will amend and/or delete all specific references to the Prospectus Regulation or the UK Prospectus Regulation, as applicable, contained in the Final Terms**.

Section 3(c)(5) of the Investment Company Act. See "Certain Volcker Rule Considerations" in the Base Prospectus dated December 19, 2023.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET - Solely for the purposes of [each/the] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [each/the] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018, as amended][the EUWA] ("**UK MiFIR**"); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**UK distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

"[[**NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME** (the "**SFA**") – [*[To insert notice if product classification of the Covered Bonds is not "capital markets products other than prescribed capital markets products" pursuant to Section 309B of the SFA or "Specified Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*][2].]]"

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**")][EUWA]; (ii) a customer within the meaning of the provisions of the [Financial Services and Markets Act 2000 (as amended) (the "**FSMA**")][FSMA] and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 (as amended) as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of [Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA][the UK Prospectus Regulation]. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[2] Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

PART A—CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated December 19, 2023 [and the supplement[s] to the Base Prospectus dated ●] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus [and the supplement to the Base Prospectus[es]], together with these Final Terms and all documents incorporated by reference therein, [is] [are] available for viewing at, and copies may be obtained from the registered office of the Issuer at, 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5, on the website of the Issuer at https://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/ccd-covered-bonds-terms-access/, and at the offices of the Issuing and Paying Agent, The Bank of New York Mellon, London Branch, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom. The Base Prospectus [and the supplement to the Base Prospectus[es]] and these Final Terms have also been published on the website of Euronext Dublin available at https://live.euronext.com/.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date:

"Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [December 19, 2022] [December 21, 2021] [December 21, 2020] [December 20, 2019] [December 19, 2018] [December 21, 2017] and the supplements to it dated [March 2, 2023, March 21, 2023, May 18, 2023, August 16, 2023 and November 15, 2023] [March 9, 2022, March 15, 2022, May 13, 2022, August 17, 2022 and November 16, 2022] [March 23, 2021, May 19, 2021, July 6, 2021, August 18, 2021, September 16, 2021 and November 17, 2021] [March 5, 2020, March 16, 2020, April 15, 2020, May 18, 2020, August 14, 2020, September 14, 2020 and November 18, 2020] [January 4, 2019, March 6, 2019, March 20, 2019, May 17, 2019, August 15, 2019 and November 18, 2019] [March 6, 2018, March 20, 2018, May 18, 2018, August 16, 2018, September 14, 2018 and November 16, 2018] which are incorporated by reference in the Base Prospectus dated December 19, 2023 and the supplements to it which, together, constitute a base prospectus (the "**Base Prospectus**") for the purposes of [Regulation (EU) 2017/1129 (As amended) (the "**Prospectus Regulation**")] / [the Prospectus Regulation]. This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 8 of the Prospectus Regulation, and must be read in conjunction with the Base Prospectus, including the Conditions which are incorporated by reference in the Base Prospectus in order to obtain all relevant information. [The Base Prospectus [and the supplement to the Base Prospectus [es]], together with these Final Terms and all documents incorporated by reference therein, [is] [are] available for viewing at, and copies may be obtained from the registered office of the Issuer at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5, and at the offices of the Issuing and Paying Agent, The Bank of New York Mellon, London Branch, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom. The Base Prospectus and these Final Terms have also been published on the website of Euronext Dublin available at https://live.euronext.com/."]

1.	(i)	Issuer:	Fédération des caisses Desjardins du Québec (the "**Federation**" or the "**Issuer**")
	(ii)	Guarantor:	CCDQ Covered Bond (Legislative) Guarantor Limited Partnership
2.	[(i)] Series Number:		[ ]
	[(ii) Tranche Number:		[ ]
	[(iii) Date on which Covered Bonds became fungible:		[Not Applicable/The Covered Bonds shall be consolidated, form a single series and be interchangeable for trading purposes with [ ] on [[ ]/the Issue Date/[exchange of the Temporary Global Covered Bonds for interests in the Permanent Global Covered Bonds, as referred to in paragraph [ ] below], which is expected to occur on or about [ ]]
3.	Specified Currency or Currencies: (Condition 1.10)		[ ]
4.	Aggregate Principal Amount:		[ ]
	[(i)] Series:		[ ]

	[(ii) Tranche:	[ ]
5.	Issue Price:	[ ]% of the Aggregate Principal Amount [plus accrued interest from [ ]]
6.	(a) Specified Denominations:	[ ]
	(Condition 1.08 or 1.09)	
	(b) Calculation Amount:	[ ]
7.	(i) Trade Date:	[ ]
	(ii) Issue Date:	[ ]
	(iii) Interest Commencement Date:	[ ]/[Issue Date]/[Not Applicable]
8.	(i) Final Maturity Date:	[ ]/[Interest Payment Date falling in or nearest to [ ]
	(ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	[ ]/[Interest Payment Date falling in or nearest to [ ]
9.	Interest Basis:	[ ]] per cent Fixed Rate]
		[[SONIA]/[SOFR]/[€STR]/[SARON]] [[ ] EURIBOR] [[+/–] [ ] per cent.] Floating Rate] (further particulars specified in Item 16 below)
		[Zero Coupon]
10.	Redemption/Payment Basis:	[Redemption at par] [Hard Bullet Covered Bond] [Instalment]
11.	Change of Interest Basis:	[If Item 8(ii) is applicable, Applicable. See Item 9 above.]/[Not Applicable]
12.	Put/Call Options:	[Investor Put]
		[Issuer Call]
		[(further particulars specified in Items 18 and 19 below)]
13.	[Date [Board] approval for issuance of Covered Bonds obtained:	[ ] [and [ ], respectively]]
14.	Method of distribution:	[Syndicated] [Non-Syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Covered Bond Provisions: (Condition 5.02)	[Applicable/Not Applicable]
	(i) Rate[(s)] of Interest:	[ ] per cent per annum [payable [annually/semi-annually/ quarterly/monthly] in arrears on each Interest Payment Date]
	(ii) Interest Payment Date(s):	[ ] in each year [adjusted [for payment date purposes only] in accordance with the Business Day Convention/not adjusted] up to and including the [Final Maturity Date] [Extended Due for Payment Date, if applicable] (provided however that after the Extension Determination Date, the Interest Payment Date shall be monthly)
	(iii) Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/ Modified Business Day Convention/ Preceding Business Day Convention/ FRN Convention/ Eurodollar Convention]/[Not Applicable]

	(iv) Fixed Coupon Amount[(s)]:	[ ] per Calculation Amount
	(v) Broken Amount(s):	[ ] per Calculation Amount, payable on the Interest Payment Date falling [on/or] [ ]/[Not Applicable]
	(vi) Day Count Fraction:	[Actual/Actual *or* Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 *or* Eurobond Basis 30/360 *or* 360/360 *or* Bond Basis 30E/360 (ISDA) Actual/Actual (ICMA) *or* Act/Act (ICMA)]
	(vii) Determination Dates:	[[ ] in each year] /[Not Applicable]
	(viii) Financial Centre(s):	[ ]
	(ix) Business Day(s):	[ ]
16.	Floating Rate Covered Bond Provisions: (Condition 5.03)	[Applicable/Not Applicable]
	(i) Interest Period(s):	[[ ] [subject to adjustment in accordance with the Business Day Convention specified in (iii) below] [not subject to any adjustment as the Business Day Convention specified in (iii) below is specified to be Not Applicable]]/[Not Applicable]
	(ii) Specified Interest Payment Dates:	[[ ] [subject to adjustment in accordance with the Business Day Convention specified in (iii) below] [not subject to any adjustment as the Business Day Convention specified in (iii) below is specified to be Not Applicable] [(provided however that after the Extension Determination Date, the Specified Interest Payment Date shall be monthly)]]/[Not Applicable]
	(iii) Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
	(iv) Financial Centre(s):	[ ]
	(v) Business Day(s):	[ ]
	(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent):	[ ]
	(viii) Screen Rate Determination:	[Applicable]/[Not Applicable]
	— Reference Rate:	[SONIA/SOFR/€STR/SARON]/[[ ]-month] [[ ] [EURIBOR]
	— Compounded SOFR Convention:	[Observation Shift Convention][SOFR Index Convention][Not Applicable]
	—Calculation Method:	[Compounded Daily Rate/Compounded Index Rate]/[Not Applicable]
	— Observation Method:	[Lag][Shift] [Not Applicable][3] *(in respect of SONIA Compounded Daily Rate)*

[3] The Observation Method shall be "Not Applicable" if Compounded Index Rate is specified.

— Observation Look-Back Period:	[[ ] London Banking Day(s) [T2 Business Days]/[[] Zurich Banking Days]] [Not Applicable]] *[to be completed for SONIA where Lookback Convention applies and for €STR and SARON]*
— Observation Shift Period:	[ ] (*number of U.S. Government Securities Business Days in the Observation Shift Period*)
— SOFR Index Observation Period:	[ ] (*number of U.S. Government Securities Business Days in the SOFR Index Observation Period*)
— Relevant Number:	[ ]/[Not Applicable] *(in respect of SONIA Compounded Index Rate)*
— Interest Determination Date(s):	[Second London Banking Day prior to the start of each Interest Period] [first day/first London Banking Day of each Interest Period] [[ ] [T2/[ ]] Business Days [in [ ]] prior to the [ ] day in each Interest Period/each Interest Payment Date][[ ] London Banking Days prior to the end of each Interest Period] [ ] [Fifth Zurich Banking Day prior to the end of each Interest Period] [[] U.S. Government Securities Business Days prior to each Interest Payment Date] [[] T2 Business Days prior to the end of each Interest Period]
— Relevant Screen Page:	[ ]
— SONIA Compounded Index:	[ ]/[Not Applicable] *(If applicable, repeat the definition of SONIA Compounded Index specifying any relevant Screen Page and its time of publication and including definition of Screen Page where necessary)* *(Only relevant to Floating Rate Covered Bonds that reference SONIA and specify "Compounded Index Rate" as the calculation method)*
— Relevant Time:	[ ]
— Reference Banks:	[ ] [Not Applicable]
— 2021 ISDA Definitions:	[Not Applicable] [Appplicable]
— Financial Centre(s):	[Euro-zone, Central European Time]/[Not Applicable]
(ix) ISDA Determination:	[Issue is [Fixed Rate/Fixed Amount/Floating Rate/Floating Amount] Payer] / [Not Applicable]
— Floating Rate Option:	[ ] *(if "2021 ISDA Definitions" is selected ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions)*
— Designated Maturity:	[ ]
— Reset Date:	[ ]
— Averaging:	[Applicable] [Not Applicable]
— Averaging Method:	[Overnight Averaging:] [Applicable] [Not Applicable] [Averaging with Lookback [Lookback:] [[ ] Applicable Business Days]] [Averaging with Observation Period Shift [Observation Period Shift:] [[ ] Observation Period Shift Business Days]

		[Set-in-Advance:] [Applicable] [Not Applicable]] [Observation Period Shift Additional Business Days:] [[ ] [Not Applicable]] [Averaging with Lockout [Lockout:] [[ ] Lockout Period Business Days] [Lockout Period Business Days:] [[ ] Applicable Business Days]]
	— 2021 ISDA Definitions:	[Not Applicable][Applicable]
	— Applicable Benchmark	[ ][Not Applicable]
	— Fixing Day:	[ ][Not Applicable]
	— Fixing Time:	[ ][Not Applicable]
	— Any other terms relating to the 2021 ISDA Definitions:	[ ][Not Applicable]
	(x) Margin(s):	[+/-][ ] per cent per annum
	(a) Linear Interpolation (Condition 5.10)	[Not Applicable]/[Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
	(xi) Minimum Rate of Interest: (Condition 5.05)	[ ] per cent per annum/[Not Applicable]
	(xii) Maximum Rate of Interest: (Condition 5.05)	[ ] per cent per annum/[Not Applicable]
	(xiii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 *or* Eurobond Basis 30/360 *or* 360/360 *or* Bond Basis 30E/360 (ISDA) Actual/Actual (ICMA) *or* Act/Act (ICMA)]
17.	Zero Coupon Covered Bond Provisions:	[Applicable/Not Applicable]
	(i) Amortization Yield:	[ ] per cent per annum
	(ii) Reference Price:	[ ]
PROVISIONS RELATING TO REDEMPTION		
18.	Call Option (Condition 6.03):	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[ ]
	(ii) Optional Redemption Amount(s) of each Covered Bond:	[ ] per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[ ] per Calculation Amount
	(b) Maximum Redemption Amount:	[ ] per Calculation Amount
	(iv) Notice period:	[ ]
19.	Put Option (Condition 6.06):	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[ ]

	(ii) Optional Redemption Amount(s) of each Covered Bond:	[ ] per Calculation Amount
	(iii) Notice period:	[ ]
20.	Final Redemption Amount of each Covered Bond:	[ ] per Calculation Amount
21.	Early Redemption Amount:	[ ] per Calculation Amount
	Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default: (Conditions 6.02, 6.13 or 7)	

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

22.	Form of the Covered Bonds:	[Bearer Covered Bonds:] [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds only on not less than 60 days' notice/after an Exchange Event] [Temporary Global Covered Bond exchangeable for Bearer Definitive Covered Bonds [and/or Registered Definitive Covered Bonds]on [ ] days' notice] [Permanent Global Covered Bond exchangeable for Bearer Definitive Covered Bonds only on not less than 60 days' notice/after an Exchange Event] [The Covered Bonds and all rights in connection therewith are documented in the form of a Global Covered Bond which shall be deposited with SIX SIS Ltd. or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the Global Covered Bond has been deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Covered Bonds will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Each holder of the Covered Bonds shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Global Covered Bond to the extent of the holder's claim against the Issuer, provided that for so long as the Global Covered Bond remains deposited with the Intermediary the co-ownership interest shall be suspended and the Covered Bonds may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by entry of the transferred Covered Bonds in a securities account of the transferee. The records of the Intermediary will determine the number of Covered Bonds held through each participant in that Intermediary. In respect of the Covered Bonds held in the form of Intermediated Securities, the holders of the Covered Bonds will be the persons holding the Covered Bonds in a securities account. Holders of the Covered Bonds do not have the right to effect or demand the conversion of the Global Covered

		Bond into, or the delivery of, uncertificated securities (*Wertrechte*) or Definitive Covered Bonds (*Wertpapiere*). The Global Covered Bond shall not be exchangeable in whole or in part for definitive bearer Covered Bonds.] [Registered Covered Bonds:] [Registered Covered Bonds registered in the name of a nominee for [a common depositary for Euroclear and/or Clearstream, Luxembourg/a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg (that is, held under the NSS]] [Registered Covered Bonds held only through the book-based system of CDS Clearing and Depositary Services Inc. ("CDS") and exchangeable only after an Exchange Event.] [Regulation S Global Covered Bond (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/CDS/a common depositary for Euroclear and Clearstream, Luxembourg] and exchangeable on [ ] days' notice/at any time/only after an Exchange Event/Rule 144A Global Covered Bond (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/CDS/a common depositary for Euroclear and Clearstream, Luxembourg] and exchangeable on [ ] days' notice/at any time/only after an Exchange Event/Definitive IAI Registered Covered Bonds (specify nominal amounts) /Definitive N Covered Bonds, issued to each holder by Definitive N Covered Bonds Deed. Specified office of Issuer for notification of transfers of Definitive N Covered Bonds: [Frankfurt office, [address]/other]] [Definitive IAI Registered Covered Bond]
23.	New Global Covered Bond:	[Yes] [No]
24.	Exclusion of compensation and set-off:	[Not Applicable]/[Condition 9.15 applies]
25.	Financial Centre(s) or other special provisions relating to payment dates:	[ ]/[Not Applicable]
26.	Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): (Condition 1.06)	[Yes, as the Covered Bonds have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
27.	Details relating to Instalment Covered Bonds: amount of each instalment, date on which each payment is to be made: (Condition 6.12)	(i) Instalment Amount: [Not Applicable/[ ]] (ii) Instalment Date: [Not Applicable/[ ]]

THIRD PARTY INFORMATION

[ ] has been extracted from [ ]. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.] / [Not Applicable]

Signed on behalf of the Issuer:

By: _____
Duly authorized

By: _____
Duly authorized

Signed on behalf of the Managing GP for and on behalf of the Guarantor:

By: _____
Duly authorized

By: _____
Duly authorized

PART B—OTHER INFORMATION[4]

1. **LISTING**

(i) Listing/Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to the Official List of Euronext Dublin and to trading on Euronext Dublin's Regulated Market with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to the Official List of Euronext Dublin and to trading on Euronext Dublin's Regulated Market with effect from [ ].] [Not Applicable.]
[(ii) Estimate of total expenses related to admission to trading:	[ ]]

2. **RATINGS**

The Covered Bonds to be issued are expected to be rated:

Ratings:

Moody's: Aaa Fitch: AAA

[Brief explanation of the meaning of the ratings if this has been published previously by the rating provider]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

[[Save as discussed in ["*Subscription and Sale and Transfer and Selling Restrictions*"], so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.] [The [Managers/Dealers] and their affiliates have engaged, and may in future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer[[,/ and] the Guarantor] and [its/their] affiliates in the ordinary course of business for which they received or will receive customary compensation and, as applicable, without regard to the Issuer, the Bond Trustee, the Holders of the Covered Bonds or the Guarantor.] [Not Applicable]

4. **[FIXED RATE COVERED BONDS ONLY—YIELD**

Indication of yield based on the Issue Price:	[ ] [in respect of the period from (and including) the Issue Date to (but excluding) the Final Maturity Date]

5. **DISTRIBUTION**

(i) Stabilizing Manager(s) (if any):	[Not Applicable] [*Specify names]*
(ii) U.S. Selling Restrictions:	[Regulation S compliance Category 2;] [TEFRA C Rules apply] [TEFRA D Rules apply] [TEFRA Rules not applicable] [Rule 144A eligible/sales to Institutional Accredited Investors under the Securities Act permitted]
(iii) Additional Selling Restrictions:	[Not Applicable]/[The Covered Bonds may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada]/[Covered Bonds may only be offered, sold or distributed by the Managers on such basis and in such provinces of Canada as, in each case, are agreed with the Issuer and in compliance with any applicable securities laws of Canada or any province, to the extent applicable]

[4] If an issue of Covered Bonds is (i) NOT admitted to trading on regulated market in the EEA and (ii) only offered in the EEA in circumstances where a prospectus is not required under the Prospectus Regulation, the Issuer will amend and/or delete certain of the above paragraphs of Part B.

	(iv) Singapore sales to institutional and accredited investors only	[Applicable/Not Applicable]
	(v) Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
	(vi) Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]
6.	**OPERATIONAL INFORMATION**	
	(i) ISIN Code:	[ ]
	(ii) Common Code:	[ ]
	(iii) CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
	(iv) FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] *(If the CFI and/or FISN is not required or requested as at the completion of the Final Terms, it/they should be specified to be "Not Applicable" while if it/they are not available as at the completion of the Final Terms, it/they should be specified to be "Not Available".)*
	(v) [insert here any other relevant codes such as CUSIP and CINS codes)]	[ ]
	(vi) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking SA or DTC or CDS, their addresses and the relevant identification number(s):	[Not Applicable/[ ]]
	(vii) Delivery:	Delivery [against/free of] payment
	(viii) Name(s) and address(es) of initial Paying Agent(s), Registrars, Exchange Agent and Transfer Agents:	[ ]
	(ix) Name(s) and address(es) of additional or substitute Paying Agent(s) or Transfer Agent(s):	[ ]
	(x) Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[Include this text if "yes" selected, in which case Bearer Covered Bonds must be issued in NGCB form]* [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common

safekeeper)]. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. **UNITED STATES TAX CONSIDERATIONS**

[Not applicable]/[[*For Covered Bonds issued in compliance with Rule 144A:*][For U.S. federal income tax purposes, the Issuer intends to treat the Covered Bonds as [original issue discount Covered Bonds/fixed-rate debt/fixed-rate debt issued with original issue discount/contingent payment debt instruments, [for which purpose, the comparable yield relating to the Covered Bonds will be ● per cent. compounded [semi-annually/quarterly/monthly], and that the projected payment schedule with respect to a Covered Bond consists of the following payments: ●/for which purpose, the comparable yield and the projected payment schedule are available by contacting ● at ●]/variable rate debt instruments/variable rate debt instruments issued with original issue discount/foreign currency Covered Bonds/foreign currency Covered Bonds issued with original issue discount/foreign currency contingent payment debt instruments, [for which purpose, the comparable yield relating to the Covered Bonds will be ● per cent. compounded [semi-annually/quarterly/monthly], and that the projected payment schedule with respect to a Covered Bond consists of the following payments: ●/for which purpose, the comparable yield and the projected payment schedule are available by contacting ● at ●]/short-term Covered Bonds.]]

[*For a Qualified Reopening of Covered Bonds issued in compliance with Rule 144A:*][Qualified Reopening. The issuance of the Covered Bonds should be treated as a "qualified reopening" of the Covered Bonds issued on ● within the meaning of the Treasury regulations governing original issue discount on debt instruments (the "OID Regulations"). Therefore, for purposes of the OID Regulations, the Covered Bonds issued in this offering should be treated as having the same issue date and the same issue price as the Covered Bonds issued on ● and should [not] be considered to have been issued with original issue discount for U.S. federal income tax purposes.]

8. **PROCEEDS**

[(i).	Use of net proceeds:	[As specified in the Base Prospectus] / [The net proceeds from the issue of the Covered Bonds are intended, as of the Issue Date, to be applied [by the Issuer to the financing and/or refinancing, in whole or in part, of loans, investments or internal or external projects that fall within the scope of the [Green Assets Eligible Category] [and/or] [Social Assets Eligible Category] as outlined in the section of the Base Prospectus titled "Sustainable Bond Framework" (the "**Eligible Assets**") and such Covered Bonds will therefore be Sustainable Covered Bonds [- Green Bonds] [- Social Bonds] [- Sustainability Bonds]] [its general corporate purposes] []] [See the sections of the Base Prospectus titled "Use of Proceeds" and "Sustainable Bond Framework" and the risk factor titled "*Covered Bonds issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds" may not be a suitable investment for all investors seeking exposure to green, social or sustainable assets*" for further information] (*If the reason for the offer is different from as specified in the Base Prospectus, Sustainable Covered Bonds or general corporate purposes, then such specific reason will need to be included here.*)
[ii]	Estimated net proceeds:	[●]

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

The information appearing below is supplemented by the more detailed information contained in the documents incorporated by reference in this Base Prospectus. See section entitled "Documents Incorporated by Reference" on page 73 of this Base Prospectus.

The Fédération des caisses Desjardins du Québec is a federation of financial services cooperatives that was amalgamated on January 1, 2017 pursuant to the amalgamation under the Cooperatives Act. The registered head office and principal place of business of the Federation is located at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5 and the telephone contact number is +1 514 281-7000.

The Federation may also identify itself in French under the name of "Fédération des caisses Desjardins". The Federation is a cooperative entity that is responsible for assuming orientation, framework, coordination, treasury and development activities for Desjardins Group and acts as a financial agent in Canadian and international financial markets. It provides its member caisses with a variety of services, including certain technical, financial and administrative services. It acts as a monitoring and control organization for the caisses and its mission includes risk management and capital management for Desjardins Group, as well as ensuring the financial health and sustainability of the Groupe coopératif Desjardins (comprised of the Desjardins Caisses in Québec, the Federation and the *Fonds de sécurité Desjardins*) pursuant to the Cooperatives Act. The Federation had 208 member caisses in Québec as at September 30, 2023 as well as one member caisse outside of Québec, the Caisse Desjardins Ontario Credit Union Inc. A number of its subsidiaries are active across Canada, and the Federation maintains a presence in the U.S. through Desjardins Bank, National Association, and the Desjardins Florida Branch.

Through the provision of the technical, financial and administrative services and, in addition, the exercise of its control and supervisory functions, each as described above, the Federation assists the caisses and other Desjardins Group components to develop at a faster pace, and better respond to the needs of their members and clients. The Federation's structure has been designed to take into account the needs of Desjardins Group's members and clients, as well as the markets in which it operates.

The Federation is, among other things, the treasurer and official representative of Desjardins Group with the Bank of Canada and the Canadian banking system. The Federation also has the right to participate in the Visa Inc. and MasterCard Inc. payment systems in Canada on behalf of Desjardins Group. In addition, it manages, through affiliated holding companies, majority interests in other corporations.

Subsidiaries

The main components and subsidiaries of the Federation include:

- Collabria Financial Services Inc., which is a credit card and payment solutions issuer;
- Desjardins Financial Services Firm Inc., which offers mutual fund brokerage and financial planning services;
- Desjardins Capital Management Inc., which provides development and venture capital fund management;
- Desjardins Financial Holding Inc., a holding company which is notably the parent company or the shareholder of:
    - Desjardins Trust Inc., which is active in asset custody and trust services;
    - Desjardins Real Estate Group Inc., which provides property and workspace management;
    - Desjardins Shared Services Group Inc., which provides administrative services;
    - Desjardins Technology Group Inc., which is responsible for the development, maintenance and modernization of Desjardins Group technology;
    - Aviso Wealth LP, a wealth management company jointly owned by Desjardins Group and CU CUMIS Wealth Holdings LP, a limited partnership formed under the laws of the Province of Ontario, comprised of five provincial credit union centrals and CUMIS Group;
    - Desjardins Securities Inc., which offers securities brokerage products and services and is notably the parent company of Desjardins Investment Management Inc., which acts as investment manager;
    - 9420-7404 Québec inc., which is active in the real estate services sector and operates mainly the brands EspaceProprio, DuProprio, RenoAssistance and Confia;
- Desjardins Financial Corporation Inc., a holding company which is notably the parent company of:

- Desjardins Global Asset Management Inc., a group of investment experts that mainly manages the assets from insurance subsidiaries and items whose management is entrusted to it by other subsidiaries of Desjardins Group;
- Desjardins General Insurance Group Inc., which offers property and casualty insurance products;
- Desjardins Financial Security Life Assurance Company which offers life and health insurance products and financial services; and
- Worldsource Group of Companies inc., which specializes in independent insurance, mutual fund and securities distribution operations and is the parent company of IDC Worldsource Insurance Network Inc., Worldsource Financial Management Inc., Worldsource Securities Inc. and Worldsource Wealth Management (2023) Inc.

The Federation manages various funds in accordance with the provisions of the by-laws of the Federation.

The Federation, through its wholly-owned subsidiary Desjardins FSB Holdings, Inc. (a small bank holding company incorporated under U.S. laws), holds all of the capital stock of Desjardins Bank, National Association (licensed with and supervised by the OCC). The Federation also operates a branch in the State of Florida under the name Desjardins Florida Branch (licensed and supervised by the OCC).

Regulation and Control

The Cooperatives Act specifically provides that "*no one is the holder of control of a financial services cooperatives […] or of any other group that confers voting rights on a one member, one vote basis*". As a member of the Federation, each Desjardins Caisse (as defined below) in Québec is entitled to receive notice and to be represented at general and/or special meetings of the Federation by one or more delegates, based on the number of members of each such Desjardins Caisse. Each delegate is entitled to one vote at the Federation's meetings. The board of directors of the Federation is currently comprised of nineteen (19) members, twelve (12) of which are directors elected at the Federation's annual general meeting. The seven (7) other members of the board of directors of the Federation are the president and chief executive officer and six (6) directors appointed by the other directors of the Federation. The president and chief executive officer of Desjardins Group and the Federation is also elected by an electoral college made up of representatives of the Desjardins Caisses from all of Quebec and Ontario.[5] As a result of, among other things, the foregoing, the Desjardins Caisses exercise a collective influence over the Federation, but the Desjardins Caisses do not control individually or collectively the Federation.

Desjardins Group's activities are primarily governed by the Cooperatives Act and the Insurers Act. The Minister of Finance of Québec is responsible for the application of the Cooperatives Act and the AMF is in charge of its administration. The AMF performs monitoring and control functions over financial institutions. Among its responsibilities, the AMF supervises and inspects deposit-taking institutions (other than banks) and insurance companies operating in Québec, including the caisses in Québec and the Federation. In particular, it is responsible for administering the Cooperatives Act and performing the duties and exercising the powers conferred upon it under the Cooperatives Act. The AMF may issue orders to ensure implementation of the Cooperatives Act and any regulations adopted by the government of Québec. Other regulations issued provincially, federally or by regulators may also govern some operations of Desjardins Group entities, such as regulations of OSFI relating to property and casualty insurance, asset custody and trust services.

Regulatory requirements

(a) Financial solidarity within the Groupe coopératif Desjardins

The Cooperatives Act contains a chapter concerning the Groupe coopératif Desjardins which is comprised of the Desjardins Caisses in Québec, the Federation and the *Fonds de sécurité Desjardins*, and recognizes the financial solidarity mechanisms within the cooperative group. Under the Cooperatives Act, one of the Federation's missions is namely to ensure risk and capital management within Desjardins Group as well as the Group's financial health and sustainability. To that end, the Federation and the *Fonds de sécurité Desjardins* are granted special powers of supervision and intervention for ensuring the protection of creditors, including depositors. In addition, the Federation can, in accordance with its mission and when it considers that the Groupe coopératif Desjardins' financial situation warrants it, issue written instructions to any caisse or order it to adopt and implement a compliance program.

[5] At the Federation's annual general meeting of March 24 and 25, 2023, the delegates of the Desjardins Caisses from Quebec and Ontario approved a proposal to separate the roles of the chair of the board of directors and the President and chief executive officer of Desjardins Group. On June 22, 2023, Desjardins Group's Board of Directors announced that Guy Cormier would assume the role of President and CEO starting in March 2024, when this separation of leadership roles at the head of Desjardins Group will come into effect. Consequently, as part of the implementation of such proposal, no later than March 2026, the president and chief executive officer of Desjardins Group will be selected by the Federation's Board of Directors as opposed to elected by an electoral college.

In order to ensure adequate financing for the performance of the Federation's missions and the provisioning of the reserves necessary to maintain a sound financial position, each Desjardins caisse (including the Caisse Desjardins Ontario Credit Union Inc.) (a "**Desjardins Caisse**" and, collectively, the "**Desjardins Caisses**") is required to pay an annual assessment – contribution to the Groupe coopératif Desjardins for each fiscal year, which annual assessment – contribution to the Groupe coopératif Desjardins is fixed by the Federation's Board of Directors under the Cooperatives Act and the By-laws of the Federation. This annual assessment - contribution to the Groupe coopératif Desjardins enables, among other things, the development of the Federation, the financing of its operations and the positive provisioning of its reserves so as to ensure the sustainability of the Federation and the Groupe coopératif Desjardins. In addition to the annual assessment – contribution to the Groupe coopératif Desjardins required from the Desjardins Caisses determined by resolution of the Board of Directors of the Federation (the "**Board of Directors**") in accordance with the Cooperatives Act and its By-laws, the Federation may, under the Cooperatives Act and by resolution of its Board of Directors, make such assessments as it deems necessary for the performance of its missions. Under the Cooperatives Act, the Desjardins Caisses in Québec are bound to pay these assessments.

As for the *Fonds de sécurité Desjardins*, it must namely ensure that the distribution of capital and other assets among the components of the Groupe coopératif Desjardins allows each of them to perform its obligations to the depositors and other creditors in full, correctly and without delay. Among other things, the Cooperatives Act gives it the right to fix and collect assessments from the Groupe coopératif Desjardins entities. The *Fonds de sécurité Desjardins* requires and collects assessments from the Quebec caisses each year. It is also required to intervene in respect of a financial services cooperative of the Groupe coopératif Desjardins each time it appears necessary to do so in order to protect the cooperative's creditors. In such circumstances, the *Fonds de sécurité Desjardins* may order the transfer of any part of the business of a caisse, order the amalgamation or dissolution of caisses or form a legal person to facilitate the liquidation of bad assets of a caisse. Moreover, the *Fonds de sécurité Desjardins* may pool the cost of its interventions among financial services cooperatives that are part of the Groupe coopératif Desjardins. In addition, if it considers that its financial resources are insufficient to fulfil its mission, it may set and require any component of the Groupe coopératif Desjardins to make a special assessment. Without superseding the provisions of the Cooperatives Act and subject to exceptional circumstances, the *Fonds de sécurité Desjardins* intervenes only after a caisse has taken action to rectify a problematic situation and the Federation has intervened, in accordance with the Federation's support and intervention process and the framework for evaluating the caisses' financial performance.

The Cooperatives Act also provides that the Desjardins Caisses in Québec, the Federation and the *Fonds de sécurité Desjardins* may only be wound up by amalgamating all such entities into a single legal person to be wound-up. The Cooperatives Act expressly provides that the Issuer, the *Fonds de sécurité Desjardins* and the Desjardins Caisses in Québec may not be wound up other than in accordance with the Cooperatives Act. Consequently, in a liquidation scenario, the capital of the Groupe coopératif Desjardins as a whole (and, indirectly, of Desjardins Group), as opposed to the capital of the Issuer only and/or of the individual Desjardins Caisses in Québec only, is available to satisfy the Issuer's obligations to creditors or the obligations of the individual Desjardins Caisses in Québec to creditors.

The Cooperatives Act also imposes various duties and specific obligations upon the directors and officers of financial services cooperatives that belong to the Groupe coopératif Desjardins. Notably, directors and officers of a financial services cooperative that belongs to the Groupe coopératif Desjardins are duty bound towards their cooperatives and towards the *Fonds de sécurité Desjardins* to act with prudence and diligence in the performance of their duties, as well as with honesty and loyalty and in the interests of such cooperative and of the Groupe coopératif Desjardins as a whole. Where the interest of the cooperative does not correspond to the interest of the Groupe coopératif Desjardins, directors and officers of such cooperative must favour the interest of the latter. In determining whether something is in the interest of the Groupe coopératif Desjardins, the Groupe coopératif Desjardins must be considered as a single legal person comprising the cooperatives (including the Federation and the Québec caisses) and the *Fonds de sécurité Desjardins* that is included in this group, even though the group is not a legal person.

The assessment and intervention powers of the Federation and the *Fonds de sécurité Desjardins*, combined with the universal liquidation mechanism and the primacy of the interests of the Groupe coopératif Desjardins (as described above), are the basic principles of the financial solidarity mechanisms, which are one of the key elements of the financial structure of Desjardins Group and the Groupe coopératif Desjardins.

The Deposit Institutions and Deposit Protection Act also provides a framework for the supervision and control of deposit taking activities and the activities of authorized deposit-taking institutions, as well as settlement and resolution mechanisms in the event of default by deposit-taking institutions, which are part of the Groupe coopératif Desjardins. For more information, see the subsection entitled "*Internal recapitalization (bail-in) regime and total loss absorption capacity*" below.

None of the solidarity mechanisms described under this section "*Regulatory requirements – Financial solidarity within the Groupe coopératif Desjardins*" or elsewhere in this Base Prospectus should in any way be construed as a guarantee of the Covered Bonds. Purchasers of Covered Bonds will not have any rights as third party beneficiaries or otherwise in connection therewith and will not have any right to benefit from any guarantee or any other form of credit support or receive any other payment in respect of the Covered Bonds from, in each case, any members of Desjardins Group or any other affiliate of the Federation. The Covered Bonds

will not be obligations of, or be guaranteed by, Desjardins Group or any of its members, subsidiaries or affiliates, other than the Federation and, after a Covered Bond Guarantee Activation Event, the Guarantor.

(b) Internal recapitalization (bail-in) regime and total loss absorption capacity

The Deposit Institutions and Deposit Protection Act and its regulations, as well as certain other laws, regulations and guidelines, collectively provide for a resolution process and internal recapitalization (bail-in) regime for domestic systemically important financial institutions belonging to a cooperative group. The objective of resolution operations, including the bail-in regime, is to ensure the sustainability of the operations of deposit institutions belonging to a cooperative group despite their failure, without resorting to public funds, and to have holders of contributed capital securities and creditors absorb losses, thereby minimizing taxpayer exposure to the losses.

Among other resolution operations, the AMF may (i) amalgamate the cooperative group and have it continued as one Québec savings company, (ii) establish a bridge institution in order to have it assume the liabilities, in relation to deposits of money, of deposit institutions belonging to the cooperative group, (iii) establish an asset management company with a view to transferring any part of the assets or liabilities of a legal person belonging to the cooperative group to such asset management company, except liabilities in relation to deposits of money, and/or (iv) transfer the assets and liabilities of a legal person belonging to the cooperative group to any acquirer.

In addition, in the event any deposit institution belonging to the cooperative group becomes non-viable, the AMF may convert any part of the capital shares issued by the deposit institutions belonging to the Groupe coopératif Desjardins and/or of certain other debt securities prescribed by regulation issued by the Federation into contributed capital securities of the Federation, of a deposit institution belonging to the Groupe coopératif Desjardins, or of another legal person otherwise constituted for such purpose or resulting from the resolution process of the Groupe coopératif Desjardins. Covered bonds, certain derivatives and structured notes, senior unsubordinated debt instruments that (i) have a maturity of 400 days or less (including explicit or embedded extension options) or (ii) are not assigned an international securities identification number (ISIN) or other similar designation for the purposes of trading and settlement, and subordinated notes that are non-viability contingent capital instruments are all excluded from the application of the bail-in regime. Holders of converted capital shares or debt instruments may be eligible for indemnification as set forth under applicable regulations.

The AMF released on March 21, 2019 the *Notice relating to the bail-in power set out in the second paragraph of section 40.50 of the Deposit Insurance Act* (now the Deposit Institutions and Deposit Protection Act), which clarifies the AMF's current intention with respect to the application of the bail-in regime. In this context, the AMF plans to convert negotiable and transferable unsecured debt into capital shares of the Federation in accordance with the conversion measures set out in the regulations. The AMF would then carry out an amalgamation/continuance operation, the purpose of which would be to amalgamate the entities belonging to the Groupe coopératif Desjardins and have them continued as one Québec savings company.

The bail-in regime applicable to Desjardins Group is substantially similar to the Canadian federal regime to which Canadian domestic systemically important banks are subject. In addition, the bail-in regime is not retroactive in respect of debt instruments and does not apply to any debt instruments issued prior to March 31, 2019.

Furthermore, the AMF's Guideline on total loss absorbing capacity (the "**TLAC Guideline**") applies to and establishes standards for Desjardins Group in this regard. As a result, since April 1, 2022, Desjardins Group has been required to maintain at all times a minimum loss absorbing capacity composed of unsecured external long-term debt that meets the prescribed criteria or regulatory capital instruments to support its recapitalization in the event of a default.

(c) Regulatory Capital and Capital Management

Desjardins Group's capital management is the responsibility of the Federation's Board of Directors. To support it with this task, it has mandated the Management Committee, through the Finance and Risk Management Committee, to ensure that Desjardins Group, including the Federation, has a sufficient capital base. The Finance Executive Division is responsible for preparing a capitalization plan on an annual basis to forecast capital trends, devise strategies and recommend action plans for achieving a capital target structure.

Capital management is crucial to the financial management of Desjardins Group. Its goal is to ensure the financial health and the sustainability of Groupe coopératif Desjardins. To maintain a level and structure of capital that allows Desjardins Group to preserve its members' and clients' trust while optimizing capital cost, the organization established a capital target structure that takes into account regulatory requirements of the banking industry, Desjardins' ambitions for maintaining its credit ratings, as well as the risk profile of the organization and of its components. The target capital structure is annually reviewed and approved by the Federation's Board of Directors depending on the evolution of the foregoing factors. In fact, in November 2023, the Federation's Board of Directors approved a new target for Tier 1A capital, which was previously set at 15%. The AMF issued, on September 16, 2020, a

notice to the effect that the capital ratios of the Federation must be calculated based on the exposure of all the entities that form Desjardins Group.

Desjardins Group's capital ratios are expressed as a percentage of regulatory capital to risk-weighted assets and are calculated according to the base capital adequacy guideline for financial services cooperatives issued by the AMF (the "**Guideline**"). This Guideline takes into account the global regulatory framework for more resilient banks and banking systems (Basel III) issued by the Bank for International Settlements.

Under this framework, a minimum amount of capital must be maintained on a combined basis by all the Desjardins Group components. Some of these components are subject to separate requirements regarding regulatory capital, liquidity and funding, which are set by regulatory authorities governing trusts, credit unions, insurers and securities, in particular. Desjardins Group oversees and manages the capital requirements of these entities to ensure efficient use of capital and continuous compliance with the applicable regulation.

In this regard, it should be mentioned that the life and health insurance subsidiary under provincial jurisdiction is subject to the Capital Adequacy Requirements Guideline (CARLI) issued by the AMF. The property and casualty insurance subsidiaries under provincial jurisdiction must comply with the Guideline on Capital Adequacy Requirements issued by the AMF. The property and casualty insurance subsidiaries under federal jurisdiction must comply with the OSFI's Minimum Capital Test Guideline for federally regulated property and casualty insurance companies.

For the purpose of calculating capital ratios, Desjardins Financial Corporation Inc., the holding corporation that mainly includes the insurance companies, has been deconsolidated and presented as a partial capital deduction under the rules for significant investments stated in the Guideline. Furthermore, Desjardins Financial Corporation Inc. is subject to the AMF's CARLI guideline.

The capital ratios are calculated according to the Guideline and are expressed as a percentage of regulatory capital against risk-weighted assets. Designated as a domestic systemically important financial institution by the AMF, Desjardins Group must meet a minimum Tier 1A capital ratio of 8%. In addition, the Tier 1 capital ratio and the total capital ratio must be above 9.5% and 11.5%, respectively. The AMF may also, at its discretion, set higher target capital ratios where circumstances warrant. To this end, since March 31, 2019, the AMF can activate the countercyclical buffer if it considers that excessive credit growth is associated with a build-up of system-wide risks. According to this assessment, a countercyclical buffer requirement ranging between 0% and 2.5% of the total risk-weighted assets would be put in place when circumstances warrant. This requirement would be released when that risk has dissipated or materialized.

Under the TLAC Guideline, the AMF expects Desjardins Group to maintain a risk-based TLAC capital ratio of at least 21.5% of risk-weighted assets as well as a TLAC leverage ratio of at least 6.75% at the level of the resolution group, which is deemed to be Desjardins Group excluding Caisse Desjardins Ontario Credit Union Inc. For this purpose, Desjardins Group started issuing TLAC-eligible debt on October 1, 2019.

The AMF further requires that Desjardins Group maintains a leverage ratio above 3.5%. This ratio is determined by dividing Tier 1 capital by the exposure measure. The exposure measure is independent of risk and includes: (1) on-balance sheet exposures, (2) securities financing transaction exposures, (3) derivative exposures and (4) off-balance sheet items.

(d) U.S. Regulations

Desjardins Bank, National Association (DB N.A.), a wholly owned subsidiary of Desjardins FSB Holdings, Inc. (DFSBH), is authorized to carry on banking operations as a national banking organization under the charter issued to it by the OCC, an independent office of the United States Department of the Treasury and the regulator that oversees it. The American operations of DFSBH, a bank holding company and wholly owned subsidiary of the Federation, are subject to the supervisory and regulatory authority of the Federal Reserve Bank of Atlanta. The Federation also operates a branch in Florida, namely Desjardins Florida Branch (DFLB), that has been given the status of a Limited Federal Branch of a Foreign Banking Organization by the OCC. DFLB is subject to regulation by the International Banking Supervision division of the OCC's Large Banks Supervision department. Desjardins Group is governed by the BHC Act, as amended by the Dodd-Frank Act, and the U.S. Federal Reserve regulations. On October 22, 2015, the Board of Governors of the U.S. Federal Reserve System determined that Desjardins Group, the Federation and DFSBH may each be treated as a Financial Holding Company (FHC). To maintain the status of FHC, Desjardins Group must continue to demonstrate that the subject entities of Desjardins Group remain "well capitalized" and "well managed" in accordance with the established standards and regulations of the U.S. Federal Reserve.

In accordance with U.S. Federal Reserve policies, the Federation must be a source of financial solidity for DB N.A. U.S. federal laws limit DB N.A.'s capacity to make certain transactions with affiliates of Desjardins Group. Each of these transactions is limited to an amount equal to 10% of DB N.A.'s capital and the total amount of all such transactions may not exceed an amount equal to

20% of its capital. In addition, such transactions should be subject to terms as favourable to DB N.A. as those entered into with unrelated third parties.

Principal Business

The Federation enables the Desjardins Caisses and other Desjardins Group components to accelerate their development and better meet the needs of their members and clients. Furthermore, the Federation provides financial services to Desjardins Group, governments, public and parapublic sector institutions, individuals as well as medium-sized and large businesses. It meets the financial needs of Desjardins Caisses and other Desjardins Group components. The Federation's mandate is to provide institutional funding for the Desjardins network and to act as financial agent, in particular by supplying interbank exchange services, including clearing house settlements. Its activities in Canadian and international markets complement those of other Desjardins Group entities. The Federation sets standards for business practices of the Desjardins Caisses, capital and assets management, complaint handling and dispute resolution, investment activities and provisions for doubtful debts and contingent losses as part of its supervisory and control functions.

The Federation's structure has been designed to accommodate the needs of Desjardins Group members and clients, as well as the markets in which it operates. Accordingly, the Federation, the caisse network in Québec and Caisse Desjardins Ontario Credit Union Inc. can leverage three key business segments—Personal and Business Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance—to increase their ability to develop their products and services.

Personal and Business Services

The Personal and Business Services segment is central to Desjardins Group's operations. With a comprehensive, integrated line of products and services designed to meet the needs of individual and businesses members, institutions, non-profit organizations and cooperatives, Desjardins Group is a leader in financial services in Québec and is present on the financial services scene in Ontario as well.

Desjardins's service offering includes everyday financial management, savings products, payment services, wealth management, financing, specialized services, access to capital markets, risk and development capital, business ownership transfers and advisory services, and through its distribution network, life and health insurance and property and casualty insurance products.

To meet the constantly-changing needs of caisse members and clients, Desjardins Group offers its services through the caisse network and the Desjardins Business centres, the Signature Service centres, as well as through complementary distribution networks and specialized teams, in person, by phone, online, via applications for mobile devices, and at ATMs.

Wealth Management and Life and Health Insurance

The Wealth Management and Life and Health Insurance segment combines different categories of service offers aimed at growing and protecting the assets of Desjardins Group members and clients. These offers are intended for individuals, businesses and their employees.

The segment designs several lines of individual insurance (life and health) coverage products and investment solutions. The segment also includes asset management and trust services for institutional clients. This segment is among the Canadian leaders in responsible investing and responsible insurance.

The greatest strengths of the segment include its vast and diversified Canada-wide distribution networks, which are mainly comprised of:

- Desjardins caisse network;
- Desjardins agent networks;
- Desjardins Financial Security Life Assurance Company partner networks;
- External insurance and investment solutions networks; and
- Actuarial consulting firms and brokers

To meet members' and clients' needs and preferences, certain product lines are also distributed directly via client relations centres, online or through applications for mobile devices. Online services are constantly being fine-tuned so that they properly meet clients' changing requirements.

The Wealth Management and Life and Health Insurance segment also includes operations resulting from the acquisition of the assets of investment firm Hexavest Inc., which serves a primarily institutional clientele located mainly in Canada and also internationally.

Property and Casualty Insurance

The Property and Casualty Insurance segment offers insurance products providing coverage for Desjardins Group members and clients against damage and loss. It includes the operations of Desjardins General Insurance Group Inc. and its subsidiaries. Desjardins General Insurance Group Inc. offers a personal line of automobile and property insurance products across Canada and also provides businesses with insurance products.

Its products are distributed through property and casualty insurance agents in the Desjardins caisse network in Québec and at Caisse Desjardins Ontario Credit Union Inc., the Desjardins Business centres, a number of client care centres (call centres), through an exclusive agent network of close to 500 agencies in Ontario, Alberta and New Brunswick. This exclusive agents network distributes property and casualty insurance and several other financial products. Members and clients also have access to a multitude of services online and via applications for mobile devices.

Desjardins General Insurance Group Inc., which has more than 3.7 million clients, markets its products to the Canada-wide individual and business market under the Desjardins Insurance banner, and to the group market—including members of professional associations and unions, and employers' staff—under The Personal banner.

Other Category

The other category includes financial information that is not specific to a business segment. It mainly includes treasury activities and financial intermediation between the caisses' liquidity surpluses or needs, as well as orientation and organizational activities for Desjardins Group, including finance, administration, risk management, human resources, communications, marketing and the Desjardins Group Security Office.

This category also includes the operations of Desjardins Technology Group Inc., which encompasses all of Desjardins Group's IT operations. In addition to various adjustments required to prepare interim combined financial statements, intersegment balance eliminations are classified in this category.

Competition

The Federation's main competitors include the major Canadian banks and insurance companies that do businesses in all of the Canadian provinces.

Personal Services and Business and Institutional Services

In 2022, the Canadian financial industry comprised some 81 domestic and foreign banking institutions, as well as 426 savings and loan cooperatives, almost half of which belonged to Desjardins Group. The major industry players are focusing primarily on client experience, access to services and proactive advice. The fight for market share is therefore very fierce, since all players are adopting strategies aimed at intensifying business relations with their clients and getting to know them better.

Wealth Management and Life and Health Insurance

The wealth management industry and the life and health insurance industry are complementary because their aim is to provide products and services that will increase the net worth of Canadian households and give them the coverage they need. The financial assets held by Canadian households totaled close to $6,472 billion at the end of 2021, up by 15.8% in 2021, growing annually at 8.6% on a compound basis over the past ten years.

All major banking groups as well as life and health insurance and investment fund companies have a wealth management division that designs and distributes diversified financial products and services to meet the investment and financial, tax and estate planning needs of the Desjardins Group's client bases, including affluent and wealthy clients. These clients have specific needs, and their expectations are high, leading major players in the industry to outdo each other in terms of ingenuity in order to win them over and build their loyalty.

Given such high and complex needs, financial advisors still play a key role in providing relevant information, making sales and maintaining relationships. Nevertheless, the industry is proactively meeting certain clients' desire for self-directed products and

diversifying ways to access services by using virtual and mobile interfaces. This will continue to be a major challenge over the next few years and is why an increasing number of competitors are developing digital offers both in Canada and globally.

Property and Casualty Insurance

The Canadian P&C insurance industry offers insurance coverage for motor vehicles, personal and commercial property, and public liability. The Canadian P&C insurance market is a mature market, with an average annual premium growth rate of 8.5% over the past five years. In 2021, direct premiums written on the Canadian market totalled $68.9 billion, up 7.6% since 2020, as a result in particular of high rates in home insurance and in commercial insurance, which was partially offset by a slowdown in growth in automobile insurance due to changes in driving habits caused by the COVID-19 pandemic. Across Canada, individual insurance accounted for 58.4% of the market, and business insurance accounted for 41.6%.

Insurer's proposals continue to be increasingly developed through digital channels in the Canadian industry. The Canadian market has been continuing to develop quickly, driven by technological innovations, changes in expectations and consumer behaviour as well as the advent of new business models. Insurers are starting to position themselves in response to recent trends such as InsurTech or the sharing economy. For example, since the beginning of the COVID-19 pandemic, Desjardins Group's P&C Insurance segment has seen a sharp increase in telematics programs in the industry. Insurers are turning more and more towards artificial intelligence and advanced analytics, using them mainly in the areas of distribution, underwriting, claims and fraud prevention. The impact of climate change is a major factor affecting the P&C insurance industry.

Capital markets

In the capital markets, the Federation competes on two fronts. It competes with other institutional issuers (corporate, government and financial institution issuers) for raising funds among institutional investors. The Federation is active on both short and long term markets. It has funding programmes in place in Canada, the United States, Europe and Australia and issues debt securities in various currencies under the Programme and its Global Medium-term Notes Programme. The Federation is an active player in the CMHC's securitization programs. The Federation also offers treasury products, such as loans and investments, derivative and foreign exchange products, corporate banking, investment banking, securities sales and trading services as well as advice to its clients in the institutional, corporate and public sectors (in the domestic market) and as such competes with other providers of these products and services, notably the major Canadian financial institutions. By major Canadian financial institutions the Federation refers primarily to the "Big Six" Schedule I banks which all have significant capital markets operations that constitute the bulk of the Canadian market.

Financing markets

The Federation is active in several financing markets. In this role, it is an active participant in the Canadian corporate loan syndication market (with a strong emphasis on the Province of Québec). It also offers loans and banking services to mid-sized companies and public and parapublic institutions, mostly in Québec.

In both markets, it competes primarily with other Canadian financial institutions. Based on its presence in the Province of Québec, the Federation has a significantly higher share of these markets in the Province of Québec than in other provinces where it is a minor player.

Directors of the Federation

The following table sets forth as of the date of this Base Prospectus the name and province of residence in Canada, position held within Desjardins Group and principal activity outside the Federation of each member of the Board of Directors of the Federation.

Name and Province of Residence	**Position Held within Desjardins Group**	**Principal Activity Outside the Federation**
BABINEAU, Louis, DBA, ASC Québec, Canada	Director of *Caisse Desjardins de Sainte-Foy* Chair of the Board of Directors of Desjardins General Insurance Group Inc. Chair of the Risk Management Commission of the Federation	Professor, Project Management, UQAR, Lévis campus

	Chair of the Risk Management Commission of Desjardins Trust	
BACHAND, Luc, MBA, ICD.D, FICB Québec, Canada		Corporate Director Retired from the Financial and Banking sector
BAILLARGEON, Lisa, PhD, MBA, CPA, C.Adm., ICD.D Québec, Canada	Chair of the Board of *Caisse Desjardins Charles-LeMoyne* Chair of the Board of Directors of *Développement international Desjardins inc.* Vice-Chair of the Board of Desjardins Security Fund	Director, *Institut du Patrimoine* and Full Professor, UQAM Formely: Professor and co-lead researcher at the Chair in museum governance and culture law at UQAM. Vice-Dean of Studies at UQAM, Director, Department of Accounting Sciences ESG-UQAM
BARIL-FURINO, Jordan, MBA Québec, Canada	Second Vice-Chair of the Board of Directors, *Caisse Desjardins de l'Ouest-de-l'Île*	National Operations Director at GardaWorld
CHARBONNEAU, Johanne, FCPA, FCGA, MBA, C. Dir. Ontario, Canada	Vice-Chair and Lead Director of the Board of Directors of the Federation Vice-Chair of the Board of Directors of Desjardins Trust Vice-Chair of the Board of Directors of Desjardins Financial Corporation Chair of the Corporate Governance and Responsible Finance Commission Chair of the Committee on the Aggregate Remuneration of the President and CEO of Desjardins Group Chair of the Review Committee of Desjardins Trust	Corporate Director Retired from the telecommunications sector
CÔTÉ, Francine, CPA, CISA, ASC, C.Dir. Ontario, Canada	Chair of the Board of Directors of Caisse Desjardins Ontario Credit Union	Corporate Director
CÔTÉ, Geneviève, ASC, C.Dir. Québec, Canada	Chair of the Board of *Caisse de la Culture*	Lawyer *Frilance Édition inc. (Frilance Conseil)* (owner) Formerly: Director of the Festival international de la chanson de Granby Lecturer, Faculty of Arts, UQAM Business Chief Québec and visual arts, SOCAN

CORMIER, Guy, B.B.A., MBA Québec, Canada	President and CEO, Desjardins Group[6] Chair of the Board of Directors of the Federation Chair of the Board of Directors of Desjardins Trust Chair of the Executive Committee of the Federation Chair of the Board of Directors of Desjardins Financial Corporation Chair of the Board of Directors of Alphonse Desjardins Historical Society Chair of the Board of Directors of Desjardins FSB Holdings Chair of the Board of Directors of Desjardins Foundation	President and CEO, Desjardins Group
GRENIER, André, AGR Québec, Canada	Vice-Chair of the Board of *Caisse Desjardins de l'Érable* Chair of the Board of Directors of Desjardins Security Fund	Professional agrologist and agricultural business management consultant
GROULX, Nadine Québec, Canada	Chair of the Board of *Caisse Desjardins des Verts-Sommets de l'Estrie* Secretary of the Board of Directors of Desjardins Financial Corporation Chair of the Desjardins Financial Corporation Board of Ethics and Professional Conduct Secretary, Desjardins FSB Holdings Board of Directors Desjardins Representative and Chair of the *Conseil québécois de la cooperation et de la mutualité*	Agricultural entrepreneur, Ferme Miroc Inc. and Érablière Ferme des Sources
JODOIN, Dominique, MBA, MSc. Québec, Canada	Director, Desjardins Trust Vice-Chair, Desjardins FSB Holdings Vice-Chair, Alphonse Desjardins Historical Society Vice-Chair, Desjardins Foundation	President and Executive Director and co-founder of NoviFlow Inc. (networking and cybersecurity solutions)

[6] At the Federation's annual general meeting of March 24 and 25, 2023, the delegates of the Desjardins Caisses from Quebec and Ontario approved a proposal to separate the roles of the chair of the board of directors and the President and chief executive officer of Desjardins Group. On June 22, 2023, Desjardins Group's Board of Directors announced that Guy Cormier would assume the role of President and CEO starting in March 2024, when this separation of leadership roles at the head of Desjardins Group will come into effect. Consequently, as part of the implementation of such proposal, no later than March 2026, the president and chief executive officer of Desjardins Group will be selected by the Federation's Board of Directors as opposed to elected by an electoral college.

LAJEUNESSE, Élaine, CFA, FCAS, FCIA, ICD.D Ontario, Canada		Founder and Coach for Eldal Executive Coaching
LAPIERRE, Maryse, LLB, DDN, ASC Québec, Canada	Director, *Caisse populaire Desjardins des Remées* Secretary of the Board of Directors of the Federation Secretary of the Board of Directors of Desjardins Foundation Secretary of the Board of Directors of Alphonse Desjardins Historical Society Chair of the Cooperation and Culture Commission	Notary in private practice
LAPORTE, Jean-François, MBA, C.Dir., ASC Québec, Canada	Vice-Chair of the Board of *Caisse Desjardins de la Pommeraie*	Corporate Director Retired from the industrial and manufacturing sector
LATULIPPE, Denis, FCIA, MBA, MSc, ASC Québec, Canada		Retired Professor Formely: professor in Actuarial Science, School of Actuarial Science of the Faculty of Science and Engineering of Laval University
MAGNAN, Michel, PhD, FCPA, FCA, ASC, C.Dir. Québec, Canada	Chair of the Desjardins Financial Corporation Audit and Risk Committee Chair of the Audit and Inspection Commission of the Federation Chair of the Audit Committee, Desjardins Trust	Distinguished Research Professor and Stephen A. Jarislowsky Chair in Corporate Governance from the John Molson School of Management at Concordia University
PARHON, Paula, ASC, C.Adm.	Director, *Caisse Desjardins de Beauport*	Independent strategic consultant, Services Conseils Parhon inc. (owner)
ROUSSEAU, Serge Québec, Canada	Director, *Caisse Desjardins du Carrefour des lacs* Vice-Chair, Desjardins Financial Security Board of Directors Director, Desjardins Trust Chair of the Human Resources Commission	General Manager, *CPE Parc-en-ciel* (Early Childhood Care Services)
SARRAZIN-SULLIVAN, Patricia-Ann, Architect, C.Adm. Québec, Canada	Vice-Chair of the Board of Directors of *Caisse Desjardins du Plateau-Mont-Royal*	Founder Architect, Sarrazin-Sullivan, Architecte inc.

	Formely: Architect and business owner of Box architectures sencrl (9061-7408 Québec Inc.), an architectural firm

The business address of all of the directors is the registered office of the Issuer, 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.

As at the date of this Base Prospectus, there are no potential conflicts of interests between any duties owed to the Federation by the directors and the private interests and/or external duties owed by these individuals.

Capital Structure

As at the date of this Base Prospectus, the Federation's authorized capital stock comprises the following qualifying shares and capital shares:

An unlimited number of qualifying shares with a par value of $5. These shares can only be issued to members of the Federation and are redeemable only at the Board of Directors' option under certain conditions stipulated in the by-laws.

An unlimited number of H Capital Shares having a par value of $1 and an unlimited number of F Capital Shares and of Z Shares — contingent capital ("**Z Capital Shares**") having a par value of $10. F Capital Shares can be issued only to members of the Desjardins Caisses in Québec, including their auxiliary members, while H Capital Shares can be issued only to members of the Federation in connection with a conversion of capital shares related to an investment fund. Z Capital Shares may be issued to any person pursuant to the Cooperatives Act, but only upon conversion of contingent capital instruments in the event of non-viability or at the discretion of the Federation after such conversion. The Federation has the right, by resolution of the Board of Directors and with the AMF's authorization, to redeem, at any time, unilaterally, all or part of the F Capital Shares and Z Capital Shares, if any. The Federation may also at any time, subject to applicable laws, and with the authorization of the AMF, redeem all or part of the F Capital Shares and Z Capital Shares, if any, by private agreement. The Federation has the right, by resolution of the Board of Directors, to redeem, at any time, unilaterally, all or part of the H Capital Shares. The Federation may, at any time, purchase all or part of the H Capital Shares by private agreement. In addition, all or part of the H Capital Shares may be converted at any time, by resolution of the Board of Directors, into another class of shares issued for such purpose. The rate of interest on F Capital Shares, H Capital Shares, and Z Capital Shares, if applicable, is determined by the Board of Directors of the Federation and the latter approves annually the surpluses that may be allocated to the payment of interest on these capital shares. The return of capital and the payment of interest on F, H and Z Capital Shares, if applicable, are subject to compliance conditions.

The holders of qualifying shares and capital shares of the Federation are not entitled to notice of or to attend or vote at meetings of the Federation's members.

Material Contracts

The Federation has not entered into any contracts outside the ordinary course of the Federation's business which could result in it or any member of Desjardins Group being under an obligation or entitlement that is material to the Federation's ability to meet its obligations in respect of any Covered Bonds to be issued by the Federation other than, with respect to any Covered Bonds, the contracts described in "*Subscription and Sale and Transfer and Selling Restrictions*", "*Terms and Conditions of the Covered Bonds*" and "*Summary of the Principal Documents*".

Issuer Credit Ratings

Desjardins Group's credit ratings impact its capacity to access sources of financing from financial markets, as well as the terms of such financing. They are also taken into account during certain Desjardins Group transactions involving counterparties.

The credit rating agencies assign credit ratings and the related outlooks based on their methodologies, which comprise a number of evaluation criteria, including factors, which are beyond Desjardins Group's control. The agencies evaluate Desjardins Group on a combined basis and take into account its capitalization, its consistent financial performance, its significant market share in Québec and the quality of its assets. Consequently, the credit ratings of the Federation, a reporting issuer, are backed by the financial strength of Desjardins Group.

As of the date of this Base Prospectus, the four credit rating agencies (Moody's, S&P, DBRS and Fitch) assigned credit ratings to the Federation.

As of the date of this Base Prospectus, the Issuer has been assigned the following credit ratings in respect of its senior medium- and long-term debt (which includes senior debt issued on or after March 31, 2019, subject to conversion under the recapitalization regime applicable to the Issuer):

- A1 by Moody's;
- A- by S&P;
- AA- by Fitch; and
- AA (low) by DBRS.

As of the date of this Base Prospectus, the Issuer has also been assigned the following credit ratings in respect of its short term senior debt:

- P-1 by Moody's;
- A-1 by S&P;
- F1+ by Fitch; and
- R-1 (high) by DBRS.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the issuing rating agency. Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issuance of securities. It is recommended that prospective purchasers of any Covered Bond consult the rating agencies to familiarize themselves with the interpretation and significance of the provisional ratings shown above. The above ratings should not be construed as recommendations to buy, sell or hold on to any Covered Bond. Ratings may be revised or withdrawn at any time by the credit rating agencies. As is customary, the Federation paid fees to the aforementioned credit rating agencies for credit rating services rendered, and other rating agencies received fees for other services rendered during the last two financial years. The Federation expects to pay similar fees to them in the future.

Each of S&P, Moody's, Fitch and DBRS, is established outside of the European Union or the UK but its respective Registered CRA affiliate: (i) is established in the European Union or the UK; (ii) is registered under the applicable CRA Regulation; and (iii) has indicated an intention to endorse the credit ratings of S&P, Moody's, Fitch or DBRS, respectively. See also "*Credit Rating Agencies*" on page 7.

In accordance with Article 4.1 of the CRA Regulations, please note that each of the Investor Reports (page 1 of each such report) (as defined in the section entitled "*Documents Incorporated by Reference*") incorporated by reference in this Base Prospectus contains references to credit ratings from the same rating agencies.

DESJARDINS GROUP

The information appearing below is supplemented by the more detailed information contained in the documents incorporated by reference in this Base Prospectus. See section entitled "Documents Incorporated by Reference" on page 73 of this Base Prospectus.

Founded in 1900, Desjardins Group is an institutional network of financial services cooperatives. It is the largest financial cooperative in North America, with assets of $414.1 billion as at September 30, 2023. As at September 30, 2023, the organization included 208 caisses in Québec, Caisse Desjardins Ontario Credit Union Inc., the Federation and its subsidiaries, and the *Fonds de sécurité Desjardins*. A number of its subsidiaries and components are active across Canada, and Desjardins Group maintains a presence in the United States through Desjardins Bank, National Association, and the Desjardins Florida Branch. Desjardins Group's "Personal and Business Services", "Wealth Management and Life and Health Insurance" and "P&C Insurance" business segments offer a full range of financial services to members and clients designed to meet their needs. As one of the largest employers in Canada, Desjardins Group capitalizes on the skills of over 57,700 employees and the commitment of close to 2,370 directors in the caisse network. Desjardins Group is not a legal entity itself but is the term used to describe the numerous legal entities that form the group, as more fully described in this section.

The Québec caisses are autonomous legal entities organized as financial services cooperatives governed by the Cooperatives Act and grouped together as members of the Federation. Under the Cooperatives Act, every Québec caisse must be a member of the Federation to be initially constituted and to maintain its existence. In general, the members of the caisses are residents of Canada. Desjardins Group also includes Caisse Desjardins Ontario Credit Union Inc., the *Fonds de Sécurité Desjardins*, Desjardins Capital Inc., Desjardins Financial Holding Inc. and its subsidiaries, notably, Desjardins Trust Inc., Desjardins Real Estate Group Inc., Desjardins Shared Services Group Inc., Desjardins Technology Group Inc., Aviso Wealth LP (jointly owned by Desjardins Group and CU CUMIS Wealth Holdings LP, a limited partnership formed under the laws of the Province of Ontario comprised of five provincial credit union centrals and CUMIS Group), Desjardins Securities Inc., which is notably the parent company of Desjardins Investment Management Inc., 9420-7404 Québec inc. (which manages the brands, EspaceProprio, DuProprio, RenoAssistance and Confia), and Desjardins Financial Corporation Inc., a holding company, and its own subsidiaries, notably Desjardins General Insurance Group Inc., Desjardins Global Asset Management Inc., Desjardins Financial Security Life Assurance Company, and Worldsource Group of Companies inc. (which specializes in independent insurance, mutual fund and securities distribution operations and is the parent company of IDC Worldsource Insurance Network Inc., Worldsource Financial Management Inc., Worldsource Securities Inc. and Worldsource Wealth Management (2023) Inc.).

The Federation is the cooperative entity responsible for strategic policy, oversight, coordination, treasury and development activities for Desjardins Group, while serving as a financial agent in Canadian and international financial markets. It provides its member caisses with a variety of services, including certain technical, financial and administrative services. The Cooperatives Act gives the Federation broad normative powers to act as a supervisory and control body for the Desjardins Caisses in Québec and to carry out, among other things, its mission to manage the risks, capital, assets and liquidity of Desjardins Group and to ensure the financial health and sustainability of the Groupe coopératif Desjardins. The Federation is responsible for inspecting the Desjardins Caisses and for adopting a satisfactory standard for the content of the financial reports. The Federation is managed by its Board of Directors and the Board of Ethics and Professional Conduct in the manner contemplated by the Cooperatives Act. The AMF is the governmental regulatory agency responsible for the annual inspection and supervision of Desjardins Group's and the Federation's financial disclosure controls and procedures.

The assessment powers, the liquidation mechanism and the Federation's role in Desjardins Group (all of which are described above under "*Fédération des caisses Desjardins du Québec - Regulation and Control*" on page 153 of this Base Prospectus) enables the Federation to achieve higher credit ratings than would otherwise apply to it as a stand-alone entity. Desjardins Group is also important to the Federation in that a portion of the Federation's cash flows and income is derived from its lending and other relationships with the other members of Desjardins Group, including on interest and other payments from the caisses and the other members of Desjardins Group. Accordingly, while any payments under the Covered Bonds are obligations of the Federation only and accordingly are not obligations of the other members of Desjardins Group, Desjardins Group's overall strength is nonetheless important information for investors.

For a detailed description of Desjardins Group performance, please see the DG 2022 Annual Report incorporated by reference in this Base Prospectus.

COVERED BONDS ISSUED UNDER THE PROGRAMME ARE OBLIGATIONS OF THE FEDERATION ONLY AND ARE NOT OBLIGATIONS OF THE OTHER MEMBERS OF DESJARDINS GROUP, OTHER THAN, AFTER A COVERED BOND GUARANTEE ACTIVATION EVENT, THE GUARANTOR. THE FACT THAT THE DESJARDINS CAISSES ARE REQUIRED TO FUND THE FEDERATION BY WAY OF ASSESSMENTS MADE BY THE FEDERATION BY LAW OR OTHERWISE IS NOT IN ANY WAY A GUARANTEE OF THE COVERED BONDS, AND

INVESTORS IN THE COVERED BONDS WILL NOT HAVE ANY RIGHTS AS THIRD PARTY BENEFICIARIES OR OTHERWISE IN CONNECTION THEREWITH AND WILL NOT HAVE ANY RIGHT TO BENEFIT FROM ANY GUARANTEE OR ANY OTHER FORM OF CREDIT SUPPORT OR RECEIVE ANY OTHER PAYMENT IN RESPECT OF THE COVERED BONDS FROM, IN EACH CASE, ANY MEMBER OF DESJARDINS GROUP OR ANY OTHER AFFILIATE OF THE FEDERATION OTHER THAN THE FEDERATION, AND, AFTER A COVERED BOND GUARANTEE ACTIVATION EVENT, THE GUARANTOR; HOWEVER IN THE EVENT OF THE INSOLVENCY OR WINDING-UP OF THE ISSUER IN ACCORDANCE WITH APPLICABLE LAW, THE COVERED BONDS WILL RANK PARI PASSU WITH ALL DEPOSIT LIABILITIES OF GROUPE COOPÉRATIF DESJARDINS WITHOUT ANY PREFERENCE AMONG THEMSELVES AND AT LEAST PARI PASSU WITH ALL OTHER UNSUBORDINATED AND UNSECURED OBLIGATIONS OF GROUPE COOPÉRATIF DESJARDINS, PRESENT AND FUTURE (EXCEPT AS OTHERWISE PRESCRIBED BY LAW). *See "Risk Factors – Factors which are Material for the Purposes of Assessing the Risks Relating to the Covered Bonds – Issuer is the sole obligor of the Covered Bonds"*.

PRESENTATION OF FINANCIAL RESULTS

The information in the tables appearing under "*Financial Overview*" below was prepared in accordance with IFRS.

On April 23, 2021, the AMF granted exemptive relief permitting the Federation to satisfy its reporting obligations under Canadian law solely with the combined financial statements and related management discussion and analysis of the Desjardins Group rather than with the stand-alone financial statements and related management discussion and analysis of the Federation. On April 29, 2021, the Office of International Corporate Finance, Division of Corporation Finance of the SEC issued the Federation a letter confirming that, it will not object if, for purposes of satisfying Rule 144A(d)(4)(i) under the Securities Act, combined financial statements of the Desjardins Group are provided rather than consolidated financial statements of the Federation and its consolidated subsidiaries. Accordingly, the Federation applied to the Central Bank of Ireland and, as at the date of this Base Prospectus, has been granted by the Central Bank of Ireland a variation under Article 18(1)(c) of the Prospectus Regulation from the requirements under Item 11.1 and Item 11.2 of Annex VII of Commission Delegated Regulation (EU) 2019/980 to include (or incorporate by reference into) this Base Prospectus the stand-alone financial statements of the Federation and its consolidated subsidiaries.

The financial disclosure for Desjardins Group provided in the Base Prospectus or the documents incorporated by reference therein have been prepared on that basis.

FINANCIAL OVERVIEW

Overview of Combined Financial Data of Desjardins Group

On January 1, 2023, Desjardins Group adopted IFRS 17, "Insurance Contracts", which replaced IFRS 4, "Insurance Contracts". IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of all insurance and reinsurance contracts. The adoption of this standard resulted in major changes to Desjardins Group's combined financial statements. Certain comparative figures in the tables below for the three-month and nine-month periods ended September 30, 2022 and for the year ended December 31, 2022 have been restated, and financial information extracted from a restated opening balance sheet as at January 1, 2022 is presented to reflect these changes.

Other than the gross credit-impaired loans/gross loans and acceptances ratio, the capital ratios[7] and the financial information indicated as restated,[8] the following financial information in the tables below as at December 31, 2022 and 2021 has been extracted from the audited combined financial statements of Desjardins Group for the years ended December 31, 2022 and 2021 contained in the DG 2022 Annual Report, which statements are incorporated by reference in this Base Prospectus together with the accompanying notes and the report of the independent auditor as it relates to their opinion on the financial statements as further described on page 73 of this Base Prospectus.

An audit comprises audit tests and procedures deemed necessary for the purpose of expressing an opinion on financial statements taken as a whole. An audit opinion has not been expressed on individual balances of accounts or on an overview of selected transactions in the table below.

Other than the gross credit-impaired loans/gross loans and acceptances ratio and the capital ratios,[9] the following financial information in the tables below as at September 30, 2023 and for the periods ended September 30, 2023 and September 30, 2022 has been extracted from the unaudited combined financial statements of Desjardins Group for the three-month and nine-month periods ended September 30, 2023 and 2022 contained in the DG 2023 Q3 Report, which statements are incorporated by reference in this Base Prospectus and are available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval. All figures as at and for the three-month and nine-month periods ended September 30, 2023 and 2022 are unaudited.

[7]The gross credit-impaired loans/gross loans and acceptances ratio and the capital ratios as at December 31, 2022 and 2021 have been extracted from the Management's Discussion and Analysis of Desjardins Group for the years ended December 31, 2022 and 2021.

[8] The financial information indicated as restated as at December 31, 2022, January 1, 2022, and for the year ended December 31, 2022 has been extracted from the unaudited combined financial statements of Desjardins Group for the three-month and nine-month periods ended September 30, 2023 in the DG 2023 Q3 Report.

[9] The gross credit-impaired loans/gross loans and acceptances ratio and the capital ratios as at September 30, 2023 and 2022 have been extracted from the Management's Discussion and Analysis of Desjardins Group for the three-month and nine-month ended September 30, 2023 and 2022.

Combined Balance Sheet Data

	As at September 30, 2023	As at September 30, 2022 (Restated)	As at December 31, 2022 (Restated)	As at January 1, 2022 (Restated)
	(in millions of Canadian dollars)			
Loans, net of allowance for credit losses	$261,887	$247,105	$249,670	230,339
Total Assets	$414,056	$404,268	$403,944	393,669
Deposits	$273,433	$255,452	$259,836	238,355
Total equity	$33,178	$32,400	$32,407	33,698

Combined Income Statement Data

	Nine months ended September 30, 2023	Nine months ended September 30, 2022 (Restated)	Year ended December 31, 2022 (Restated)	Year ended December 31, 2021
	(in millions of Canadian dollars, except other data)			
Net interest income	$5,244	$4,751	$6,330	$5,786
Other income	$2,656	$2,153	$2,944	$3,256
Total net income	$9,039	$7,468	$10,340	$20,320
Provision for credit losses	$298	$197	$277	$69
Gross non-interest expenses	$7,468	$7,000	$9,525	$9,566
Surplus earnings before member dividends	$1,509	$784	$1,242	$2,942
Other Data:				
Tier 1A capital ratio(%)	20.8%	18.7%	20.2%	21.1%
Tier 1 capital ratio(%)	20.8%	18.7%	20.2%	21.1%
Total capital ratio(%)	22.3%	20.2%	21.9%	22.1%
Gross credit-impaired loans/gross loans and acceptances ratio	0.64%	0.44%	0.48%	0.47%

CCDQ COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP

General

CCDQ Covered Bond (Legislative) Guarantor Limited Partnership (the "**Guarantor**") is a limited partnership formed on July 3, 2013 and existing under the *Limited Partnerships Act* (Ontario) with a business identification number of 230672370. The head office and principal place of business of the Guarantor is 214 Montreal Road, 3rd floor, Ottawa, Ontario, K1L 8L8, the registered office of the Guarantor is 66 Wellington Street West, Suite 5300, Toronto Dominion Bank Tower, Toronto, Ontario, M5K 1E6 and the telephone contact number is 416-362-1812. The Guarantor is governed by the Limited Partnership Agreement (see "*Summary of the Principal Documents – Limited Partnership Agreement*").

Description of Limited Partnership

Pursuant to the terms of the *Limited Partnerships Act* (Ontario), a limited partner in a limited partnership is liable for the liabilities, debts and obligations of the partnership, but only to the extent of the amount contributed by it or agreed to be contributed by it to the partnership, unless, in addition to exercising rights and powers as a limited partner, the limited partner takes part in the control of the business of the partnership. Subject to applicable law, limited partners will otherwise have no liability in respect of the liabilities, debts and obligations of the partnership. Each general partner will have unlimited liability for an obligation of the partnership unless the holder of such obligation agrees otherwise.

Business of the Guarantor

The Guarantor is a special purpose vehicle whose only business is to carry on activities that facilitate the Programme by (a) entering into the Intercompany Loan Agreement and accepting Capital Contributions from its partners; (b) using the proceeds from the Intercompany Loan and Capital Contributions (i) to purchase the Covered Bond Portfolio consisting of Loans and their Related Security from the Seller in accordance with the terms of the Hypothecary Loan Sale Agreement and New Loans and their Related Security pursuant to the terms of the Hypothecary Loan Sale Agreement; and/or (ii) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide, and/or (iii) subject to complying with the Asset Coverage Test (as described below) to make Capital Distributions to the Limited Partner; and/or (iv) to make deposits of the proceeds in the Guarantor Accounts (including, without limitation, to fund the Reserve Fund and the Pre-Maturity Liquidity Ledger (in each case to an amount not exceeding the prescribed limit); and/or (c) arranging for the servicing of the Loans and their Related Security by the Servicer; and/or (d) entering into the Trust Deed, giving the Covered Bond Guarantee and entering into the Security Agreements; and/or (e) entering into the Transaction Documents to which it is a party; and (f) performing its obligations thereunder and in respect thereof and doing all things incidental or ancillary thereto.

The Guarantor has not, since its formation, engaged in, and will not, while there are Covered Bonds outstanding, engage in any material activities other than activities relating to the business of the Guarantor described above and/or incidental or ancillary thereto. The Guarantor and its general partners are not required by applicable Canadian law (including the *Limited Partnerships Act* (Ontario)) to publish any financial statements.

The Guarantor has no employees.

Partners of the Guarantor

As of the date of this Base Prospectus, the partners (the "**Partners**") of the Guarantor are:

- CCDQ CB (Legislative) Managing GP Inc., as the managing general partner (the "**Managing GP**"), a wholly owned subsidiary corporation of the Federation incorporated June 19, 2013 under the laws of Canada with a business identification number of 809167737RC0001 as a special purpose entity to be the managing general partner of the Guarantor, with its head office and principal place of business at 214 Montreal Road, 3rd floor, Ottawa, Ontario, K1L 8L8 and registered office at 66 Wellington Street West, Suite 5300, Toronto Dominion Bank Tower, Toronto, Ontario, M5K 1E6 and the telephone contact number is 416-362-1812;

- 8560129 Canada Inc., as the liquidation general partner (the "**Liquidation GP**"), a corporation incorporated June 19, 2013 under the laws of Canada with a business identification number of 805761640RC0001 as a special purpose entity to be the liquidation general partner of the Guarantor, with its registered office at 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, Ontario, Canada, M5K 1E6; and

- The Federation, with a business identification number of 1160196300, as the sole limited partner.

The Capital Contribution Balance of each of the Partners is recorded in the Capital Account Ledger. As of the date of this Base Prospectus, the Federation holds substantially all of the capital in the Guarantor with the Managing GP and the Liquidation GP each holding a nominal interest in the Guarantor.

Each of the Partners has covenanted in the Limited Partnership Agreement that, except as provided in the Transaction Documents, it will not sell, transfer, convey, create or permit to arise any security or real right on, declare a trust over, create any beneficial interest in or otherwise dispose of its interest in the Guarantor without the prior written consent of the Guarantor and, while there are Covered Bonds outstanding, the Bond Trustee.

Directors of the Partners of the Guarantor

The following table sets out the directors of the Managing GP and the Liquidation GP (and their respective business addresses and occupations).

Directors of the Managing GP

Name	Business Address	Business Occupation
Pascal Gauthier	214 Montreal Road, 3rd floor, Ottawa, Ontario, K1L 8L8	Development Advisor, Fédération des caisses Desjardins du Québec (Ontario Regional Office)
Alain Leprohon	1 Complexe Desjardins, South Tower, 40th floor, Montréal, Québec H5B 1B2	Executive Vice-President, Finance, Treasury and Administration and Chief Financial Officer of Desjardins Group

Each of the directors of the Managing GP are officers and/or employees of the Federation.

Directors of the Liquidation GP

Name	Business Address	Business Occupation
Toni De Luca	650 De Maisonneuve Boulevard West, 7th Floor, Montréal, Québec H3A 3T2	Senior Vice President, Corporate Trust North America Computershare Trust Company of Canada
Charles Eric Gauthier	650 De Maisonneuve Boulevard West, 7th Floor, Montréal, Québec H3A 3T2	Director, Governance and Administration Corporate Trust Computershare Trust Company of Canada

Each of the directors of the Liquidation GP is independent of the Federation.

Governance of the Guarantor

Pursuant to the terms of the Limited Partnership Agreement, the Managing GP manages the business and affairs of the Guarantor, acts on behalf of the Guarantor, makes decisions regarding the business of the Guarantor and has the authority to bind the Guarantor in respect of any such decision. The Managing GP is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Guarantor, and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. The authority and power vested in the Managing GP to manage the business and affairs of the Guarantor includes all authority necessary or incidental to carry out the objects, purposes and business of the Guarantor, including the ability to engage agents to assist the Managing GP to carry out its management obligations and administrative functions in respect of the Guarantor and its business.

Except in certain limited circumstances (described below under "*Withdrawal or Removal of the General Partners*"), the Liquidation GP will not generally take part in managing the affairs and business of the Guarantor. However, the Liquidation GP's consent will be required for a voluntary wind up or dissolution of the Guarantor.

Each of the Partners has agreed that it will not, for so long as there are Covered Bonds outstanding, terminate or purport to terminate the Guarantor or institute any winding-up, administration, insolvency or other similar proceedings against the Guarantor. Furthermore, the Partners have agreed, among other things, except as specifically otherwise provided in the Transaction Documents, not to demand or receive payment of any amounts payable by the Guarantor (or the Cash Manager on its behalf) or the Bond Trustee unless all amounts then due and payable by the Guarantor to all other creditors ranking higher in the relevant Priorities of Payment have been paid in full.

Potential Conflict of Interest

All of the directors of the Managing GP are officers or employees of the Issuer or affiliates of the Issuer. As at the date of this Base Prospectus, there are no potential conflicts of interest between the duties owed to the Guarantor by any of the directors of the Managing GP or by any of the directors of the Liquidation GP or by any of the directors of the Issuer and their private interests or other duties.

Reimbursement of General Partners

The Guarantor is obliged to reimburse the Managing GP and Liquidation GP for all out-of-pocket costs and expenses incurred on behalf of the Guarantor by the Managing GP or Liquidation GP in the performance of their duties under the Limited Partnership Agreement.

Liability of the Limited Partners of the Guarantor

The Guarantor operates in a manner so as to ensure, to the greatest extent possible, the limited liability of the limited partner(s). Limited partner(s) may lose their limited liability in certain circumstances. If limited liability is lost by reason of the negligence of the Managing GP or Liquidation GP, as the case may be, in performing its duties and obligations under the Limited Partnership Agreement, in each case, as determined by a court of competent jurisdiction in a final non-appealable decision, the Managing GP or the Liquidation GP, as applicable, shall indemnify the limited partner(s) against all claims arising from assertions that their respective liabilities are not limited as intended by the Limited Partnership Agreement. However, since the Managing GP and the Liquidation GP have no significant assets or financial resources, any indemnity from them may have nominal value.

Withdrawal or Removal of the General Partners

The Managing GP or Liquidation GP may resign as managing general partner or liquidation general partner, as the case may be, on not less than 180 days' prior written notice to the Partners and the Bond Trustee, provided that neither the Managing GP nor Liquidation GP will resign if the effect would be to dissolve the Guarantor. In the event that the Liquidation GP resigns as liquidation general partner, the Managing GP shall use its best commercially reasonable efforts to, without delay, find a replacement liquidation general partner acceptable to the limited partner(s) of the Guarantor and the Bond Trustee, to accept the role of liquidation general partner formerly held by the Liquidation GP and acquire a general partner interest in the Guarantor.

In the event the Managing GP resigns, an Issuer Event of Default occurs, or a winding-up or insolvency of the Managing GP occurs, the Managing GP shall forthwith, or in the case of resignation at the expiry of the notice period described above, cease to be the managing general partner of the Guarantor and the Liquidation GP shall assume the role and responsibilities (but not the interest in the Guarantor) of the Managing GP (until a replacement managing general partner is appointed in accordance with the terms of the Limited Partnership Agreement) and continue the business of the Guarantor as Managing GP.

If at any time the Liquidation GP becomes the Managing GP pursuant to the foregoing, it may appoint a replacement Managing GP acceptable to the limited partner(s) of the Guarantor and the Bond Trustee to act as Managing GP and acquire a general partner interest in the Guarantor. Following the appointment of the replacement Managing GP pursuant to the foregoing, the replacement Managing GP shall have the powers, duties and responsibilities of the Managing GP of the Guarantor and the Liquidation GP shall resume its role, as it was, prior to assuming the role and responsibility of the Managing GP.

LOAN ORIGINATION AND LENDING CRITERIA

The description of Desjardins Group's Lending Criteria and procedures herein are as of the date of this Base Prospectus. There is no requirement for Desjardins Group to maintain the Lending Criteria or procedures described below and Desjardins Group reserves the right to change its Lending Criteria and procedures at any time (See "*Risk Factors – Factors which are Material for the Purposes of Assessing the Risks Relating to the Covered Bonds – Risks resulting from changes to the Lending Criteria which may result in increased Borrower defaults*").

All of the residential hypothecary or mortgage loans and home equity lines of credit (collectively, and for purposes of this "*Loan Origination and Lending Criteria*" section only, the "**Desjardins Products**" and each, a "**Desjardins Product**") of each caisse are originated by employees of such caisse or the Federation, or through referrals by third party mortgage brokers that are accredited by the Federation. Many of the caisses' clients with Desjardins Products have multiple products and services with the related caisse or Desjardins Group. A caisse may provide a borrower with one or more Desjardins Product. In such case, each Desjardins Product is subject to cross-default in the event that payments on any loan or advance are not made in accordance with their terms and, prior to default, the relevant caisse will be entitled to allocate payments received from the relevant borrower among amounts owing by such borrower under the applicable loan or credit agreement.

Mortgage Origination and Renewal

The caisses use three channels for origination and renewal of Desjardins Products: the employees of each respective caisse, Desjardins Group mortgage representatives, and referrals from accredited third party mortgage brokers.

Caisses Network

The majority of Desjardins Products originated and renewed by each caisse are made through loan applications by its members. Each loan application is assessed by the employees of each caisse, based on the credit policies dictated by the Federation. Although each caisse is autonomous in making its lending decisions, each caisse is bound to adhere to such credit policies.

Desjardins Mortgage Financing Services

Desjardins Mortgage Financing Services ("**DMFS**") is an arm of the Federation, acting on behalf of all caisses. DMFS is the source of origination of a significant portion of Desjardins Products on behalf of the caisses, but is not involved in loan or credit renewals. DMFS employs mobile mortgage specialists who offer Desjardins Products to potential customers, but are not involved in lending decisions and have no authority to grant credit approval. Loan applications submitted through mobile mortgage specialists are reviewed and assessed by a designated team of analysts, which is independent from DMFS and applies the credit policies dictated by the Federation. The operations of the mortgage specialists and analysts and the compliance of their activities are monitored by an independent team within the Federation. If a Desjardins Product originated through DMFS is approved, it is ultimately funded by, and on the books of, the caisse chosen by the particular customer for its proximity to a home or work address.

Accredited Mortgage Brokers

Referrals from third party mortgage brokers are another source of a small portion of Desjardins Product origination for the caisses. Such mortgage brokers must have obtained accreditation by the Federation in order to refer potential Desjardins Product customers to the Federation on behalf of the caisses, which accreditation is granted based on the risk level assigned and evaluated by the Investigations and Fraud Management Department of the Federation. Such accredited mortgage brokers receive a commission for each referral, but are not involved in credit-making decisions. Loan applications submitted through any accredited mortgage broker are submitted to a designated team of analysts for consideration and credit approval. If a Desjardins Product originated through a referral from a mortgage broker is approved, it is ultimately funded by, and on the books of, the caisse chosen by the particular customer for its proximity to a home or work address.

Valuations, Appraisals and Credit Analysis

Valuations and Appraisals

According to guidelines issued by the AMF, all Desjardins Products that have a loan to value ("**LTV**") ratio greater than 80 per cent at origination are currently required to be insured against default by a mortgage insurer. In addition, from time to time, a caisse may obtain insurance against default from a Canadian mortgage insurer on a portfolio of Desjardins Products where the portfolio includes Desjardins Products with an LTV of 80 per cent or less.

Prior to April 2007, the threshold for requiring default insurance was 75 per cent. The new threshold of 80 per cent is reflected in Desjardins Group's current mortgage portfolio. The LTV is calculated based on the outstanding amount of all Desjardins Products under the same loan agreement and the most recent property valuation, which generally will only be at the time of origination or refinancing of the Desjardins Product.

For all residential Desjardins Products that have an LTV ratio of 80 per cent or less, the Federation's credit policy (which all caisses are bound to apply) requires one of the following methods as an acceptable property valuation or risk assessment type:

- automated risk assessment models – third-party computer generated risk assessments used by the Issuer to determine whether property valuations are acceptable under the Issuer's underwriting policy and within the Issuer's risk tolerance;

- municipally-assessed property value information;

- full appraisal – a caisse-approved third party appraiser's opinion of the property, based on an interior and exterior inspection of the property.

The type of property valuation or property risk assessment used may depend on any combination of the following loan characteristics at the time of the application: the location of the property, property value, loan amount, borrower risk profile, the type of loan, and the LTV ratio. The use of an automated risk assessment model will be used by Desjardins Group in combination with an internal credit score card (similar to Equifax Beacon Score). See *"Credit Analysis"* below.

The valuation date utilized for a valuation or assessment of a Loan may vary according to the different valuation methods used. The process is established by the Federation and each caisse is bound to adhere to such process.

In order to ensure the on-going effectiveness of an automated risk assessment model, Desjardins Group's credit risk department conducts an annual review process and conducted such a review in 2023.

In accordance with the Lending Criteria, Originators are not required to retain evidence of property insurance in its records. The Loan Representations and Warranties given on the relevant Transfer Date in respect of the Loans and their Related Security to be sold to the Guarantor include a representation that each Loan contains a requirement that the relevant Property be covered by building insurance maintained by the Borrower or in the case of a leasehold property under a policy arranged by a relevant landlord or property management company.

Credit Analysis

Desjardins Group utilizes an internal credit scoring model (similar to Equifax Beacon Score) to evaluate the probability of default by a borrower, and the resulting score will be the principal factor in determining whether a Desjardins Product is granted to a borrower. The model is validated continually to ensure its optimal functionality. The credit scoring model evaluates the various information on file for a particular loan applicant provided in credit reports obtained by recognized credit bureaus, and the information provided from historical loan, credit and deposit performance, to the extent that the applicant is an existing member with an account at a caisse within Desjardins Group. Credit reports are obtained by the Federation or the relevant caisse, as applicable, from either Equifax Information Services LLC or TransUnion LLC, which are nationally recognized credit reporting bureaus, as a means of assessing the creditworthiness of a borrower. For a client with excellent credit history, there would be a higher probability of mortgage application approval where the property value is consistent with the requested amount.

Once this initial phase is complete, affordability criteria are then considered in the credit evaluation. Based on the data provided in the prospective borrower's application and historical loan, credit and deposit performance (to the extent that the applicant is an existing member), the Federation or the relevant caisse, as applicable, determines whether in its view, the applicant's monthly income will be sufficient to enable such applicant to meet the obligations under the proposed Desjardins Product and to pay the other expenses relating to the hypothecated or mortgaged property, including taxes, heating costs and other fixed obligations. In general, the Federation requires that the scheduled payments that would be due during the first year of the term of a Desjardins Product, plus all taxes due in respect of the hypothecated or mortgaged property during such period and all other scheduled payments due under the borrower's other debt obligations during such period, must not exceed a specified percentage of the applicant's gross employment or stated income.

In accordance with the Lending Criteria, all borrowers are required at the time of loan origination to provide evidence of income except that, in accordance with the Lending Criteria, borrowers with an excellent credit history and income stability are not required to provide evidence of income verification at the time of loan origination and, in such circumstances, the Originators are not required to retain evidence of income in their records.

Credit Adjudication and Approval by the Federation

As mentioned above, each caisse is autonomous in its lending decisions. The Federation attributes credit authorisation limits to each caisse, based on each caisse's current asset and loan portfolio, thereby allowing each caisse to analyse and approve the loan applications of its own members internally, taking into account the maximum authorization limits attributed by the Federation as well as the credit policies dictated by the Federation. If a loan application exceeds the authorization limits of a particular caisse or if so required by a particular credit policy, then the loan application is submitted to the risk management department of the Federation (senior vice-president, risk management) for consideration and credit approval.

Loan applications originated through a mobile mortgage sales representative of DMFS or through third party mortgage brokers are reviewed by either credit analysts from an independent team (who are employed by the Federation) or by the risk management department of the Federation (senior vice-president, risk management) for consideration and approval. The mobile mortgage sales representatives have no authority to grant credit approval.

Suspicious or potentially fraudulent activity is monitored throughout the process. Caisse and Federation employees responsible for collecting and processing member information use fraud detection systems that are designed to look for inconsistencies in applications and suspicious facts.

Audit Process, Inspection of Credit Operations and Quality Control

Internal inspections are conducted following the authorization and disbursement of Desjardins Products by an independent centralized team. This review includes random audits of loan applications conducted on a quarterly basis to ensure loan applications are adjudicated utilizing the correct risk profile and in compliance with the applicable credit policies.

Desjardins Group also has an audit bureau consisting of a dedicated team of employees that audits the Desjardins Product business and monitors quality control. Such team monitors each caisse and each arm of the Federation that originates Desjardins Products and other products to ensure compliance with credit policies in a complete and consistent manner. Ultimately, Desjardins Group's audit bureau is monitored for quality control by the AMF.

SERVICER

General

The Federation is the Servicer of the Loans and Related Security pursuant to the Servicing Agreement between the Federation, in its capacity as the Servicer, Seller and Cash Manager, the Guarantor, as owner of the Loans and Related Security, and the Bond Trustee. The Servicer will have no obligation or liability with respect to the Loans or Related Security in accordance with the terms and conditions of the Servicing Agreement save in respect of the negligence or willful default of the Servicer in carrying out its functions.

As at the date of this Base Prospectus, the Servicer sub contracts or delegates the performance of all its duties under the Servicing Agreement, including the exercise of reasonable care and prudence in the making of the Loans, in the administration of the Loans, in the collection of the repayment of the Loans and in the protection of the security for each Loan, to each Originator in respect of the Loans originated by it that form part of the Covered Bond Portfolio, provided that the Servicer is not released or discharged from any liability under the Servicing Agreement and remains liable for the performance or non-performance or breach by any sub-contractor or delegate of the duties so subcontracted or delegated under the Servicing Agreement.

Servicing Activities

Each Originator is a distinct legal entity that originates and services residential hypothecary or mortgage loans and home equity lines of credit (collectively, and for purposes of this section, the "**Desjardins Products**" and each, a "**Desjardins Product**"). The relevant Originators from time to time may sell certain portfolios of Desjardins Products to the Federation, which portfolios are in turn sold and securitized by the Federation. In such instances, the Federation is the servicer of the related Desjardins Products it sells or securitizes, which duties are sub-contracted to the related Originator. Each Originator services its own portfolio of Desjardins Products and generally acts as sub-contractor of the servicing rights with respect to any Desjardins Product it sells (including for securitization purposes) to the Federation.

The following table sets forth the dollar amount of uninsured Desjardins Products (the "**Desjardins Uninsured Servicing Portfolio**"), serviced by the Servicer or the Originators for the dates indicated, and the number of such loans for the same date. As at September 30, 2023, the Desjardins Uninsured Servicing Portfolio consisted of approximately 1.3 million residential mortgage loans having an aggregate unpaid balance of approximately $106.7 billion.

Desjardins Uninsured Servicing Portfolio
($ IN MILLIONS)

		2023 As at September 30	2022 As at September 30	2021 As at September 30	2020 As at September 30
Hypothecary Loans (Québec)	No. of Loans (thousands)	705.8	683.4	657.1	594.9
	Dollar Amount of Loans	95,056	91,803	84,146	73,913
	Percentage Change in Dollar Amounts from Prior Year	3.5%	9.1%	13.8%	10.5%
Versatile LOCs (Québec)	No. of Loans (thousands)	537.6	528.7	505.5	475.5
	Dollar Amount of Loans	6,108	6,170	5,293	5,506
	Percentage Change in Dollar Amounts from Prior Year	-1.0%	16.6%	-3.9%	-9.0%
Hypothecary Loans (Ontario)	No. of Loans (thousands)	21.1	20.5	19.7	18.2
	Dollar Amount of Loans	5,092	4,851	4,285	3,630
	Percentage Change in Dollar Amounts from Prior Year	5.0%	13.2%	18.0%	25.0%
Versatile LOCs (Ontario)	No. of Loans (thousands)	13.9	13.8	13.2	12.6
	Dollar Amount of Loans	443	503	305	328
	Percentage Change in Dollar Amounts from Prior Year	12.0%	65.1%	-7.0%	-3.8%

Servicing Procedures with respect to Loans and Related Security

Following the sale of a mortgage loan to the Guarantor, the Servicer keeps and maintains records in relation to the Loans and Related Security sold to the Guarantor on a loan by loan basis, for the purposes of identifying amounts paid by each borrower, any amount due from a borrower and the principal balance (and, if different, the total balance) from time to time outstanding on a borrower's account and such other records as would be customarily kept by a reasonable and prudent hypothecary or mortgage lender. The Servicer also identifies the Loan and Related Security as belonging to the Guarantor and maintains a computer record of the location and identification of the Loans and Related Security by reference to an account number and pool identifier so as to be able to distinguish them from other Desjardins Products serviced by the Servicer or the related Originator for retrieval purposes. In the event the ratings of the Servicer by the Rating Agencies fall below certain ratings, the Servicer shall use reasonable efforts to ensure that files relating to the Loans and their Related Security are identified as distinct from the conveyancing deeds and documents which make up the title and security of other properties and Desjardins Products which do not form part of the Covered Bond Portfolio.

The Servicer or the related Originator, as subservicer of the Servicer provides customary servicing functions with respect to the Loans and Related Security and makes reasonable efforts to collect all payments called for under the loan documents and follows such collection procedures as are customary with respect to loans. The Servicer or the related Originator, as subservicer of the Servicer, collects and remits loan payments, responds to borrower inquiries, accounts for principal and interest, monitors property insurance, and in the case of lapses, notifies borrowers and involved lender-placed counsel, as appropriate, or otherwise works with delinquent borrowers, supervises procedures for the enforcement of hypothecary or mortgage rights, and dispositions of Property and generally administers the Loans and is required to take all reasonable steps to recover all sums due to the Guarantor in respect of the Loans and Related Security. The Servicer or the related Originator, as subservicer of the Servicer, will administer the Loans and the Related Security in the same way it administers Desjardins Products for its own account. The Servicing Agreement requires that the Loans and the Related Security are to be serviced as if the Loans had not been sold to the Guarantor but remained with the Seller.

In the event of missed payments, there are five (5) attempts by automatic debit. Then, a latecomer borrower category is identified by the behavioral scoring system, based on the risk of the borrower. This category identifies the need for urgent action with the borrower. The intervention will be by various means such as by telephone and letter.

The Servicer or the related Originator, as subservicer of the Servicer, as applicable, has the power to exercise the rights, powers and discretions and to perform the duties of the Guarantor in relation to the Loans and their Related Security and to do anything which it reasonably considers necessary or convenient or incidental to the administration of the Loans and their Related Security. This includes the authority to accept applications for product switches or advances in respect of the Loans in its sole discretion. The Seller, as seller of the Loans and Related Security to the Guarantor, is required to provide the funding for any product switches or advances approved by the Servicer. The Servicer or the related Originator, as subservicer of the Servicer, is not restricted from, in its discretion, (i) waiving any assumption fee, late payment or other charge in connection with a Loan; or (ii) waiving, varying or modifying any term of any Loan or consenting to the postponement of strict compliance with any such term or in any matter grant indulgence to any borrower.

With respect to collections, the Servicer or the related Originator may institute proceedings and enforce any relevant Loan which is in default in accordance with the Seller's or the related Originator's enforcement procedures and the usual procedures undertaken by a reasonable and prudent institutional mortgage lender.

The Servicer's or the related Originator's collections policy is designed to identify payment problems sufficiently early to permit the Servicer or the related Originator, as subservicer of the Servicer, to address such delinquency problems and, when necessary, to act to preserve the lender's equity in the related Property.

When a loan payment is overdue or when a contractual default, as stipulated in legal contracts, is materialized or is likely to occur, an action plan must be developed at the latest of 65 days following the date of beginning of contractual default or delay and followed strictly, at a frequency of 30 days thereafter. Any modification to an action plan needs to be reauthorized.

The enforcement of hypothecary or mortgage rights varies by jurisdiction across Canada. In Québec, the relevant recourses available to hypothecary creditors include a judgment of sale granted by the court, where a judge grants the power to sell the property for the shortfall, or a judgment of taking in payment, where a judge decides that the creditor becomes the property owner.

In Ontario and other Canadian provinces, there are two different ways that the Servicer can acquire the right to sell the Related Security: a foreclosure or a power of sale. In all Canadian jurisdictions, the secured creditors may also appoint a receiver to the secured assets pursuant to the *Bankruptcy and Insolvency Act*.

A loss, if any, on a Loan is determined based on the aggregate amount due on the Loan less the aggregate proceeds of sale of the related Property minus related expenses.

The Servicer's or the related Originator's collection procedures are updated regularly and continue to evolve on a regular basis to improve its efficiency and effectiveness.

SUMMARY OF THE PRINCIPAL DOCUMENTS

On and after the Amalgamation Date, the Federation, as the absorbing corporation continued with all of the rights and obligations of CCDQ under the Transaction Documents, including as Issuer, Seller, Servicer, Cash Manager, Swap Providers, GIC Provider and Account Depository Institution. For greater certainty, all references in this Base Prospectus to such roles under the applicable Transaction Documents prior to the Amalgamation Date refer to CCDQ as the entity carrying out such roles, including as the party that entered into such agreements and performed the applicable duties thereunder prior to the Amalgamation Date when the Federation continued with such rights and obligations.

Trust Deed

The Trust Deed is the principal agreement governing the Covered Bonds. The Trust Deed contains provisions relating to, among other things:

- the constitution of the Covered Bonds and the terms and conditions of the Covered Bonds (as more fully set out under "*Terms and Conditions of the Covered Bonds*" above);
- the covenants of the Issuer and the Guarantor;

- the terms of the Covered Bond Guarantee (as described below);
- the enforcement procedures relating to the Covered Bonds and the Covered Bond Guarantee;
- the appointment, powers and responsibilities of the Bond Trustee and the circumstances in which the Bond Trustee may resign, retire or be removed (as described below); and
- procedures for convening and holding meetings of Covered Bondholders to consider any matter affecting their interests, and for the appointment of a chairman who in the case of an equality of votes has a casting vote in addition to any other vote(s) to which such person may be entitled.

Covered Bond Guarantee

Under the terms of the Covered Bond Guarantee (contained in the Trust Deed) the Guarantor has agreed to, following the occurrence of a Covered Bond Guarantee Activation Event, unconditionally and irrevocably pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of the holders of the Covered Bonds), an amount equal to that portion of the Guaranteed Amounts which shall become Due for Payment but would otherwise be unpaid, as of any Original Due for Payment Date, or, if applicable, Extended Due for Payment Date, by the Issuer. Under the Covered Bond Guarantee, the Guaranteed Amounts will become due and payable on any date on which a Guarantor Acceleration Notice is served.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee will serve a Notice to Pay on the Guarantor. Payment by the Guarantor of the Guaranteed Amounts pursuant to the Covered Bond Guarantee will be made on the later of: (i) the day which is two Montréal Business Days after service of a Notice to Pay on the Guarantor; or (ii) the day on which the Guaranteed Amounts are otherwise Due for Payment.

All payments of Guaranteed Amounts by or on behalf of the Guarantor will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature, imposed or levied by or on behalf of Canada or any province or territory thereof, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Guarantor will not pay any additional amounts to the Bond Trustee or any holder of Covered Bonds, Receipts and/or Coupons in respect of the amount of such withholding or deduction.

Under the terms of the Covered Bond Guarantee, the Guarantor agrees that its obligations under the Covered Bond Guarantee will be as guarantor and will be absolute and unconditional, irrespective of, and unaffected by, any invalidity, irregularity or unenforceability of, or defect in, any provisions of the Trust Deed or the Covered Bonds or Receipts or Coupons or the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee or any of the holders of the Covered Bonds, Receiptholders or Couponholders in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer or any action to enforce the same or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor.

Subject to the grace period specified in Condition 7.02(a) of the Conditions, failure by the Guarantor to pay the Guaranteed Amounts when Due for Payment will result in a Guarantor Event of Default.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may receive Excess Proceeds. The Trust Deed provides that all Excess Proceeds received by the Bond Trustee, will, as soon as practicable after receipt thereof by the Bond Trustee, be paid on behalf of the Holders of the Covered Bonds of the relevant Series to the Guarantor (or the Cash Manager on its behalf) for the account of the Guarantor. Such Excess Proceeds will be held in the Guarantor Accounts and will thereafter form part of the Security granted pursuant to the Security Agreements and be used by the Guarantor (or the Cash Manager on its behalf) in the same manner as all other moneys from time to time held by the Cash Manager and/or standing to the credit of the Guarantor in the Guarantor Accounts. Any Excess Proceeds received by the Bond Trustee will discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (subject to restitution of the same if such Excess Proceeds will be required to be repaid by the Guarantor). However, the obligations of the Guarantor under the Covered Bond Guarantee are direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds will not reduce or discharge any of such obligations.

By subscribing for Covered Bond(s), each holder of the Covered Bonds will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Guarantor in the manner as described above.

Retirement, Removal and Replacement of the Bond Trustee

The Bond Trustee may retire at any time on giving not less than three months' prior written notice to the Issuer, the Guarantor and the Rating Agencies. The Bond Trustee may be removed (i) by the Covered Bondholders in accordance with the terms of an Extraordinary Resolution, or (ii) by the Guarantor in the event that there is a breach by the Bond Trustee of certain representations and warranties or a failure by the Bond Trustee to perform certain covenants made by it under the Trust Deed. No retirement or removal of the Bond Trustee shall be effective until a replacement bond trustee that meets the requirements provided for in the Trust Deed and in the CMHC Guide has been appointed. In the event that a replacement bond trustee has not been appointed within 60 days of notice of retirement from the Bond Trustee or the Extraordinary Resolution of the Covered Bondholders, as applicable, the Bond Trustee shall be entitled to appoint a replacement bond trustee that meets the requirements provided for in the Trust Deed and in the CMHC Guide, which appointment must be approved by an Extraordinary Resolution of the Covered Bondholders prior to taking effect.

Intercompany Loan Agreement

The Intercompany Loan Agreement between the Issuer and the Guarantor entered into on the Programme Establishment Date, as amended on August 24, 2016 and on December 21, 2017 (as the same may be further amended, restated, supplemented or replaced from time to time, the "**Intercompany Loan Agreement**"), is the governing agreement with respect to the Intercompany Loan.

Under the Intercompany Loan Agreement, the Guarantor represents and warrants to the Issuer that it is, and covenants that it will at all times remain, a person that is not a non-resident of Canada for purposes of the Income Tax Act.

Under the terms of the Intercompany Loan Agreement, the Issuer makes available to the Guarantor an interest-bearing intercompany loan (the "**Intercompany Loan**"), comprised of a guarantee loan (the "**Guarantee Loan**") and a revolving demand loan (the "**Demand Loan**"), subject to increases and decreases as described below. The initial advance on the loan was in an amount sufficient to acquire the Initial Covered Bond Portfolio. The Intercompany Loan is denominated in Canadian dollars. The interest rate on the Demand Loan will be a Canadian dollar floating rate, which rate shall not exceed, as applicable: (i) prior to an Interest Rate Swap Effective Date, the aggregate yield on the (x) Covered Bond Portfolio, (y) the cash deposit amounts of the Guarantor and (z) the principal balance of Substitute Assets; and (ii) on or following an Interest Rate Swap Effective Date, the amount received by the Guarantor pursuant to the Interest Rate Swap Agreement, in each case after taking into account a minimum spread and an amount for certain expenses of the Guarantor.

The Guarantee Loan is in an amount equal to the balance of outstanding Covered Bonds at any relevant time plus that portion of the Covered Bond Portfolio required to collateralize the Covered Bonds to ensure that the Asset Coverage Test is met (see "*Summary of the Principal Documents—Limited Partnership Agreement—Asset Coverage Test*"). The Demand Loan is a revolving credit facility, the outstanding balance of which is equal to the difference between the balance of the Intercompany Loan and the balance of the Guarantee Loan at any relevant time. The balance of the Guarantee Loan and Demand Loan will fluctuate with the issuances and redemptions of Covered Bonds and the requirements of the Asset Coverage Test. Upon the occurrence of (x) a Contingent Collateral Trigger Event, (y) an event of default (other than an insolvency event of default) or an additional termination event in respect of which the relevant Swap Provider is the defaulting party or the affected party, as applicable, or (z) an IRS Downgrade Trigger Event or a CBS Downgrade Trigger Event in respect of the Interest Rate Swap Agreement or the Covered Bond Swap Agreement, respectively, the relevant Swap Provider, in its capacity as (and provided it is) the lender under the Intercompany Loan Agreement, may deliver a Contingent Collateral Notice to the Guarantor under which it elects to decrease the amount of the Demand Loan with a corresponding increase in the amount of the Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount(s).

At any time prior to a Demand Loan Repayment Event, the Guarantor may re-borrow any amount repaid by the Guarantor under the Intercompany Loan for a permitted purpose provided, among other things: (i) such drawing does not result in the Intercompany Loan exceeding the Total Credit Commitment; and (ii) no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing. Unless otherwise agreed by the Issuer and subject to Rating Agency Confirmation, no Additional Loan Advances will be made to the Guarantor under the Intercompany Loan following the occurrence of a Demand Loan Repayment Event.

To the extent the Covered Bond Portfolio increases or is required to be increased to meet the Asset Coverage Test, the Issuer may increase the Total Credit Commitment to enable the Guarantor to acquire New Loans and their Related Security from the Seller.

The Demand Loan or any portion thereof will be repayable no later than the first Montréal Business Day following 60 days after a demand therefor is served on the Guarantor, subject to a Demand Loan Repayment Event having occurred (see below in respect of the repayment of the Demand Loan in such circumstance) and the Asset Coverage Test being met on the date of repayment after giving effect to such repayment. At any time the Guarantor makes a repayment on the Demand Loan, in whole or in part, the Cash Manager will calculate the Asset Coverage Test, as of the date of repayment, to confirm the then outstanding balance on the Demand Loan and that the Asset Coverage Test will be met on the date of repayment after giving effect to such repayment.

The Demand Loan shall not have a positive balance at any time following the occurrence of a Demand Loan Repayment Event and the repayment in full of the then outstanding Demand Loan by the Guarantor in accordance with the terms of the Intercompany Loan Agreement.

If (i) the Federation is required to assign the Interest Rate Swap Agreement to a third party (due to a failure by the Issuer to meet the ratings levels specified in the Interest Rate Swap Agreement or otherwise); (ii) a Notice to Pay has been served on the Guarantor; (iii) the Intercompany Loan Agreement is terminated or the revolving commitment thereunder is not renewed; or (iv) to the extent Fitch is a Rating Agency, if the Issuer is assigned (x) a short-term issuer default rating by Fitch of less than F2, or (y) a long-term issuer default rating by Fitch of less than BBB+ (each of (i), (ii), (iii) and (iv) above, a "**Demand Loan Repayment Event**"), the Guarantor will be required to repay any amount of the Demand Loan that exceeds the Demand Loan Contingent Amount on the first Guarantor Payment Date following 60 days after the occurrence of such Demand Loan Repayment Event. Following such Demand Loan Repayment Event, the Guarantor will be required to repay the full amount of the then outstanding Demand Loan on the date on which the Asset Percentage is calculated (whether or not such calculation is a scheduled calculation or a calculation made at the request of the Federation); provided that the Asset Coverage Test will be met on the date of repayment after giving effect to such repayment. For greater certainty, following an Issuer Event of Default, the Asset Coverage Test will be conducted and the Asset Percentage calculated, solely for the purpose of determining the amount of the Demand Loan repayable on the relevant repayment date and that the Asset Coverage Test will be met after giving effect to any such repayment. In calculating the Asset Coverage Test following an Issuer Event of Default, the amount of any Excess Proceeds received by the Guarantor from the Bond Trustee will be deducted from the Adjusted Aggregate Loan Amount. For the purposes of the foregoing, the "**Demand Loan Contingent Amount**" will be equal to the lesser of:

(a) the aggregate amount of the Intercompany Loan then outstanding, minus the aggregate amount of the Guarantee Loan then outstanding (as determined by an Asset Coverage Test run on the relevant repayment date); and

(b) 1 per cent of the amount of the Guarantee Loan then outstanding (as determined by an Asset Coverage Test calculated on the relevant repayment date),

provided, for greater certainty, that in calculating the amount of the Guarantee Loan and the Demand Loan for purposes of determining the Demand Loan Contingent Amount, no credit shall be given to the Guarantor in the Asset Coverage Test for any Excess Proceeds received by the Guarantor from the Bond Trustee.

The Guarantor may repay the principal on the Demand Loan in accordance with the Priorities of Payment and the terms of the Intercompany Loan Agreement, (A) using (i) funds being held for the account of the Guarantor by its service providers and/or funds in the Guarantor Accounts (other than any amount in the Pre-Maturity Liquidity Ledger); and/or, (ii) proceeds from the sale of Substitute Assets; and/or (iii) proceeds from the sale, pursuant to the Limited Partnership Agreement, of Loans and their Related Security to the Seller or to another person subject to a right of pre-emption on the part of the Seller; and/or (B) by selling, transferring and assigning to the Seller all of the Guarantor's right, title and interest in and to Loans and their Related Security and any collections related to such Loans (a "**Payment in Kind**"). The Guarantor is restricted from paying the Demand Loan in the manner described in clause (iii) if the proceeds of such sale are less than the True Balance of the Loans sold. Upon a Payment in Kind, the outstanding amount of the Demand Loan will be reduced by (x) in the case of Loans that are not Non-Performing Loans prior to a Covered Bond Guarantee Activation Event and in the case of Loans that are Non-Performing Loans at all times, the fair market value of such Loans sold to the Seller, and (y) in the case of Loans that are not Non-Performing Loans on or after a Covered Bond Guarantee Activation Event, the True Balance of such Loans sold to the Seller. See "*Cashflows*".

The Guarantor will be entitled to set off amounts paid by the Guarantor under the Covered Bond Guarantee first against any amounts (other than interest and principal) owing by the Guarantor to the Federation in respect of the Intercompany Loan Agreement, then against interest (including accrued interest) due and unpaid under the Intercompany Loan and then against the outstanding principal balance owing on the Intercompany Loan.

The Guarantor used the initial advance of proceeds from the Intercompany Loan to purchase the Initial Covered Bond Portfolio consisting of Loans and their Related Security from the Seller in accordance with the terms of the Hypothecary Loan Sale Agreement and will use additional advances (i) to purchase New Loans and their Related Security pursuant to the terms of the Hypothecary Loan Sale Agreement; and/or (ii) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (iii) subject to complying with the Asset Coverage Test, to make Capital Distributions to the Limited Partner; and/or (iv) to make deposits of the proceeds in the Guarantor Accounts (including, without limitation, to fund the Reserve Fund and the Pre-Maturity Liquidity Ledger (in each case to an amount not exceeding the prescribed limit)).

Origination Hypothecary Loan Sale Agreements

From time to time as may be required by the Seller, Loans originated by one or more Originators which are residential real estate secured hypothecary or mortgage loans established in favour of borrowers residing in one or more Provinces of Canada are sold by

such Originator(s) to the Seller pursuant to one or more Origination Hypothecary Loan Sale Agreements. The terms and conditions of the Origination Hypothecary Loan Sale Agreements are substantially the same as the Hypothecary Loan Sale Agreement, including the representation and warranties, covenants and indemnities provided by the relevant party thereto and the eligibility criteria of each purchased Loan, except that (i) the governing law of the Origination Hypothecary Loan Sale Agreements will be the laws of the Province of Québec and the federal laws of Canada applicable therein, and (ii) the purchase price of each such purchased Loan is paid by the creation of a debt owing by the Seller to the applicable Originator in an amount equal to the purchase price. Such debt shall (x) bear interest at a rate equal to the interest rate applicable to the related purchased Loan and will be payable in instalments of principal and interest corresponding to the instalments of principal and interest payable (following the applicable purchase date) and paid by the Borrower, and (y) be accelerated upon the occurrence of the earlier of the date on which the related purchased Loan matures and the date on which the purchased Loan ceases to form part of the covered bond portfolio.

No amendment or waiver of any provision of the Origination Hypothecary Loan Sale Agreements shall be effective unless in writing, signed by the parties thereto, and in the case of any material amendment or waiver unless Rating Agency Confirmation has been obtained, and in any case such amendment or waiver shall be effective only in the specific instance and for the specific purpose for which given. The list of Originators that are party to each Origination Hypothecary Loan Sale Agreement (and to the Subservicing Agreement and the Security Sharing Agreement) shall be deemed to be automatically updated on the applicable purchase date to include the name of any Originator that delivers a loan purchase notice on such purchase date and is not otherwise on such list as of such date, and subject to satisfaction of certain conditions precedent specified in each Origination Hypothecary Loan Sale Agreement. Such new Originator shall be bound by the terms of such Origination Hypothecary Loan Sale Agreement, the Subservicing Agreement, the Security Sharing Agreement, the applicable release of security and the security registration agreement, in each case, as of such date. In addition, an amendment or waiver of sections in the Origination Hypothecary Loan Sale Agreement relating to publication and perfection, further assurances, powers of attorney or amendment rights which does or will affect adversely the interests of the Guarantor shall not be effective without the Guarantor's written consent.

Hypothecary Loan Sale Agreement

The Seller

Loans and their Related Security were sold by the Seller to the Guarantor prior to the issuance of the first Tranche of Covered Bonds, and from time to time thereafter, may be sold on a fully-serviced basis pursuant to the terms of the Hypothecary Loan Sale Agreement by and among the Seller, the Guarantor and the Bond Trustee.

Sale by the Seller of Loans and their Related Security

The Initial Covered Bond Portfolio consisted solely of Loans originated by an Originator and sold to the Seller which are residential real estate loans established in favour of Borrowers residing in the Province of Québec or in the Province of Ontario with the benefit of Hypothecs and the Related Security, including the benefit of proceeds from title insurance and "all risks" insurance relating to the Issuer maintained by the Originator or the Seller.

The Covered Bond Portfolio will consist of Loans and their Related Security sold for cash or a deemed cash payment by the Seller to the Guarantor as part of the Initial Covered Bond Portfolio and New Loans and their Related Security and/or New Portfolio Asset Types sold for cash or a deemed cash payment from time to time. An Originator that has sold any Loans and their Related Security to the Seller (including the Loans forming part of the Initial Covered Bond Portfolio) shall be required, upon demand from the Seller, to sell further Loans to the Seller at such time and in such manner as may be prescribed by the Seller.

The Guarantor will use the proceeds of a drawing under the Intercompany Loan (which may be applied in whole or in part by the Guarantor) and/or Available Principal Receipts to acquire Loans and their Related Security from the Seller. As consideration for the sale of the Loans and their Related Security to the Guarantor, the Seller will receive a cash payment or deemed cash payment equal to the fair market value of those Loans sold by it as at the relevant Transfer Date.

If Loans and their Related Security are sold by or on behalf of the Guarantor as described below under "*Limited Partnership Agreement—Sale of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor*" or a breach of the Pre Maturity Test occurs, the obligations of the Seller insofar as they relate to such Loans and their Related Security will cease to apply.

The Seller will also be required to repurchase Loans and their Related Security sold to the Guarantor in the circumstances described below under "*Repurchase of Loans*" and "*Loan Representations and Warranties*".

Eligibility Criteria

The sale of Loans and their Related Security to the Guarantor will be subject to certain eligibility criteria (the "**Eligibility Criteria**"), (which are all subject to amendment and replacement from time to time provided Rating Agency Confirmation is received) being satisfied on the relevant Transfer Date, including that:

(a) no Loan has the benefit of, or is secured by a Hypothec that also secures one or more other loans that has the benefit of, insurance from any Prohibited Insurer;

(b) no Loan has a Current Balance of more than C$3,000,000 as at the relevant Cut-off Date;

(c) each Loan relates to a Property which is a residential Property consisting of not more than four residential units;

(d) each Loan is payable in Canada only and is denominated in Canadian dollars;

(e) each Loan has been duly authorized, executed and delivered by the parties thereto, is in full force and effect, unamended, except for any amendments reflected in the relevant Loan File, and constitutes a legal, valid and binding obligation of the parties thereto enforceable in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application, the obligation to act in a reasonable manner and subject to discretionary powers of a court;

(f) each Loan permits realization by the hypothecary creditor or mortgagee against the Related Security in accordance with its terms, subject to applicable law, including, without limitation, the notice requirements and other limitations contained in the *Bankruptcy and Insolvency Act* (Canada), statutory limitations on the rights of hypothecary creditor or mortgagee to exercise their remedies and certain qualifications as set out in the Hypothecary Loan Sale Agreement; each Loan constitutes the Borrower's obligation to pay to the hypothecary creditor or mortgagee, in accordance with the scheduled payments set forth therein, the amounts owing thereunder and permits full recourse against the Borrower;

(g) no payment of principal or interest under any Loan is in arrears;

(h) the first payment due in respect of each Loan has been paid by the relevant Borrower;

(i) each Loan was originated or otherwise complies with the applicable Originator's underwriting policy as in effect or otherwise applicable at the time the Loan was originated. For greater certainty, a loan is deemed to otherwise comply with an underwriting policy to the extent that an independent third-party prudent lender conducting a credit assessment of the Loan would be able to apply all aspects of the applicable underwriting policy, based on available documentation, and arrive at the same credit decision;

(j) each Loan and Related Security is capable of being registered or recorded and has been duly registered or recorded in the appropriate land titles office, land registry office or similar office of public registration in which the property subject thereto is located reflecting the Seller (or the applicable Originator) as the sole hypothecary creditor or mortgagee thereunder;

(k) the Related Security for each Loan constitutes a valid and enforceable first charge or mortgage or hypothec in favour of the lender against the related property, subject only to customary permitted encumbrances;

(l) as at the Transfer Date, the Guarantor will acquire each Loan and Related Security from the Seller free and clear of any hypothecs or security interests, subject only to (i) customary permitted encumbrances, and (ii) interests or encumbrances that are reflected in the Security Sharing Agreement and the subject of a release in favour of the Guarantor, substantially in the form attached to the Security Sharing Agreement;

(m) as at the Transfer Date, immediately prior to the transfer by the applicable Originator to the Seller of any Loan and Related Security and the transfer by the Seller to the Guarantor of such Loan and Related Security, each such Loan and Related Security and each other loan secured by the same Hypothec, if any, are owned by such Originator;

(n) each Loan is accompanied by (i) an opinion on title of legal counsel qualified to practice law in the province or territory in which the property subject thereto is located to the effect that, at the time of origination of such

Loan, the Borrower had good title to, and such Hypothec constituted a valid and enforceable first charge, mortgage or hypothec against, such property, subject only to customary permitted encumbrances; or (ii) a policy of title insurance to the same effect;

(o) the Seller shall not have given any consents, approvals or waivers or have postponed any of its rights under or in respect of any such Loan except in the ordinary course of business and any such permitted extension, modification, consent, approval, waiver or postponement is reflected in the Loan and Related Security Files;

(p) no Loan has been satisfied or rescinded, nor has any property been discharged, reconveyed or released from the charge created by the Hypothec in whole or in part, other than the release required by the Security Sharing Agreement;

(q) the Hypothecary Loan Conditions or the related Hypothec Terms for each Loan and those of any other loan secured by the same Hypothec (each a "related loan"), including another Loan, include cross-default provisions such that a default under either the Loan or any other such related loan shall constitute a default under all such Loans and other related loans, or if no such cross-default provisions exist but the Loan or a related loan is repayable on demand, the owner of such Loan or related loan has covenanted in writing to demand repayment (in a manner and in circumstances customary for a prudent lender) of such Loan or related loan upon a default under such Loan or related loan, as the case may be;

(r) as at the Transfer Date, no Loan is subject to any dispute proceeding, set-off, compensation, counterclaim or defence;

(s) neither the Hypothecary Loan Conditions for any Loan nor the provisions of any other documentation applicable to any such Loan and enforceable by the Borrower expressly afford the Borrower a right of set-off or compensation; and

(t) to the extent any Loan or Additional Loan Advance under any Loan is extended, advanced or renewed on or after July 1, 2014, the Hypothecary Loan Conditions for any such Loan or the provisions of any other documentation applicable to any such Loan and enforceable against the Borrower, together with those of any other loan secured by the same Hypothec, contain an express waiver of set-off (or compensation, as applicable) rights on the part of the Borrower.

In addition to the satisfaction of certain conditions precedent and the Eligibility Criteria, on the relevant Transfer Date, the Loan Representations and Warranties (described below in "*Loan Representations and Warranties*") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Guarantor.

If an Originator accepts an application from or makes an offer (which is accepted) to a Borrower for a Product Switch or Further Advance, then if certain Eligibility Criteria, including the Eligibility Criteria referred to in paragraphs (b) and (c) above, relating to the Loan subject to that Product Switch or Additional Loan Advance are not satisfied on the next following Calculation Date, the Guarantor will be entitled to rectify such breach of the Eligibility Criteria by requiring the Seller to repurchase such Loan.

Notice to Borrower of the sale, assignment and transfer of the Loans and their Related Security and registration of transfer of title to the Hypothecs

The Hypothecs related to the Loans will be sold, transferred and assigned by the Originators to the Seller and by the Seller to the Guarantor pursuant to the terms of the Origination Hypothecary Loan Sale Agreement and the Hypothecary Loan Sale Agreement, respectively, but will remain registered in the name of the Originator and notice of the sale, transfer and assignment will not be given to the Borrowers or, in respect of the Related Security, any relevant guarantor of any Borrower. Such notice and, where appropriate, the registration or recording in the appropriate land registry or land titles offices of the transfer by the Originators to the Seller and by the Seller to the Guarantor of title to the Hypothecs will be deferred and will only take place in the circumstances described below.

The Seller (directly or through the applicable Originator) will agree to (a) hold registered title to the related Loans and their Related Security as agent and nominee for the Guarantor (and also, in the case of any Versatile Loan, for a Versatile Purchaser having an interest therein as described below under "-*Versatile Accounts*") and (b) deliver such agreements and take all actions with respect to the Loans and Related Security as the Guarantor (or its Managing GP) may direct in accordance with the Origination Hypothecary Loan Sale Agreement and the Hypothecary Loan Sale Agreement (or an applicable nominee agreement).

Upon the occurrence of a Registered Title Event, the Seller will be required to deliver to the Custodian (i) for safekeeping, updated details (as prescribed by the CMHC Guide) in respect of all Loans and Related Security and Substitute Assets held by the Guarantor, and (ii) to the extent not previously delivered to the Custodian, each of the powers of attorney required by the Hypothecary Loan Sale Agreement, together with documentary evidence of chain of title to the Loans and Related Security and Substitute Assets held by the Guarantor and duly executed copies of any other registrable forms of assignment that may be required by the Guarantor in order to perfect the sale, assignment and transfer of the Loans and Related Security from the Seller to the Guarantor.

Subject to the following paragraph, notice of the sale, assignment and transfer of the Loans and their Related Security and a direction to make all future repayments of the Loans to the Standby Account Depository Institution for the account of the Guarantor will be sent by the Seller, the Originator, or, as necessary, by the Guarantor (or the Servicer on behalf of the Guarantor) on behalf of the Seller or the Originator (under applicable powers of attorney granted to the Guarantor) and where required, registration of the transfer of title to the Hypothecs (including, for Versatile Loans in Québec, to record an assignment of the related Hypothec to the extent of the Guarantor's interest therein) will be made in the appropriate land registry or land titles offices, as soon as practicable and in any event on or before the 60th day following the earliest to occur of:

(a) a Servicer Event of Default that has not been remedied within 30 days or such shorter period permitted by the Servicing Agreement;

(b) an Issuer Event of Default (other than an Insolvency Event with respect to the Issuer) that has not been remedied within 30 days or such shorter period permitted by Condition 7.01

(c) an Insolvency Event (without regard to the parenthetical language in clause (a) of such definition) with respect to the Seller;

(d) the acceptance by an applicable Purchaser of any offer by the Guarantor to sell Loans and their Related Security (only in respect of the Loans being sold and their Related Security) to any such Purchaser who is not the Seller, unless otherwise agreed by such Purchaser and the Guarantor, with the consent of the Bond Trustee, which consent will not be unreasonably withheld;

(e) the Seller and/or the Guarantor being required: (i) by law, (ii) by an order of a court of competent jurisdiction, or (iii) by a regulatory authority which has jurisdiction over the Seller or the Guarantor, to effect such notice and registration; and

(f) the date on which the Seller incurs a downgrade in the ratings of its unsecured, unsubordinated and unguaranteed debt obligations below Baa1 by Moody's or in its long-term issuer default rating below BBB- by Fitch.

Notwithstanding the occurrence of any event or circumstance described in clauses (a) through (f) immediately above (each such event or circumstance, a "**Registered Title Event**"), none of the steps described in the preceding paragraph are required to be taken if (x) satisfactory assurances are provided by any supervisory authority having jurisdiction over the Seller permitting registered title to the Hypothecs to remain with the Seller (or the applicable Originator), and (y) Rating Agency Confirmation has been obtained, until such time as (i) the Loans and their Related Security are to be sold or otherwise disposed of by the Guarantor or the Bond Trustee in the performance of their respective obligations under the Transaction Documents, or (ii) the Guarantor or the Bond Trustee is required to take actions to enforce or otherwise deal with the Loans and their Related Security.

Except where lodged with the relevant registry in relation to any registration or recording which may be pending, the Loan, the Related Security and the Loan Files relating to the Loans in the Covered Bond Portfolio will be held by, or to the order of, the Servicer (or any subservicer thereof) or by solicitors, service providers or licensed notaries acting for the Servicer in connection with the creation of the Loans and their Related Security. The Servicer will undertake that all the Loan Files relating to the Loans in the Covered Bond Portfolio which are at any time in its possession or under its control or held to its order will be held to the order of the Bond Trustee or as the Bond Trustee may direct. The right, interest and title of the Guarantor to the Loans and their Related Security will be secured by irrevocable powers of attorney granted by the Seller and the Federation on behalf of the relevant Originator, as of the Transfer Date such Loans are transferred, in favour of the Guarantor (or the Managing GP and the Liquidation GP on behalf of the Guarantor) and the Bond Trustee in respect of registered title to the Loans and their Related Security. By a security registration agreement between the Federation on behalf of the relevant Originators, the Issuer, the Guarantor and the Bond Trustee, the relevant Originators further acknowledge and agree, as applicable, in favour of the Guarantor and the Bond Trustee (i) that title to the Loans in the Covered Bond Portfolio will be held by the relevant Originators as agent, mandatary, nominee and agent for and on behalf of the Guarantor, (ii) the respective rights of the Guarantor (or the Managing GP and the Liquidation GP on behalf of the Guarantor) and the Bond Trustee under the related powers of attorney granted by the Originators, (iii) to comply with all requirements of the CMHC Guide, and (iv) that the Guarantor has the right to terminate any Originator's rights and obligations as subservicer under the Subservicing Agreement.

Seller and Guarantor Representations and Warranties

Under the Hypothecary Loan Sale Agreement, the Seller makes the following representations and warranties (in addition to the Loan Representations and Warranties described below) in favour of the Guarantor on the Programme Establishment Date and on each Transfer Date: (i) it is a financial services cooperative constituted under the laws of Québec and duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, (ii) it is not a non-resident of Canada for purposes of the Income Tax Act, (iii) the execution, delivery and performance by it of the Hypothecary Loan Sale Agreement and related documents to which it is a party (x) are within its powers, (y) have been duly authorized by all necessary corporate action, and (z) do not contravene or result in a material default under or material conflict with (A) its constating documents or by-laws, (B) any law, rule or regulation applicable to it, or (C) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting it or its property, (iv) no authorization, approval, licenses, consent or other action by, and no notice to or filing with, any governmental authority or other person is required for the due execution, delivery and performance by it of each purchase document to which it is a party or to make such purchase document legal, valid, binding and admissible into evidence in a court of competent jurisdiction, other than those that have been obtained or made, (v) each of the Origination Hypothecary Loan Sale Agreement and the related documents to which it is a party has been duly executed and delivered and constitutes the legal, valid and binding obligation of, and is enforceable in accordance with its terms against, each relevant Originator, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity, and (vi) there are no actions, suits or proceedings pending or, to its knowledge, threatened against or affecting it at law, in equity or before any arbitrator or governmental authority having jurisdiction which, if adversely determined, would have a material adverse effect on its ability to perform its obligations under the Transaction Documents.

Under the Hypothecary Loan Sale Agreement, the Guarantor makes the following representations and warranties in favour of the Seller on the Programme Establishment Date and on each Transfer Date: (i) it is a limited partnership formed under the laws of the Province of Ontario and is duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, (ii) the execution, delivery and performance by the Managing GP on behalf of the Purchaser of the purchase documents to which the Purchaser is a party (x) are within the corporate powers of the Managing GP, (y) have been duly authorized by all necessary corporate or other action, and (z) do not contravene or result in a default under or conflict with (A) the constating documents or by-laws of the Managing GP or the Limited Partnership Agreement, (B) any law, rule or regulation applicable to the Managing GP, or (C) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting the Managing GP or the Purchaser or their respective property, (iii) there are no actions, suits or proceedings pending or, to its knowledge, threatened against or affecting it at law, in equity or before any arbitrator or governmental authority having jurisdiction which, if adversely determined, would reasonably be expected to materially adversely affect its financial condition or operations or its property or its ability to perform its obligations under the Hypothecary Loan Sale Agreement, or which purports to affect the legality, validity or enforceability of the Hypothecary Loan Sale Agreement, (iv) no authorization or approval or other action by, and no notice to or filing with, any governmental authority or other person is required for the due execution, delivery and performance by it of the Hypothecary Loan Sale Agreement and each related document to which it is a party, other than those that have been obtained or made, (v) each of the Hypothecary Loan Sale Agreement and the related documents to which it is a party has been duly executed and delivered and constitutes the legal, valid and binding obligation of, and is enforceable in accordance with its terms against, the Guarantor, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity, and (vi) the Guarantor, acting on the advice of the Cash Manager, is not aware, and could not reasonably be expected to be aware, that the purchase of the relevant Loans and their Related Security, would adversely affect the then current ratings of the Covered Bonds by the Rating Agencies.

Loan Representations and Warranties

Neither the Guarantor nor the Bond Trustee has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Loans and their Related Security sold or to be sold to the Guarantor. Instead, each is relying entirely on the Loan Representations and Warranties by the Seller contained in the Hypothecary Loan Sale Agreement. The parties to the Hypothecary Loan Sale Agreement may, with the prior written consent of the Bond Trustee (which shall be given if Rating Agency Confirmation has been received), amend the Loan Representations and Warranties in the Hypothecary Loan Sale Agreement.

The material Loan Representations and Warranties are as follows and are given on the relevant Transfer Date in respect of the Loans and their Related Security to be sold to the Guarantor only on that date and on the Calculation Date following the making of any Further Advance or Product Switch in respect of the Loan to which the Further Advance or Product Switch relates:

- the Seller is (and has been since the sale thereto by the Originators) the legal and beneficial owner of the Loans to be sold to the Guarantor, excluding registered or recorded title to Loans which may continue to be held by an applicable Originator (and the Originators respectively have been the owners of such Loans from the origination thereof up to the moment on which they were sold by the Originators to the Seller), free and clear of any encumbrances, other than certain

permitted encumbrances and upon each purchase, the Guarantor shall acquire a valid and enforceable first priority perfected and opposable beneficial ownership interest in the applicable Loans free and clear of any encumbrances, other than certain permitted encumbrances;

- each Loan was originated in the ordinary course of business of the Originator thereof (and kept on its books for a minimum of one month) prior to the Cut-off Date;

- each Loan that has an amortization period has a remaining amortization period of less than 50 years as at the relevant Cut-off Date;

- prior to the making of each advance under a Loan, the Lending Criteria and all preconditions to the making of any Loan were satisfied in all material respects subject only to such exceptions as would be acceptable to reasonable and prudent institutional mortgage or hypothecary lenders in Desjardins Group's market;

- all of the Borrowers are individuals or have guarantees from individuals for the Loans (which guarantees and any security related to such guarantees are assignable and will be sold, transferred and assigned to the Guarantor as Related Security for the Loans in accordance with the terms of the Hypothecary Loan Sale Agreement);

- the whole of the Current Balance on each Loan is secured by a Hypothec over residential property consisting of not more than four residential units;

- each Hypothec constitutes a valid first priority hypothec or mortgage lien over the related Property, or is insured as a first priority hypothec or mortgage lien, in each case subject to certain permitted encumbrances;

- the terms and conditions of the Loan and those of any other loan or advance secured by the same Hypothec include cross-default provisions (such that a default under the Loan and any other loan or advance (including another Loan) shall constitute a default under all such Loans and other loans or advances;

- the True Balance on each Loan (other than any agreement for Additional Loan Advances (if any)) constitutes a legal, valid, binding and enforceable debt due to the Originator from the relevant Borrower and the terms of each Loan and its related Hypothec constitute valid and binding obligations of the Borrower enforceable in accordance with their terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity;

- other than (i) registrations in the appropriate land registry or land titles offices in respect of the sale, transfer and assignment of the relevant Loans from the Seller to the Guarantor effected by the Hypothecary Loan Sale Agreement (and any applicable registration in respect of registered title to the relevant Loans), (ii) the provision to Borrowers under the related Loans or the obligors under their Related Security of actual notice of the sale, transfer and assignment thereof to the Guarantor, and (iii) the registration provided in Article 1642 of the Civil Code to be effected in accordance with the Hypothecary Loan Sale Agreement, all material filings, recordings, notifications, registrations or other actions under all applicable laws have been made or taken in each jurisdiction where necessary or appropriate (other than certain registrations in the Province of Québec which will be made when permitted by applicable law) to give legal effect to the sale, transfer and assignment of the Loans and their Related Security and the right to transfer servicing of such Loans as contemplated by the Hypothecary Loan Sale Agreement, and to validate, preserve, render opposable, perfect and protect the Guarantor's ownership interest in and rights to collect any and all of the related Loans being purchased on the relevant Transfer Date, including the right to arrange for the servicing and enforcement of such Loans and their Related Security;

- there is no requirement in order for a sale, transfer and assignment of the Loans and their Related Security to be effective to obtain the consent of the Borrower to such sale, transfer or assignment and such sale, transfer and assignment shall not give rise to any claim by the Borrower against the Guarantor, the Bond Trustee or any of their successors in title or assigns;

- all of the Properties are located in one or more Provinces of Canada;

- not more than 12 months (or a longer period as may be acceptable to reasonable and prudent institutional mortgage or hypothecary lenders in the Seller's or the applicable Originator's market) prior to the granting of each Loan, the relevant Originator obtained information on the relevant Property from an independently maintained valuation model, acceptable to reasonable and prudent institutional mortgage or hypothecary lenders in the Seller's or the applicable Originator's market, or received a valuation report on the relevant Property, which would be, and the contents or confirmation, as applicable, of which, were such as would be, acceptable to reasonable and prudent institutional mortgage or hypothecary

lenders in the Seller's or the applicable Originator's market or obtained such other form of valuation of the relevant Property which has received Rating Agency Confirmation;

- prior to the taking of Related Security (other than a re-mortgage) in respect of each Loan, the relevant Originator instructed lawyers or service providers to conduct a search of title to the relevant Property and to undertake such other searches, investigations, enquiries and actions on behalf of the applicable Originator as would be acceptable to reasonable and prudent institutional mortgage or hypothecary lenders in the applicable Originator's market or the Borrower was required to obtain either (i) a solicitor's or notary's opinion on title or (ii) lender's title insurance in respect of the Loan from an insurer acceptable to reasonable and prudent institutional mortgage or hypothecary lenders in the applicable Originator's market;

- each Loan contains a requirement that the relevant Property be covered by building insurance maintained by the Borrower or in the case of a leasehold property under a policy arranged by a relevant landlord or property management company;

- the Originator or the Seller, as the case may be, has, since the making of each Loan, kept or procured the keeping of full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to such Loans;

- there are no governmental authorizations, approvals, licences or consents required as appropriate for the Seller to enter into or to perform its obligations under the Hypothecary Loan Sale Agreement or to make the Hypothecary Loan Sale Agreement legal, valid, binding, enforceable and admissible into evidence in a court of competent jurisdiction, other than authorizations, approvals, licenses, consents, actions, notices or polling that have been obtained, made or taken;

- if the Loan is a Versatile Loan and if there has been a disposition of the related Versatile LOC or a related Versatile Loan to a Versatile Purchaser, the related Versatile Purchaser has agreed to become bound by the Security Sharing Agreement and has provided a release in favour of the Guarantor, substantially in the form attached to the Security Sharing Agreement;

- each Loan being sold on a Transfer Date satisfies the Eligibility Criteria as at such Transfer Date;

- each Loan satisfies the requirements of Section 21.6 of the Covered Bond Legislative Framework as in effect on the related Transfer Date;

- each Loan satisfies the eligibility criteria as may be prescribed by the CMHC Guide as in effect on the related Transfer Date; and

- no Issuer Event of Default or Guarantor Event of Default under the Transaction Documents shall have occurred which is continuing as at the relevant Transfer Date.

On each Transfer Date, the Guarantor shall be entitled to collections in respect of the Loans purchased on such Transfer Date during the period from the Cut-off Date to the Transfer Date.

If New Portfolio Asset Types are to be sold to the Guarantor following satisfaction of the Rating Agency Confirmation requirement, then the Loan Representations and Warranties in the Hypothecary Loan Sale Agreement will be modified as required to accommodate these New Portfolio Asset Types. The consent of the holders of the Covered Bonds to the requisite amendments to provide for the New Portfolio Asset Types to be included in the Covered Bond Portfolio will not be required.

Versatile Accounts

The Covered Bond Portfolio includes Versatile Loans. A Borrower may obtain one or more Versatile Loans and Versatile LOCs, including the ability to convert any outstanding Versatile LOC or any portion thereof into a Versatile Loan, with the remaining credit balance being a Versatile LOC, all of which are secured by the same Versatile Hypothec on the related Property.

Each Versatile Loan will be a Loan provided that the Loan Representations and Warranties and the other applicable requirements under the Transaction Documents are satisfied. Versatile LOCs will not initially be eligible for sale to the Guarantor as a Loan pursuant to the Hypothecary Loan Sale Agreement until approved as a New Portfolio Asset Type by the Rating Agencies. All sales of Versatile LOCs to the Guarantor will be subject to compliance with the CMHC Guide and the Covered Bond Legislative Framework.

Prior to a default by a Borrower under any Versatile Account, the Transaction Documents will require the Seller (or the applicable Originator) and the Servicer to apply payments to a Versatile Account in accordance with the related Versatile Hypothec. Following a default by a Borrower under any Versatile Account, the Security Sharing Agreement provides for the priority of payment of all monies received from such Borrower and all amounts realized from the enforcement of security held for such Borrower's Versatile Account (as described under "*Security Sharing Agreement—Priority of Payments in respect of Enforcement Proceeds*", below).

The Originators may from time to time sell interests in Versatile LOCs or Versatile Loans to a third party purchaser, together with the benefit of a corresponding interest in the related Versatile Hypothec. The Seller (directly or through an Originator) will act as the servicer of each related Versatile Loan (as described under "*Security Sharing Agreement—Single Servicer for Purchased Loans and Related Loans secured by the same Hypothec*", below).

Concurrently with the sale of the First Versatile Loan relating to a particular Borrower to the Guarantor, the Seller will transfer and convey all of its right, title and interest in the Related Security (including its interest in the related Versatile Hypothec (or, in the case of a Versatile Loan located in the Province of Québec, an interest in the related Versatile Hypothec to the extent of the First Versatile Loan that is sold to the Guarantor)) to the Guarantor. The Guarantor will hold the Related Security in respect of each Versatile Loan sold to the Guarantor as follows: (i) an interest in such Related Security for its own sole and absolute account and benefit, to the extent of all outstanding indebtedness owing under all Versatile Loans owned by it in respect of the same Borrower from time to time, which interest will have full priority over all other rights, claims and interests; and (ii) subject to the Guarantor's priority described in item (i) above, an interest in such Related Security, as agent, nominee and bare trustee for the Seller (or applicable Originator) and any Versatile Purchaser from time to time, as their interests may appear, to the extent of all outstanding indebtedness owing under any Versatile Loans and Versatile LOCs owned by the Seller (or the applicable Originator) or Versatile Purchaser from time to time. As well, for Versatile Loans in the Province of Québec, the Seller and each of the Versatile Purchasers will be entitled to an interest in the Versatile Hypothec to the extent of any outstanding indebtedness owing under any related Versatile Accounts.

In respect of a Versatile Account, the Transaction Documents will provide that the Servicer will (i) have the sole right to take all enforcement actions and make all servicing decisions with respect to the Related Security (including under the related Versatile Hypothec) and (ii) allocate any monies received by it and otherwise realized from the enforcement of the security for the related Versatile Account with the same Borrower in accordance with the priority arrangement described above, including the allocation of such monies to all indebtedness owing under each related Versatile Loan owned by the Guarantor in priority to all related Versatile LOCs and Versatile Loans owned by the Seller or the applicable Originator, as the case may be (as described under "*Security Sharing Agreement—Priority of Payments in respect of Enforcement Proceeds*", below).

Repurchase of Loans

If the Seller receives a Loan Repurchase Notice from the Guarantor (or the Cash Manager on its behalf) identifying a Loan or its Related Security in the Covered Bond Portfolio which, as at the relevant Transfer Date or relevant Calculation Date (in the case of a Product Switch or an Additional Loan Advance): (i) does not comply with the Loan Representations and Warranties set out in the Hypothecary Loan Sale Agreement and such breach materially and adversely affects the interest of the Guarantor in such Loan or its Related Security or the value of such Loan or its Related Security; (ii) is subject to an adverse claim other than certain permitted security interests or security interests arising through the Guarantor and such breach or adverse claim materially and adversely affects the interest of the Guarantor in such Loan or the value of the affected Loan; or (iii) any power of attorney granted by the Seller or an Originator is determined to be invalid, then the Seller will, subject to the applicable breach, adverse claim or invalid power of attorney being cured during a 20 Montréal Business Day period commencing on the date on which such non-compliance is discovered, be required to repurchase on the first Calculation Date occurring after such 20 Montréal Business Day Period: (a) any such Loan and its Related Security; and (b) any other Loan secured or intended to be secured by that Related Security or any part of it, which would include one or more Versatile Loans made to the same Borrower which are owned by the Guarantor. If any Loan was not on the related Transfer Date an Eligible Loan, the Guarantor's interest in such Loan shall be deemed to have been materially and adversely affected. The repurchase price payable upon the repurchase of any Loan is an amount (not less than zero) equal to the purchase price paid by the Guarantor for such Loan and its Related Security plus expenses as at the relevant repurchase date, less any amounts received from the Borrower since the Transfer Date in respect of principal on such Loan. The repurchase proceeds received by the Guarantor will be applied (other than Accrued Interest and Arrears of Interest) in accordance with the Pre-Acceleration Principal Priority of Payments (see "*Cashflows*" below).

Non-Performing Loans

The Cash Manager will identify any Non-Performing Loans in the Covered Bond Portfolio and upon identification serve a Non-Performing Loans Notice on the Seller and the Servicer. Non-Performing Loans will not be given credit in the Asset Coverage Test or the Amortization Test.

Other rights and obligations to repurchase

Prior to the occurrence of an Issuer Event of Default, the Seller may from time to time offer to repurchase a Loan (or Loans) and their Related Security from the Guarantor for a purchase price of not less than the fair market value of the relevant Loan. any such offer to purchase a Versatile Loan would include any other Versatile Loans made to the same Borrower which are owned by the Guarantor. The Guarantor may accept such offer at its discretion, provided that any such sale will be subject to the Asset Coverage Test being met on the date of such sale, after giving effect to the sale.

Right of pre-emption

Under the terms of the Hypothecary Loan Sale Agreement, the Seller has a right of pre-emption in respect of any sale, in whole or in part, of Loans and their Related Security.

In connection with any sale of Loans and their Related Security by the Guarantor, except where such Loans and their Related Security are being sold to the Seller pursuant to an offer from the Seller, the Guarantor will serve on the Seller a Loan Offer Notice offering to sell Loans and their Related Security for an offer price equal to the greater of (a) the fair market value of such Loans and (b) (i) if the sale is following a breach of the Pre-Maturity Test or the service of a Notice to Pay, the Adjusted Required Redemption Amount of the relevant Series of Covered bonds, otherwise (ii) the True Balance of such Loans, subject to the offer being accepted by the Seller within 10 Montréal Business Days.

At any time there is no Asset Coverage Test Breach Notice outstanding and no Covered Bond Guarantee Activation Event has occurred, it will be a condition to the Guarantor's right to sell Loans and their Related Security that the Asset Coverage Test and/or Amortization Test, as applicable, will be met on the date of such sale, after giving effect to the sale.

If an Issuer Event of Default has occurred but no liquidator or administrator has been appointed to the Seller, the Seller's right to accept the offer (and therefore its right of pre-emption) will be conditional upon the delivery by the Seller of a solvency certificate to the Guarantor and the Bond Trustee. If the Seller rejects the Guarantor's offer or fails to accept it in accordance with the foregoing, the Guarantor may offer to sell such Loans and their Related Security to other Purchasers (as described under "*Limited Partnership Agreement—Sale of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor*", below).

If the Seller validly accepts the Guarantor's offer to sell such Loans and their Related Security, the Guarantor will, within three Montréal Business Days of such acceptance, serve a Loan Repurchase Notice on the Seller. The Seller will sign and return a duplicate copy of such Loan Repurchase Notice and will repurchase from the Guarantor free from the Security created by the Security Agreements the relevant Loans and their Related Security (and any other Loan secured or intended to be secured by that Related Security or any part of it) referred to in the relevant Loan Repurchase Notice. Completion of the purchase of such Loans and their Related Security by the Seller will take place, upon satisfaction of any applicable conditions to the purchase and sale, on the first Guarantor Payment Date following receipt of the relevant Loan Repurchase Notice(s) or such other date as the Guarantor may direct in the Loan Repurchase Notice (provided that such date is not later than the earlier to occur of the date which is: (a) 10 Montréal Business Days after returning the Loan Repurchase Notice to the Guarantor; and (b) the Final Maturity Date of the Earliest Maturing Covered Bonds).

For the purposes hereof:

> "**Adjusted Required Redemption Amount**" means the Canadian Dollar Equivalent of the Required Redemption Amount, plus or minus the Canadian Dollar Equivalent of any swap termination amounts payable under the Covered Bond Swap Agreement to or by the Guarantor in respect of the relevant Series of Covered Bonds less (where applicable) amounts held by the Cash Manager for and on behalf of the Guarantor and amounts standing to the credit of the Guarantor Accounts and the Canadian Dollar Equivalent of the principal balance of any Substitute Assets (excluding all amounts to be applied on the next following Guarantor Payment Date to repay higher ranking amounts in the Guarantee Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds) plus or minus any swap termination amounts payable to or by the Guarantor under the Interest Rate Swap Agreement in respect of the relevant Series of Covered Bonds determined on a *pro rata basis* amongst all Series of Covered Bonds according to the respective Principal Amount Outstanding thereof minus amounts standing to the credit of the Pre-Maturity Liquidity Ledger that are not otherwise required to provide liquidity for any Series of Hard Bullet Covered Bonds which mature within 12 months of the date of such calculation.
>
> "**Required Redemption Amount**" means, in respect of a Series of Covered Bonds, the amount calculated as follows:

the Principal Amount Outstanding of the relevant Series of Covered Bonds	x	[1 + [Negative Carry Factor x (days to maturity of the relevant Series of Covered Bonds/365)]]

Further drawings under Loans

The Seller is solely responsible for funding all Additional Loan Advances, if any, in respect of Loans sold by the Seller to the Guarantor. The sale to the Guarantor of each Additional Loan Advance shall occur automatically upon the advance of further money to the relevant Borrower and the underlying automatic sale from the applicable Originator to the Seller. The amount of the Intercompany Loan will increase by the amount of the funded Additional Loan Advances.

New Sellers

In the future, any New Seller that wishes to sell Loans and their Related Security to the Guarantor will accede to the Hypothecary Loan Sale Agreement. The sale of New Loans and their Related Security by New Sellers to the Guarantor will be subject to certain conditions, including the following:

- each New Seller accedes to the terms of the Hypothecary Loan Sale Agreement (with such subsequent amendments as may be agreed by the parties thereto) or enters into a new Hypothecary Loan Sale Agreement with the Guarantor and the Bond Trustee, in each case so that it has, in relation to those New Loans and their Related Security to be sold by the relevant New Seller, substantially the same rights and obligations as the Seller had in relation to those Loans and their Related Security previously sold into the Covered Bond Portfolio under the Hypothecary Loan Sale Agreement;

- each New Seller accedes to the Dealership Agreement(s) and enters into such other documents as may be required by the Bond Trustee and/or the Guarantor (acting reasonably) to give effect to the addition of a New Seller to the transactions contemplated under the Programme;

- any New Loans and their Related Security sold by a New Seller to the Guarantor comply with the Eligibility Criteria set out in the Hypothecary Loan Sale Agreement;

- either (i) the Servicer services the New Loans and their Related Security sold by a New Seller on the terms set out in the Servicing Agreement (with such subsequent amendments as may be agreed by the parties thereto) or (ii) the New Seller enters into a servicing agreement with the Guarantor and the Bond Trustee which sets out the servicing obligations of the New Seller in relation to the New Loans and their Related Security and which is on terms substantially similar to the terms set out in the Servicing Agreement (in the event the New Loans and their Related Security are not purchased on a fully serviced basis, the servicing agreement shall set out fees payable to the Servicer or the New Seller acting as servicer of such New Loans and their Related Security which may be determined on the date of the accession of the New Seller to the Programme);

- the Bond Trustee is satisfied that any accession of a New Seller to the Programme will not prejudice the Asset Coverage Test; and

- the Bond Trustee is satisfied that the accession of a New Seller to the Programme is not materially prejudicial to holders of the Covered Bonds and Rating Agency Confirmation has been obtained in respect of such New Seller.

If the above conditions are met, the consent of holders of the Covered Bonds will not be required or obtained in connection with the accession of a New Seller to the Programme.

Security Sharing Agreement

The Seller, the Originators, the Guarantor, the Bond Trustee and the Custodian entered into a Security Sharing Agreement in connection with Loans and their Related Security that have been and will be sold by the Seller to the Guarantor where the Hypothec also secures or may from time to time secure loans, indebtedness or liabilities ("**Retained Loans**" and together with the Loans secured by the same Hypothec, "**Related Loans**") that do not form part of the Covered Bond Portfolio, and which are retained by the related Originator.

The Security Sharing Agreement:

- confirms that the Seller or the related Originator, as applicable, retains an interest in the Hypothec securing the Related Loans;

- provides for the priority of payments in respect of collections received in respect of any Related Loans following a default under or breach of such Related Loans that is not remedied or waived in accordance with the terms of the agreements with the Borrower in respect of such Related Loans ("**Post-Default Collections**") including from the enforcement of the Hypothecs securing Related Loans ("**Enforcement Proceeds**");

- requires Post-Default Collections to be promptly transferred, to the person entitled to such amounts;

- provides for each Loan sold to the Guarantor and Related Loans to be serviced by the same servicer or subservicer;

- provides the Seller with certain rights to purchase Related Loans from the Guarantor; and

- provides for the delivery by the Seller and the Originators of a release in respect of their respective interests, if any, in a Hypothec securing a Related Loans to the Custodian and the circumstances under which such release can be used or relied upon.

The Security Sharing Agreement will cease to apply in respect of any Related Loans upon all such Related Loans being held by a single person and provides that upon payment in full of the Loans forming part of the Related Loans, the Hypothec will be transferred to the owner (or beneficial owner) of the Retained Loans.

Priority of Payments in respect of Enforcement Proceeds

The parties to the Security Sharing Agreement have agreed that notwithstanding the terms of the Related Loans, which provide for the application of Enforcement Proceeds amongst such Related Loans, Post-Default Collections, including Enforcement Proceeds, will be applied as follows:

- first, in or towards payment of all taxes, reasonable costs and expenses incurred or to be incurred in relation to the enforcement of the Hypothec;

- second, in or towards payment of all amounts owing by the Borrower in respect of the Loans owned by the Guarantor and secured by such Hypothec until such amounts have been paid in full;

- third, in or towards payment of all amounts owing by the Borrower in respect of the Retained Loans secured by such Hypothec until such amounts have been paid in full; and

- lastly, in paying the surplus (if any) to the persons entitled thereto.

In connection with the above, to the extent an owner (or beneficial owner) of Related Loans receives Post-Default Collections while amounts are payable in priority to the amounts to which such person is entitled under the above priority of payments (but without limiting any obligation or right of the Servicer (or subservicer thereof) under the Servicing Agreement or Cash Manager under the Cash Management Agreement), such amounts are to be promptly transferred, to the person entitled to such amounts. Such payments will not be subject to the Priorities of Payment or any set-off or counterclaim.

Single Servicer for Purchased Loans and Related Loans secured by the same Hypothec

For so long as the Seller is the Servicer, it will service the Related Loans, or will sub-contract its servicing obligations to the related Originator, as subservicer, provided that, in all cases, each Loan owned by the Guarantor and each Related Loan secured by the same Hypothec, will be serviced by the same servicer or subservicer. In the event that the Servicer ceases to be the Seller, the Guarantor is required to enter into a servicing agreement with a replacement servicer (a "**Replacement Servicer**") to arrange for the servicing of the Related Loans in a manner that ensures continuity of servicing and the Seller has granted a power of attorney in favor of the Guarantor for this purpose. The Replacement Servicer must satisfy certain requirements with respect to its capacity to carry out the servicing obligations and will be required to make representations consistent with the requirements represented and warranted to by the current Servicer (see "*Servicing Agreement – Representations and Warranties of Servicer*"). A servicing agreement will be required to be entered into for the servicing with the Replacement Servicer and must, among other things:

- be commercially reasonable having regard to the interest of each of the Guarantor, the Seller and the related Originators in the Related Loans and Hypothecs being serviced, including with respect to the allocation of costs;

- provide for the servicing of the Retained Loans in accordance with the Seller's or related Originator's policy and otherwise in accordance with the standards of a reasonable and prudent institutional hypothecary lender and in compliance with applicable laws;

- restrict the ability of the Replacement Servicer to authorize, approve, accept or make product switches or additional advances in respect of Retained Loans without the consent of the Seller or related Originators;

- require the Replacement Servicer to hold funds received in respect of the Retained Loans in trust for the Seller and related Originators, as applicable, in a separate account and transfer such funds to the Seller or related Originators, as applicable on a daily basis; and

- require the prior written consent of the Guarantor, the Seller and the Federation on behalf of the related Originators, as applicable, to any amendment or waiver.

A Replacement Servicer will be entitled to take such enforcement procedures in respect of the Hypothecs it is servicing as it would be reasonable to expect a reasonable and prudent institutional hypothecary lender to take in administering its own loans and their security and each of the holders of the Related Loans will refrain from taking any enforcement procedures except at the direction of the servicer.

A third party purchaser or the Guarantor can terminate the Servicing Agreement in respect of Related Loans and their Related Security sold to the third party purchaser provided that the purchaser services or appoints a servicer for the Related Loans that include the purchased Loans owned by the Guarantor and enters into a servicing agreement that meets the requirements applicable to a Replacement Servicer.

Purchase and Sale

Under the Security Sharing Agreement, in addition to the pre-emptive rights the Guarantor has under the Hypothecary Loan Sale Agreement (See "*Hypothecary Loan Sale Agreement*" above), if the Guarantor intends to sell any Related Loan, the Seller may, upon notice to the Guarantor, purchase such Related Loan and its Related Security. In addition, in the event the Seller desires to acquire any Loans and their Related Security forming part of the Related Loans, for any reason, including to institute enforcement procedures or upon becoming aware that enforcement procedures have been or are to be instituted in respect of any Hypothec securing Related Loans, the Seller may, upon notice to the Guarantor and the Custodian, purchase such Related Loans and their Related Security from the Guarantor provided that the Asset Coverage Test, or at such time as the Amortization Test is being conducted, the Amortization Test, as applicable, is met following such sale and such sale would not (or would not reasonably be expected to) adversely affect the interests of Covered Bondholders. In each case, the purchase price for such Related Loans and their Related Security will be a price determined in accordance with the Limited Partnership Agreement (see "*Limited Partnership Agreement – Method of Sale of Loans and their Related Security"*) and will be payable in a form of consideration permitted under the CMHC Guide, which includes the substitution of assets. The Seller's right to purchase Related Loans will cease upon a sale of such Related Loans and their Related Security by the Guarantor to a third party.

Release of Security

In connection with entering into the Security Sharing Agreement, the Seller and the Originators delivered a release of security to the Custodian in respect of their respective interests, if any, in the Hypothec securing the Related Loans and agreed to deliver a release of security upon each sale or contribution of Related Loans to the Guarantor. The Custodian will hold any such releases of security, including any delivered by a purchaser of Retained Loans, as Custodial Documents (see "*Custodial Agreement*" below), and will only deliver a release of security in order for it to be used or relied upon in respect of any affected Related Loans if the following conditions are met:

- the servicer of the affected Related Loans has provided notice to the parties to the Security Sharing Agreement under the Servicing Agreement or any corresponding agreement with a Replacement Servicer or the Custodian has otherwise received evidence satisfactory to it (acting reasonably) that any of the following has occurred:

  (a) the Servicer, the related Originator or any owner (or beneficial owner) of any Retained Loan breached or caused a breach of or provided written advice to the servicer to breach (i) the priority of payments for the application of Post-Default Collections; (ii) its obligation to hold the Post-Default Collections in trust and transfer them to the person entitled to such amounts; or (iii) the requirement that each Loan owned by the Guarantor and any Related Loan secured by the same Hypothec be serviced by the same servicer or subservicer, where any such breach or advice, as applicable, is not remedied or withdrawn, as the case may be, within 60 days (or after an Issuer Event of Default, 10 Business Days) of receiving notice thereof;

  (b) any Retained Loan has been sold, transferred or assigned to a third party that has not agreed to be bound by the obligations of the Seller and the Originators under the Security Sharing Agreement with respect to such Retained Loans and delivered a release of security to the Custodian in respect of the Hypothec for such Retained

Loans (unless such sale, transfer or assignment results in a single person beneficially owning (or owning) all of the Related Loans); or

(c) the Seller, an Originator or a third party purchaser of any Retained Loan commences a challenge to the validity, legality or enforceability of (i) the priority of payments for the application of Post-Default Collections; (ii) the obligation to hold Post-Default Collections in trust and transfer them to the person entitled to such amounts; or (iii) the requirement to maintain a single servicer for Related Loans; and

- the owner (or beneficial owner) of the Related Loans that formed part of the Covered Bond Portfolio delivers a request to the Custodian to deliver to it the release of security in respect of the affected Related Loans; and

- following receipt of the request to deliver the release of security in respect of the affected Related Loans, the Custodian receives an opinion of independent legal counsel (as such term is used in the CMHC Guide), acceptable to the Custodian, confirming notice from the servicer was properly delivered or that the Custodian otherwise received evidence satisfactory to it (acting reasonably) that one of the circumstances in (a) to (c) above occurred (which opinion may make assumptions and rely on statements of fact from the servicer and appropriate officers or directors of a person reasonably expected to have knowledge of such matters) and the notice from the servicer (or other evidence) and request to deliver the release of security was properly given to the Custodian.

Upon the above conditions being satisfied, the Custodian will deliver the release of security in respect of the affected Related Loans to the Guarantor or third party purchaser, as the case may be, of the Related Loans that formed part of the Covered Bond Portfolio.

Servicing Agreement

Pursuant to the terms of the Servicing Agreement entered into on the Programme Establishment Date, as amended on December 21, 2017, between the Guarantor, the Servicer, the Seller, the Cash Manager and the Bond Trustee, the Servicer has agreed to service on behalf of the Guarantor the Loans and their Related Security sold by the Seller to the Guarantor in the Covered Bond Portfolio.

The Servicer will administer the Loans and their Related Security comprised in the Covered Bond Portfolio in accordance with applicable law, the Servicing Agreement and the other Transaction Documents and with reasonable care and diligence, using that degree of skill and attention that it exercises in managing, servicing, administering, collecting on and performing similar functions relating to comparable loans that it services for itself.

The Servicer will be required to administer the Loans in accordance with the Servicing Agreement:

(a) as if the Loans and their Related Security sold by the Seller to the Guarantor had not been sold to the Guarantor but remained with the Seller; and

(b) in accordance with the Seller's or the relevant Originator's administration, arrears and enforcement policies and procedures forming part of the Servicer's policy from time to time as they apply to those Loans.

The Servicer's actions in servicing the Loans in accordance with its procedures will be binding on the Guarantor, the Seller and the Secured Creditors.

The Servicer will have the power to exercise the rights, powers and discretions and to perform the duties of the Guarantor in relation to the Loans and their Related Security that it is servicing pursuant to the terms of the Servicing Agreement, and to do anything which it reasonably considers necessary or convenient or incidental to the administration of those Loans and their Related Security.

Undertakings of the Servicer

Pursuant to the terms of the Servicing Agreement, the Servicer will undertake in relation to those Loans and their Related Security in the Covered Bond Portfolio that it is servicing, among other things, to:

- keep records and accounts on behalf of the Guarantor in relation to the Loans and their Related Security;

- keep the Loan Files in its possession or under its control in safe custody and maintain records necessary to enforce each Hypothec and to provide the Guarantor and the Bond Trustee with access to the Loan Files and other records relating to the administration of the Loans and their Related Security;

- maintain a register in respect of the Covered Bond Portfolio;

- make available upon request to the Guarantor and the Bond Trustee a report on a monthly basis containing information about the Loans and their Related Security comprised in the Covered Bond Portfolio;

- assist the Cash Manager in the preparation of a monthly asset coverage report in accordance with the Cash Management Agreement;

- take all reasonable steps to recover all sums due to the Guarantor, including instituting proceedings and enforcing any relevant Loan or Hypothec using the discretion of reasonable and prudent institutional mortgage or hypothecary lenders in the Seller's or the applicable Originator's market in applying the enforcement procedures forming part of the Seller's policy;

- enforce any Loan which is in default in accordance with the Seller's enforcement procedures or, to the extent that such enforcement procedures are not applicable having regard to the nature of the default in question, with the usual procedures undertaken by reasonable and prudent institutional mortgage or hypothecary lenders in the Seller's or the applicable Originator's market on behalf of the Guarantor;

- comply and, as applicable, cause any person to which it sub-contracts or delegates the performance of all or any of its powers and obligations to comply with, the provisions of the Security Sharing Agreement applicable to a servicer and not take any action in contravention of the Security Sharing Agreement, except pursuant to a written notice or direction in which case it will provide notice to the parties to the Security Sharing Agreement; and

- to provide notice to each party to the Security Sharing Agreement in the event that it receives advice or is provided or comes into possession or written evidence, as applicable, of any of the circumstances which could give rise to an obligation on the part of the Custodian to deliver a release of security in respect of any affected Related Loans following receipt of such notice, a request by an owner (or beneficial owner) of such affected Related Loans and delivery of an independent legal counsel opinion (see "*Security Sharing Agreement*", above).

Prior to a downgrade in the ratings of the Servicer by one or more Rating Agencies below the Servicer Deposit Threshold Ratings (as defined below), the Servicer shall hold any funds it receives on behalf of the Guarantor for the benefit of the Guarantor and shall transfer such funds on or before the next Guarantor Payment Date (i) to the Cash Manager prior to a downgrade in the ratings of the Cash Manager by one or more Rating Agencies below the Cash Management Deposit Ratings (as defined below), and (ii) following any such downgrade of the Cash Manager's ratings, directly into the GIC Account. "**Cash Management Deposit Ratings**" means the threshold ratings P-1 (in respect of Moody's) and F1 or A (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of, in the case of Moody's, the short term deposit rating, and in the case of Fitch, the issuer default rating, in each case, of the Cash Manager by the Rating Agencies. "**Servicer Deposit Threshold Ratings**" means the threshold ratings P-1(cr) (in respect of Moody's) and F1 or A (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of, in the case of Moody's, the short term counterparty risk assessment, and in the case of Fitch, the issuer default rating, in each case, of the Servicer.

In the event of a downgrade in the ratings of the Servicer by one or more Rating Agencies below the Servicer Deposit Threshold Ratings, the Servicer shall hold any funds it receives on behalf of the Guarantor for the benefit of the Guarantor and shall transfer such funds within two Business Days of the collection or receipt thereof (i) to the Cash Manager prior to a downgrade in the ratings of the Cash Manager by one or more Rating Agencies below the Cash Management Deposit Ratings, and (ii) following any such downgrade of the Cash Manager's ratings, directly into the GIC Account.

On the Servicer being assigned a rating below the Servicer Replacement Threshold Ratings (as defined below), the Servicer undertakes to, upon the request of the Guarantor or the Bond Trustee, use commercially reasonable efforts to enter into a new or a master servicing agreement with the Bond Trustee and a third party substantially in the form of the Servicing Agreement (or otherwise subject to Rating Agency Confirmation), with such modifications as the Guarantor and the Bond Trustee may reasonably require (including with respect to the payment of servicing fees), within 60 days under which such third party will undertake the servicing obligations in relation to the Covered Bond Portfolio. In connection with the foregoing, upon entering into the new or master servicing agreement with such third party, the Servicer or replacement Servicer, as agreed between the parties to the Servicing Agreement, will (on behalf of the Guarantor) deliver notice of the sale, assignment and transfer of the Loans and their Related Security and direct Borrowers to make all future repayments on the Loans to the Standby Account Depository Institution for the account of the Guarantor. "**Servicer Replacement Threshold Ratings**" means the threshold ratings Baa2 or F2 (in respect of Moody's and Fitch, respectively), as applicable, of the unsecured, unsubordinated and unguaranteed debt obligations (or, in the case of Fitch, the short-term issuer default rating) of the Servicer.

Setting of variable rate and other discretionary rates and margins

Pursuant to the terms of the Hypothecary Loan Sale Agreement and in accordance with the Hypothecary Loan Conditions applicable to certain Loans, the Seller has prescribed policies relating to interest rate setting, arrears management and handling of complaints which the Guarantor (and any subsequent purchaser thereof) will be required to adhere to following the transfer of Loans and their Related Security. Such arrears management and handling of complaints policies are consistent with those to be applied by the Servicer under the terms of the Servicing Agreement. The interest rate setting policy specified in the Hypothecary Loan Sale Agreement is only applicable to Loans with interest rates which may be varied from time to time in the discretion of the lender under the relevant Loan.

In addition to the undertakings described above, the Servicer has also undertaken in the Servicing Agreement to determine and set the variable rate and any other discretionary rates and margins in relation to any applicable Loans in the Covered Bond Portfolio for which the Guarantor is entitled to set the variable rate and any other discretionary rates and margins pursuant to the terms of such Loans. The Servicer shall set such rates and margins in accordance with the policy to be adhered to by the Guarantor above, at such times as the Guarantor would be entitled to set such rates and margins, except in the limited circumstances described below, when the Guarantor will be entitled to set such rates and margins. The Servicer will not at any time prior to the earlier of (i) the occurrence of a Covered Bond Guarantee Activation Event, and/or (ii) a Servicer Event of Default having occurred, without the prior written consent of the Guarantor, set or maintain any such discretionary rates or margins at rates or margins which are higher than (although they may be lower than or equal to) the applicable then prevailing discretionary rates or margins of the Seller for loans owned by the Seller which have a similarly determined variable rate or margin to the relevant Loan in the Covered Bond Portfolio sold by the Seller to the Guarantor.

In particular, the Servicer will determine on each Calculation Date, having regard to:

(a) the income which the Guarantor would expect to receive during the next succeeding Guarantor Payment Period (the relevant Guarantor Payment Period);

(b) any discretionary rates and margins in respect of the Loans which the Servicer proposes to set under the Servicing Agreement for the relevant Guarantor Payment Period; and

(c) the other resources available to the Guarantor including the Interest Rate Swap Agreement, the Covered Bond Swap Agreement and the Reserve Fund,

whether the Guarantor would receive an amount of income during the relevant Guarantor Payment Period which, when aggregated with the funds otherwise available to it, is less than the amount which is the aggregate of (1) the amount of interest which would be payable (or provisioned to be paid) under the Covered Bond Guarantee on each Guarantor Payment Date falling at the end of the relevant Guarantor Payment Period and any amounts which would be payable (or provisioned to be paid) to the Covered Bond Swap Provider under the Covered Bond Swap Agreement in respect of all Covered Bonds on each Guarantor Payment Date of each Series of Covered Bonds falling at the end of the relevant Guarantor Payment Period and (2) the other senior expenses payable by the Guarantor ranking in priority thereto in accordance with the relevant Priorities of Payment applicable prior to a Guarantor Event of Default.

If the Servicer determines that there will be a shortfall in the foregoing amounts, it will give written notice to the Guarantor and the Bond Trustee, within one Montréal Business Day, of the amount of the shortfall. If the Guarantor or the Bond Trustee notifies the Servicer and the Issuer that, having regard to the obligations of the Guarantor and the amount of the shortfall, further Loans and their Related Security should be sold to the Guarantor, the Issuer will use all reasonable efforts to ensure that the obligations of the Guarantor for such period will be met. This may include, making advances under the Intercompany Loan or selling Loans and their Related Security to the Guarantor on or before the next Calculation Date in such amounts and with such rates or margins, as applicable, sufficient to avoid such shortfall on future Calculation Dates.

In addition, the Servicer will determine on each Calculation Date following an Issuer Event of Default, having regard to the aggregate of:

(a) any variable or discretionary rate or margin, in respect of the Loans which the Servicer proposes to set under the Servicing Agreement for the relevant Guarantor Payment Period; and

(b) the other resources available to the Guarantor under the Interest Rate Swap Agreement,

whether the Guarantor would receive an aggregate amount of interest on the Loans sufficient to pay the full amounts payable under the Interest Rate Swap Agreement during the relevant Guarantor Payment Period (the "**Post Issuer Event of Default Yield Shortfall Test**").

If the Servicer determines that the Post Issuer Event of Default Yield Shortfall Test will not be met, it will give written notice to the Guarantor and the Bond Trustee, prior to the Guarantor Payment Date immediately following such Calculation Date, of the amount of the shortfall and the rates or margins, for any discretionary rates or margins which the Guarantor is entitled to set with respect to Loans in the Covered Bond Portfolio pursuant to the terms of such Loans, which need to be set in order for no shortfall to arise, and the Post Issuer Event of Default Yield Shortfall Test to be met, having regard to the date(s) on which the change to such discretionary rates or margins would take effect and at all times acting in accordance with the standards of reasonable and prudent institutional mortgage or hypothecary lenders in the Seller's or the applicable Originator's market. If the Guarantor or the Bond Trustee notifies the Servicer that, having regard to the obligations of the Guarantor, such discretionary rates or margins should be increased, the Servicer or replacement Servicer, as the case may be, will take all steps which are necessary to increase such discretionary rates or margins including publishing any notice which is required in accordance with the Hypothec Terms.

The Guarantor and the Bond Trustee may terminate the authority of the Servicer to determine and set any such discretionary rates or margins on the occurrence of a Servicer Event of Default as defined under "*—Removal or resignation of the Servicer*", in which case the Guarantor and the Bond Trustee will agree to appoint the replacement Servicer to set such discretionary rates or margins itself in the manner described above.

Representations and Warranties of Servicer

Under the Servicing Agreement, the Servicer represents and warrants to the Guarantor and the Bond Trustee that (i) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under the Servicing Agreement and the other Transaction Documents 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 thereunder, (ii) it is rated at or above the Servicer Replacement Threshold Ratings by each of the Rating Agencies, (iii) it is and will continue to be in good standing with the AMF, (iv) 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 the Servicing Agreement and the other Transaction Documents to which it is party, and (v) 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 the Servicing Agreement and the other Transaction Documents to which it is a party.

Removal or resignation of the Servicer

The Guarantor and the Bond Trustee may (unless otherwise specified below), upon written notice to the Servicer, terminate the Servicer's rights and obligations immediately if any of the following events (each a "**Servicer Termination Event**" and, each of the first four events set out below, a "**Servicer Event of Default**") occurs:

- the Servicer is assigned a rating from the Rating Agencies below the Servicer Replacement Threshold Ratings;
- the Servicer defaults in the payment of any amount due to the Guarantor under the Servicing Agreement and fails to remedy that default for a period of three Montréal Business Days after the earlier of the Servicer becoming aware of the default and receipt by the Servicer of written notice from the Bond Trustee or the Guarantor requiring the same be remedied;
- the Servicer (or any delegate thereof) fails to comply with its obligations under the Servicing Agreement relating to the transfer of monies received as collections at any time that there has been a downgrade in the ratings of the Servicer by one or more Rating Agencies below the Servicer Deposit Threshold Ratings and such default continues unremedied for a period of one (1) Montréal Business Day after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Bond Trustee or the Guarantor requiring the same to be remedied;
- the Servicer fails to comply with any of its other covenants and obligations under the Servicing Agreement which failure in the reasonable opinion of the Bond Trustee is materially prejudicial to the interests of the holders of the Covered Bonds from time to time and does not remedy such failure within the earlier of 20 Montréal Business Days after becoming aware of the failure and receipt by the Servicer of written notice from the Bond Trustee or the Guarantor requiring the same to be remedied;
- an Insolvency Event occurs in relation to the Servicer or any credit support provider in respect of the Servicer or the merger of the Servicer without an assumption of the obligations under the Servicing Agreement;

- the Guarantor resolves, after due consideration and acting reasonably, that the appointment of the Servicer should be terminated provided that a substitute servicer has entered into a substitute servicing agreement with the parties to the Servicing Agreement (excluding the Servicer) on substantially similar terms and conditions as the Servicing Agreement and for which Rating Agency Confirmation has been received;

- there is a breach by the Servicer of certain representations and warranties or a failure by the Servicer to perform certain covenants made by it under the Servicing Agreement;

- the Servicer is the Issuer or an affiliate of the Issuer and an Issuer Event of Default (a) occurs and is continuing, or (b) has previously occurred and is continuing, at any time that the Guarantor is Independently Controlled and Governed; or

- an Issuer Event of Default occurs and is continuing, or has previously occurred and is continuing, at any time that the Guarantor is Independently Controlled and Governed.

In the case of the occurrence of the first Servicer Termination Event described above at any time that the Guarantor is not Independently Controlled and Governed, the Guarantor shall by notice in writing to the Servicer terminate its appointment as Servicer with effect from a date (not earlier than the date of the notice) specified in the notice.

Termination of the Servicer will become effective upon the appointment of a successor Servicer in place of such Servicer. The Servicer, the Guarantor and the Bond Trustee agree to use commercially reasonable efforts to arrange for the appointment of a successor Servicer.

Subject to the fulfillment of a number of conditions, the Servicer may voluntarily resign by giving not less than 12 months' notice to the Bond Trustee and the Guarantor provided that a successor servicer qualified to act as such with a management team with experience of administering mortgages in Canada has been appointed and enters into a servicing agreement with the Guarantor substantially on the same terms as the Servicing Agreement, except as to fees. The resignation of the Servicer is conditional on Rating Agency Confirmation unless the holders of the Covered Bonds agree otherwise by Extraordinary Resolution.

If the appointment of the Servicer is terminated, the Servicer must deliver the Loan Files relating to the Loans in the Covered Bond Portfolio administered by it to, or at the direction of, the Guarantor. The Servicing Agreement will terminate at such time as the Guarantor has no further interest in any of the Loans or their Related Security sold to the Guarantor and serviced under the Servicing Agreement that comprised the Covered Bond Portfolio.

The Servicer may sub-contract or delegate the performance of its duties under the Servicing Agreement provided that it meets conditions as set out in the Servicing Agreement. As at the date of this Base Prospectus, the Servicer sub contracts or delegates the performance of all its duties under the Servicing Agreement, including the exercise of reasonable care and prudence in the making of the Loans, in the administration of the Loans, in the collection of the repayment of the Loans and in the protection of the security for each Loan, to each Originator in respect of the Loans originated by it that form part of the Covered Bond Portfolio, provided that the Servicer is not released or discharged from any liability under the Servicing Agreement and remains liable for the performance or non-performance or breach by any sub-contractor or delegate of the duties so subcontracted or delegated under the Servicing Agreement.

In certain circumstances, the Servicer may be required to assign the role of Servicer to a third party acceptable to the Bond Trustee and qualified to service the Covered Bond Portfolio. The Bond Trustee will not be obliged to act as Servicer in any circumstances.

Subservicing Agreement

Under the terms of the Subservicing Agreement between each Originator in respect of the Loans originated by it that will form part of the Covered Bond Portfolio (the "**Relevant Loans**"), as subservicer of the Servicer and the Federation as the Servicer, the Seller, and the Cash Manager, the Servicer has sub contracted to each such Originator the performance of all its duties under (A) the Servicing Agreement (other than (i) the performance of the Guarantor Obligation Shortfall Test (as such term is defined in the Servicing Agreement) or the Post Issuer Event of Default Yield Shortfall Test, and (ii) dealing with the collections except to remit collections received by such Originator to the Servicer or the Cash Manager as required pursuant to the Subservicing Agreement) and (B) the Custodial Agreement. In addition, the Originator, in its capacity as subservicer will, with respect to Relevant Loans and their Related Security, advise the Servicer of all material collection and service issues and provide the Servicer with reports and other information in its possession as the Servicer may reasonably require.

So long as (i) a subservicer is in compliance with its obligations under the Subservicing Agreement and no termination event has occurred with respect to such subservicer, and (ii) the Servicer is in compliance with its obligations under the Servicing Agreement with respect to funds received by it on behalf of the Guarantor and no Servicer Termination Event has occurred, the Guarantor (or

the Cash Manager on its behalf) may direct by written direction that all or any funds collected by such subservicer on behalf of the Guarantor ("**Directed Collections**") be paid to the Issuer (or as the Issuer may direct by written direction) on the next Guarantor Payment Date as a repayment by the Guarantor of the Intercompany Loan pursuant to the applicable Priorities of Payment (which direction by the Issuer may instruct that such funds be paid to an Originator in respect of amounts owed by the Issuer to such Originator pursuant to the Origination Hypothecary Loan Sale Agreement) provided that only that proportion of funds received by a subservicer on behalf of the Guarantor may be so directed for payment which, when aggregated with the Directed Collections of all subservicers, are less than or equal to the sum the Guarantor would otherwise have available to distribute to the Issuer on the next Guarantor Payment Date upon the application of Available Revenue Receipts and Available Principal Receipts in accordance with the applicable Priorities of Payment.

Undertakings of the Subservicer

Pursuant to the terms of the Subservicing Agreement, each subservicer will undertake in relation to its Relevant Loans and their Related Security, among other things, to:

- administer the Relevant Loans and their Related Security as if the same were on the books of the subservicer;
- provide the services in such manner and with the same level of skill, care and diligence as would a reasonable and prudent hypothecary lender and using that degree of skill and attention that it exercises in managing, servicing, administering, collecting and performing similar functions relating to comparable loans that it services for itself;
- comply with any proper directions, orders and instructions which the Servicer may from time to time give to it;
- comply with the Security Sharing Agreement;
- forthwith notify the Servicer in the case of the occurrence of an Insolvency Event in relation to the subservicer;
- keep in force all licences, approvals, authorizations and consents which may be necessary in connection with the performance of the services and prepare and submit on a timely basis all necessary applications and requests for any further approval, authorization, consent or licence required in connection with the performance of the services;
- save as otherwise agreed with the Servicer, provide free of charge to the Servicer or its nominees, office space, facilities, equipment and staff sufficient to enable the Servicer or its nominees to fulfil its obligations under the Servicing Agreement;
- not knowingly fail to comply with any legal requirements in the performance of the services;
- make all payments required to be made by it pursuant to the Subservicing Agreement on the due date for payment thereof in Canadian dollars in immediately available funds for value on such day without compensation or set-off (including, without limitation, in respect of any fees owed to it) or counterclaim; and
- forthwith and in any event prior to the next Guarantor Payment Date after becoming aware of any event which may reasonably give rise to an obligation of the Seller to repurchase any Relevant Loan sold to the Guarantor in the Covered Bond Portfolio pursuant to the Hypothecary Loan Sale Agreement, notify the Servicer in writing of such event.

Removal or Resignation of the Subservicer

The Servicer may terminate a subservicer's rights and obligations as subservicer under the Subservicing Agreement upon written notice to the relevant subservicer if any of the following events occurs:

- default is made by the subservicer in the payment on the due date of any amount due to the Guarantor or the Servicer and payable by it under the Subservicing Agreement and such default continues unremedied for a period of three (3) Montréal Business Days after the earlier of the subservicer becoming aware of such default and receipt by the subservicer of written notice from the Servicer requiring the same to be remedied;
- default is made by the subservicer in the performance or observance of any of its other covenants and obligations under the Subservicing Agreement or any other Transaction Document, which in the reasonable opinion of the Servicer could reasonably be expected to have a material adverse effect on the Relevant Loans and Related Security in the aggregate or be materially prejudicial to the interests of the holders of the Covered Bonds and such default continues unremedied

within the earlier of 10 Montreal Business Days after becoming aware of such default and receipt by the subservicer of written notice from the Servicer requiring the same to be remedied;

- default is made by the subservicer in the performance or observance of its covenants and obligations to remit collections to the Servicer or the Cash Manager at any time that the ratings of the Servicer, as applicable, from one or more Rating Agencies fall below the Servicer Deposit Threshold Ratings;

- an Insolvency Event occurs in relation to the subservicer or any credit support provider in respect of the subservicer or the merger of the subservicer without an assumption of the obligations under the Subservicing Agreement;

- the audited financial statements of the subservicer show a negative operating reserve and such financial statements do not show a receivable grant from the Desjardins Security Fund (a fund established to, among other things, extend grants and loans to the Caisses for the purposes of managing the affairs of the Caisses) which would make up the deficit of such operating reserve; or

- the Servicer resolves, after due consideration and acting reasonably, that the appointment of the subservicer should be terminated.

Provided that the Servicer consents in writing, any subservicer may voluntarily resign by giving not less than 12 months' notice of termination to the Servicer.

In the event that the Servicer is terminated and a replacement Servicer has not yet been appointed, each of the Guarantor and the Bond Trustee is authorized to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the continued subservicing of the Loans and their Related Security pursuant to the Subservicing Agreement. The Servicer shall provide notice to CMHC of the termination or resignation of any subservicer and of such subservicer's replacement.

No amendment or waiver of any provision of the Subservicing Agreement shall be effective unless in writing and signed by the parties thereto. The list of Originators that are party to the Subservicing Agreement (and to the Origination Hypothecary Loan Sale Agreement and the Security Sharing Agreement) shall be deemed to be automatically updated on the applicable purchase date to include the name of any Originator that delivers a loan purchase notice on such purchase date and is not otherwise on such list as of such date. Such new Originator shall be bound by the terms of the Subservicing Agreement, the Origination Hypothecary Loan Sale Agreement, the Security Sharing Agreement, the applicable release of security and the security registration agreement, in each case, as of such date.

Asset Monitor Agreement

Under the terms of the Asset Monitor Agreement entered into on the Programme Establishment Date, as amended on December 21, 2017, between the Asset Monitor, the Guarantor, the Issuer, the Cash Manager and the Bond Trustee, the Asset Monitor has agreed, subject to due receipt of the information to be provided by the Cash Manager to the Asset Monitor, to carry out arithmetic testing of, and report on the arithmetic accuracy of the calculations performed by the Cash Manager once each year and more frequently in certain circumstances as required by the terms of the Asset Monitor Agreement with a view to confirming that the Asset Coverage Test, the Amortization Test, the Valuation Calculation and the OC Valuation, as applicable, is met as at that Calculation Date.

If the arithmetic testing conducted by the Asset Monitor reveals any errors in the calculations performed by the Cash Manager, the Asset Monitor will be required to conduct such arithmetic tests and report on such arithmetic accuracy for (a) the last Calculation Period of each calendar quarter of the preceding year, (b) each Calculation Period of the current year until such arithmetic testing demonstrates no arithmetical inaccuracy for three consecutive Calculation Periods, and (c) thereafter, the last Calculation Period of each remaining calendar quarter of the current year.

In addition to the arithmetic testing described above, the Asset Monitor will also perform certain specified procedures in relation to the Covered Bond Portfolio and verify compliance by the Issuer, the Guarantor and the Programme with certain aspects of the Covered Bond Legislative Framework and the CMHC Guide.

The Asset Monitor is entitled, in the absence of manifest error, to assume that all information provided to it by the Cash Manager for the purpose of performing its duties under the Asset Monitor Agreement is true and correct and not misleading and is not required to report as such or otherwise take steps to verify the accuracy of any such information. Each report of the Asset Monitor delivered in accordance with the terms of the Asset Monitor Agreement will be delivered to the Cash Manager, the Guarantor, the Issuer, the Bond Trustee and CMHC.

The Guarantor will pay to the Asset Monitor a fee per report (exclusive of GST), equal to the amount set out in the Asset Monitor Agreement from time to time, for the reports to be performed by the Asset Monitor.

The Guarantor may, at any time, only with the prior written consent of the Bond Trustee (unless the Asset Monitor defaults in the performance or observance of certain of its covenants or breaches certain of its representations and warranties made, respectively, under the Asset Monitor Agreement, in which case such consent will not be required), terminate the appointment of the Asset Monitor by giving at least 60 days' prior written notice to the Asset Monitor, and the Asset Monitor may, at any time, resign by giving at least 60 days' prior written notice (and immediately if continuing to perform its obligations under the Asset Monitor Agreement becomes unlawful or conflicts with independence or professional rules applicable to the Asset Monitor) to the Guarantor and the Bond Trustee.

Upon giving notice of resignation, the Asset Monitor will use reasonable efforts to assist the Guarantor in appointing a replacement Asset Monitor approved by the Bond Trustee (such approval to be granted by the Bond Trustee if the replacement is an accounting firm of national standing which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Agreement). If a replacement is not appointed by the date which is 30 days prior to the date when tests are to be carried out in accordance with the terms of the Asset Monitor Agreement, then the Guarantor will use all reasonable efforts to appoint an accounting firm of national standing to carry out the relevant tests on a one-off basis, provided that notice of such appointment is given to the Bond Trustee.

The Bond Trustee will not be obliged to act as Asset Monitor in any circumstances.

Limited Partnership Agreement

The general and limited partners of the Guarantor have agreed to operate the business of the Guarantor in accordance with the terms of a limited partnership agreement entered into on the Programme Establishment Date, as amended on July 23, 2015, August 24, 2016 and December 21, 2017, between the Managing GP, as managing general partner, the Liquidation GP, as liquidation general partner, and the Federation, as Limited Partner, together with such other persons as may become partners of the Guarantor and the Bond Trustee (as the same may be further amended and/or restated and/or supplemented from time to time, the "**Limited Partnership Agreement**").

General Partner and Limited Partners of the Guarantor

The Managing GP is the managing general partner and the Liquidation GP is the liquidation general partner and the Federation is the sole limited partner of the Guarantor. The Partners will have the duties and obligations, rights, powers and privileges specified in the *Limited Partnerships Act* (Ontario) and pursuant to the terms of the Limited Partnership Agreement.

No new Limited Partner may be otherwise appointed, and no new general partner may be added or general partner replaced without the consent of the Limited Partner and, while there are Covered Bonds outstanding, the Bond Trustee, and receipt by the Issuer and/or the Bond Trustee of Rating Agency Confirmation.

Under the Limited Partnership Agreement, the Limited Partner represents and warrants to the other Partners that (i) it is a validly created financial services cooperative duly incorporated under the laws of Québec, (ii) it has taken all necessary action to authorize the execution, delivery and performance of the Limited Partnership Agreement, (iii) it has the capacity and authority to enter into, deliver and perform its obligations under the Limited Partnership Agreement and such obligations do not conflict with nor do they result in a breach of any of its constating documents or by-laws or any material agreement by which it is bound or any applicable law the breach of which would have a material effect, (iv) no authorization, consent or approval of, or filing with or notice to, any person is required in connection with the execution, delivery or performance of the Limited Partnership Agreement by the Limited Partner, other than whose which have been obtained, and (v) it is not a non-resident of Canada for purposes of the Income Tax Act and will retain such status during the term of the partnership governed by the Limited Partnership Agreement.

No person shall be admitted, or be permitted to remain in, the partnership as a Partner if such person is a non-resident of Canada for purposes of the Income Tax Act or (if a partnership) is not a "Canadian partnership" within the meaning of the Income Tax Act.

Capital Contribution

On or before the Programme Establishment Date, each of the Managing GP and the Liquidation GP has contributed a nominal cash amount to the Guarantor and hold 99 per cent and 1 per cent respectively of the 0.05 per cent general partner interest. The Limited Partner holds the substantial economic interest in the Guarantor (approximately 99.95 per cent) having also contributed cash to the Guarantor. The Partners may from time to time make additional Capital Contributions to the Partnership, including without limitation after receipt of an Asset Coverage Test Breach Notice.

New Limited Partners

In the future, any person that wishes to become a new Limited Partner will, subject to the following paragraph, require the consent of the Limited Partner and, while there are Covered Bonds outstanding, the Bond Trustee and be required, to the extent applicable, to accede to the Hypothecary Loan Sale Agreement and any other Transaction Documents to which the Limited Partner is a party and deliver such other agreements and provide such other assurances as may be required by the Guarantor and/or the Bond Trustee (acting reasonably). Subject to compliance with the foregoing, the consent of the Covered Bondholders will not be required to the accession of a new Limited Partner to the Guarantor.

The Limited Partner may assign all or some portion of its interest in the Guarantor to any Subsidiary by giving written notice of such assignment to the Guarantor and the Bond Trustee, and the assignee of such interest acceding to the Limited Partnership Agreement. Any such assignment shall not relieve the Limited Partner of its obligations under the Limited Partnership Agreement or require the consent of the General Partners, Bond Trustee, the holders of the Covered Bonds or, if applicable, any other Limited Partner.

Capital Distributions

Provided the Asset Coverage Test and/or the Amortization Test, as applicable, will be met after giving effect to any Capital Distribution, the Managing GP, may from time to time, in its discretion, make Capital Distributions to the Partners. Pursuant to the terms of the Limited Partnership Agreement distributions to the Liquidation GP will be limited to an amount which may be less than the Liquidation GP's *pro rata* interest in the Guarantor.

OC Valuation

The CMHC Guide requires that the Guarantor confirm that the cover pool's level of overcollateralization exceeds 103% (the "**Guide OC Minimum**"). For so long as Covered Bonds remain outstanding, the Guarantor (or the Cash Manager on behalf of the Guarantor) will calculate the Level of Overcollateralization (as defined below) at the same time that the Asset Coverage Test is performed, and the Guarantor will compare such Level of Overcollateralization with the Guide OC Minimum (such calculation and comparison, the "**OC Valuation**").

For purposes of the OC Valuation, the "**Level of Overcollateralization**" means the amount, expressed as a percentage, calculated as at each Calculation Date as follows:

$$A \div B$$

where,

A = the lesser of: (i) the total amount of the Cover Pool Collateral; and (ii) the amount of Cover Pool Collateral required to collateralize the Covered Bonds outstanding and ensure that the Asset Coverage Test is met,

B = the Canadian Dollar Equivalent of the Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.

The term "**Cover Pool Collateral**" shall, for the purposes of the foregoing calculation, include, as calculated on the relevant Calculation Date,

(a) the Performing Eligible Loans (as defined in Annex D to the CMHC Guide) owned by the Guarantor and such Loans will be valued using their Outstanding Principal Balance;

(b) Substitute Assets owned by the Guarantor and such assets shall be valued using their outstanding principal amount;

provided that, the "Cover Pool Collateral" shall not include Contingent Collateral Amounts, Swap Collateral Excluded Amounts or Voluntary Overcollateralization (as defined in Section 6.3.4 of the CMHC Guide).

The Issuer must provide immediate notice to CMHC if the Level of Overcollateralization falls below the Guide OC Minimum. The OC Valuation will be calculated by the Cash Manager as at each Calculation Date and monitored from time to time by the Asset Monitor. Such calculation will be completed within the time period specified in the Cash Management Agreement. The Level of Overcollateralization, with a comparison to the Guide OC Minimum, must be disclosed for the month the calculation is performed

in each Investor Report and each public offering document prepared, filed or otherwise made available to investors during the currency of the calculation.

Asset Coverage Test

The Guarantor must ensure that as at each Calculation Date, the Adjusted Aggregate Loan Amount is in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated at the relevant Calculation Date.

If as at any Calculation Date, the Adjusted Aggregate Loan Amount is less than the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds as calculated at the relevant Calculation Date, then the Guarantor (or the Cash Manager on its behalf) will notify the Partners, the Bond Trustee and CMHC thereof. The Partners shall use all reasonable efforts to ensure that the Guarantor is in compliance with the Asset Coverage Test. In that respect, the Limited Partner shall use all reasonable efforts to, as the Limited Partner may determine in its sole discretion, (i) make a Cash Capital Contribution, (ii) make a Capital Contribution in Kind to the Partnership, and/or (iii) require the Seller, in such capacity, sell New Loans and their Related Security to the Guarantor, in the aggregate or in each case, as applicable, in an amount sufficient to ensure the Guarantor is or will be in compliance with the Asset Coverage Test on future Calculation Dates. If the Adjusted Aggregate Loan Amount is less than the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds on the next following Calculation Date, the Asset Coverage Test will be breached and the Guarantor (or the Cash Manager on its behalf) will serve an Asset Coverage Test Breach Notice on the Partners, the Bond Trustee, CMHC and, if delivered by the Cash Manager, the Guarantor. The Asset Coverage Test Breach Notice will be revoked if the Asset Coverage Test is satisfied as at the next Calculation Date following service of an Asset Coverage Test Breach Notice provided no Covered Bond Guarantee Activation Event has occurred.

At any time there is an Asset Coverage Test Breach Notice outstanding:

(a) the Guarantor may be required to sell Randomly Selected Loans (as described further under "*Limited Partnership Agreement—Sale of Loans and their Related Security following service of an Asset Coverage Test Breach Notice or service of a Notice to Pay on the Guarantor*");

(b) prior to the occurrence of a Covered Bond Guarantee Activation Event, the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments will be modified as more particularly described in "*Cashflows - Allocation and distribution of Available Revenue Receipts and Available Principal Receipts when an Asset Coverage Test Breach Notice is outstanding but no Covered Bond Guarantee Activation Event has occurred*" below; and

(c) the Issuer will not be permitted to make any further issuances of Covered Bonds.

If an Asset Coverage Test Breach Notice has been served and not revoked on or before the Guarantor Payment Date immediately following the Calculation Date after service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default will occur and the Bond Trustee will be entitled (and, in certain circumstances may be required) to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice, the Bond Trustee will be required to serve a Notice to Pay on the Guarantor.

For the purposes hereof:

"**Adjusted Aggregate Loan Amount**" means the amount calculated as at each Calculation Date:

$$A+B+C+D+E-Y-Z$$

where,

A = the lower of (i) and (ii), where:

(i) = the sum of the "**LTV Adjusted Loan Balance**" of each Loan in the Covered Bond Portfolio, which shall be the lower of (1) the actual Outstanding Principal Balance of the relevant Loan in the Covered Bond Portfolio on such Calculation Date, and (2) 80% multiplied by the Latest Valuation relating to that Loan, in each case, multiplied by M.

"M" means:

(a) 100% for all Loans that are not Non-Performing Loans; or

(b) 0% for all Loans that are Non-Performing Loans;

minus

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Hypothecary Loan Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Hypothecary Loan Sale Agreement. In this event, the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the LTV Adjusted Loan Balance of the relevant Loan or Loans on such Calculation Date of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Hypothecary Loan Sale Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the Guarantor in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Seller to indemnify the Guarantor for such financial loss);

AND

(ii) = the aggregate "**Asset Percentage Adjusted Loan Balance**" of the Loans in the Covered Bond Portfolio which in relation to each Loan shall be the lower of (1) the actual Outstanding Principal Balance of the relevant Loan on such Calculation Date, and (2) the Latest Valuation relating to that Loan, in each case, multiplied by N

"N" means:

(a) 100% for all Loans that are not Non-Performing Loans; or

(b) 0% for all Loans that are Non-Performing Loans

minus

the aggregate sum of the following deemed reductions to the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Hypothecary Loan Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Hypothecary Loan Sale Agreement. In this event, the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the Asset Percentage Adjusted Loan Balance of the relevant Loan or Loans on such Calculation Date of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Hypothecary Loan Sale Agreement and/or the Servicer was, in the immediately preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the Guarantor in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash

Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Seller to indemnify the Guarantor for such financial loss),

the result of the calculation in this paragraph (ii) being multiplied by the Asset Percentage (as defined below);

B = the aggregate amount of any Principal Receipts on the Loans in the Covered Bond Portfolio up to such Calculation Date (as recorded in the Principal Ledger) which have not been applied as at such Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with the Limited Partnership Agreement and/or the other Transaction Documents;

C = the aggregate amount of (i) any Cash Capital Contributions made by the Partners (as recorded in the Capital Account Ledger for each Partner of the Guarantor) or (ii) proceeds advanced under the Intercompany Loan Agreement or (iii) proceeds from any sale of Loans which, in each case, have not been applied as at such Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with the Limited Partnership Agreement and/or the other Transaction Documents (provided that, for greater certainty, this clause (iii) shall include any amounts standing to the credit of the Pre-Maturity Liquidity Ledger);

D = the aggregate outstanding principal balance of any Substitute Assets;

E = the balance, if any, of the Reserve Fund;

Y = the sum of (i) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date and delivered with respect to the Interest Rate Swap Agreement, plus (ii) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date delivered with respect to the Covered Bond Swap Agreement, in each case, determined as at such Calculation Date;

Z = the weighted average remaining maturity expressed in years of all Covered Bonds then outstanding multiplied by the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor where the "**Negative Carry Factor**" is, if the weighted average margin of the interest rate payable on the Principal Amount Outstanding of the Covered Bonds relative to the interest rate receivable on the Covered Bond Portfolio is (i) less than or equal to 0.1 per cent. per annum, 0.5 per cent. or (ii) greater than 0.1 per cent. per annum, 0.5 per cent. plus such margin minus 0.1 per cent.; provided that if the weighted average remaining maturity of the Covered Bonds then outstanding is less than one year, the weighted average maturity shall be deemed, for the purposes of this calculation, to be one year, unless and for so long as the Interest Rate Swap Agreement (x) has an effective date that has occurred prior to the related Calculation Date, and (y) provides for the hedging of interest received in respect of (i) the Loans and their Related Security in the Covered Bond Portfolio; (ii) any Substitute Assets; and (iii) cash balances held in the GIC Account; whereupon the Negative Carry Factor shall be zero.

"**Asset Percentage**" means 97 per cent. or such lesser percentage figure as determined from time to time in accordance with the terms of the Limited Partnership Agreement, provided that the Asset Percentage shall not be less than 80 per cent. unless otherwise agreed by the Issuer (and following an Issuer Event of Default, the Guarantor for the purposes of making certain determinations in respect of the Intercompany Loan). Any increase in the maximum Asset Percentage will be deemed to be a material amendment to the Trust Deed and will require satisfaction of the Rating Agency Confirmation. See "*— Modification of Transaction Documents*".

On or prior to the Guarantor Payment Date immediately following the Calculation Date falling in February, May, August and November of each year and on such other date as the Limited Partner may request following the date on which the Federation is required to assign the Interest Rate Swap Agreement to a third party, the Guarantor (or the Cash Manager on its behalf) will determine the Asset Percentage in accordance with the terms of the Limited Partnership Agreement and the various methodologies of the Rating Agencies which may from time to time be prescribed for the Covered Bond Portfolio based on the value of assets in the Covered Bond Portfolio as at the Calculation Date immediately preceding such Calculation Date (being such values for the Loans on the Calculation Date in January, April, July or October, as applicable) as a whole or on the basis of a sample of Randomly Selected Loans in the Covered Bond Portfolio, such calculations to be made on the same basis throughout unless Rating Agency Confirmation has been received in respect thereof.

Amortization Test

Following the occurrence and during the continuance of an Issuer Event of Default (but prior to service of a Guarantor Acceleration Notice) and, for so long as Covered Bonds remain outstanding, the Guarantor must ensure that, as at each Calculation Date

following the occurrence and during the continuance of an Issuer Event of Default, the Guarantor is in compliance with the Amortization Test. Such testing will be completed within the time period specified in the Cash Management Agreement.

Following the occurrence and during the continuance of an Issuer Event of Default, if as at any Calculation Date the Amortization Test Aggregate Loan Amount is less than the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date, then the Amortization Test will be deemed to be breached and a Guarantor Event of Default will occur. The Guarantor, the Cash Manager or the Asset Monitor, as the case may be, will immediately and in any event prior to the Guarantor Payment Date immediately following such Calculation Date, notify the Guarantor, the Issuer, and the Bond Trustee (while Covered Bonds are outstanding) and CMHC of any breach of the Amortization Test and the Bond Trustee will be entitled to serve a Guarantor Acceleration Notice in accordance with the Conditions.

The "**Amortization Test Aggregate Loan Amount**" will be calculated as at each Calculation Date as follows:

A+B+C-Y-Z

where,

A = the aggregate "**Amortization Test True Balance**" of each Loan, which shall be the lower of (1) the actual True Balance of the relevant Loan as calculated on such Calculation Date and (2) 80% multiplied by the Latest Valuation, in each case, multiplied by N.

"N" means:

(a) 100% for all Loans that are not Non-Performing Loans; or

(b) 0% for all Loans that are Non-Performing Loans

B = the sum of the amount of any cash standing to the credit of the Guarantor Accounts (excluding any Revenue Receipts received in the immediately preceding Calculation Period);

C = the aggregate outstanding principal balance of any Substitute Assets;

Y the sum of (i) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date and delivered with respect to the Interest Rate Swap Agreement, plus (ii) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date delivered with respect to the Covered Bond Swap Agreement, in each case, determined as at such Calculation Date;

Z = zero so long as (x) the Interest Rate Swap Effective Date has occurred prior to the related Calculation Date; and (y) the Interest Rate Swap Agreement provides for the hedging of interest received in respect of (i) the Loans and their Related Security in the Covered Bond Portfolio, (ii) any Substitute Assets; and (iii) cash balances held in the GIC Account; otherwise the weighted average remaining maturity expressed in years of all Covered Bonds then outstanding multiplied by the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor (provided that if the weighted average remaining maturity is less than one, the weighted average shall be deemed, for the purposes of this calculation, to be one).

Valuation Calculation

For so long as the Covered Bonds remain outstanding, the Guarantor must ensure that the Valuation Calculation is performed on each Calculation Date. The results of the Valuation Calculation for a Calculation Date will be disclosed in the related Investor Report.

The Valuation Calculation is equal to the Asset Value (as defined below) minus the Trading Value of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.

"**Asset Value**" means the amount calculated as at each Calculation Date as follows:

A+B+C+D+E+F

where,

A = the aggregate "**LTV Adjusted Loan Present Value**" of each Loan in the Covered Bond Portfolio, which shall be the lower of (1) the Present Value of the relevant Loan on such Calculation Date, and (2) 80% multiplied by the Latest Valuation relating to that Loan, in each case multiplied by M,

"M" means:

(a) 100% for all Loans that are not Non-Performing Loans; or

(b) 0% for all Loans that are Non-Performing Loans;

minus

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted Loan Present Value of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Hypothecary Loan Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Hypothecary Loan Sale Agreement. In this event, the aggregate LTV Adjusted Loan Present Value of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the LTV Adjusted Loan Present Value of the relevant Loan or Loans on such Calculation Date of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Hypothecary Loan Sale Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate LTV Adjusted Loan Present Value of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the Guarantor in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Seller to indemnify the Guarantor for such financial loss);

B = the aggregate amount of any Principal Receipts on the Loans and their Related Security up to such Calculation Date (as recorded in the Principal Ledger) which have not been applied as at such Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with the Limited Partnership Agreement and/or the other Transaction Documents;

C = the aggregate amount of (i) any Cash Capital Contributions made by the Partners (as recorded in the Capital Account Ledger for each Partner of the Guarantor), (ii) proceeds advanced under the Intercompany Loan Agreement or (iii) proceeds from any sale of Loans which, in each case, have not been applied as at such Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with the Limited Partnership Agreement and/or the other Transaction Documents (provided that, for greater certainty, this clause (iii) shall include any amounts standing to the credit of the Pre-Maturity Liquidity Ledger);

D = the Trading Value of any Substitute Assets;

E = the balance, if any, of the Reserve Fund; and

F = the Trading Value of the Swap Collateral.

Sales of Randomly Selected Loans following a breach of the Pre-Maturity Test

The Pre-Maturity Test will be breached if the ratings of the Issuer's unsecured, unsubordinated and unguaranteed debt obligations, or issuer default rating of the Issuer, as applicable, fall below the Pre-Maturity Minimum Ratings and a Hard Bullet Covered Bond is due for repayment within a specified period of time thereafter. See "*Credit Structure—Pre-Maturity Liquidity*". If the Pre-Maturity Test is breached, the Guarantor shall, subject to any right of pre-emption of the Seller pursuant to the terms of the Hypothecary Loan Sale Agreement and the Security Sharing Agreement, as applicable, offer to sell Randomly Selected Loans pursuant to the terms of the Limited Partnership Agreement (see "*—Method of Sale of Loans and their Related Security*" below), unless the Pre-Maturity Liquidity Ledger is otherwise funded from other sources as follows:

(i) a Capital Contribution in Kind made by one or more of the Partners (as recorded in the Capital Account Ledger for such Partners of the Guarantor) of certain Substitute Assets in accordance with the Limited Partnership Agreement with an aggregate principal amount up to the Pre-Maturity Liquidity Required Amount (which shall be a credit to the Pre-Maturity Liquidity Ledger); or

(ii) Cash Capital Contributions made by one or more of the Partners (as recorded in the Capital Account Ledger for each applicable Partner of the Guarantor) or proceeds advanced under the Intercompany Loan Agreement which have not been applied to acquire further Loans and their Related Security or otherwise applied in accordance with the Limited Partnership Agreement and/or the other Transaction Documents with an aggregate principal amount up to Pre-Maturity Liquidity Required Amount (which shall be a credit to the Pre-Maturity Liquidity Ledger).

If the Issuer fails to repay any Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof, then following the occurrence of an Issuer Event of Default and service of a Notice to Pay on the Guarantor, the proceeds from any sale of Loans and their Related Security standing to the credit of the Pre Maturity Liquidity Ledger will be applied to repay the relevant Series of Hard Bullet Covered Bonds. Otherwise, the proceeds will be applied as set out in "*Credit Structure—Pre-Maturity Liquidity*" below.

Sales of Randomly Selected Loans after a Demand Loan Repayment Event has occurred or the Issuer has otherwise demanded that the Demand Loan be repaid

If, prior to the service of an Asset Coverage Test Breach Notice or a Notice to Pay, a Demand Loan Repayment Event has occurred or the Issuer has demanded that the Demand Loan be repaid, the Guarantor may be required to sell Loans and their Related Security in the Covered Bond Portfolio in accordance with the Limited Partnership Agreement (see "*—Method of Sale of Loans and their Related Security*" below), subject to the rights of pre-emption enjoyed by the Seller to purchase the Loans and their Related Security pursuant to the terms of the Hypothecary Loan Sale Agreement. Any such sale will be subject to the condition that the Asset Coverage Test is satisfied after the receipt of the proceeds of such sale and repayment, after giving effect to such repayment.

Sale of Randomly Selected Loans at any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor

At any time an Asset Coverage Test Breach Notice is outstanding or a Notice to Pay has been served on the Guarantor, but prior to service of a Guarantor Acceleration Notice on the Guarantor, the Guarantor may be obliged to sell Loans and their Related Security in the Covered Bond Portfolio in accordance with the Limited Partnership Agreement (see "*— Method of Sale of Loans and their Related Security*" below), subject to the rights of pre-emption enjoyed by the Seller to buy the Loans and their Related Security pursuant to the terms of the Hypothecary Loan Sale Agreement and subject to additional advances on the Intercompany Loan and any Cash Capital Contribution made by the Limited Partner. The proceeds from any such sale or refinancing will be credited to the GIC Account and applied as set out in the Priorities of Payments (see "*Cashflows*" below).

Method of Sale of Loans and their Related Security

If the Guarantor is required to sell Loans and their Related Security to Purchasers following a breach of the Pre-Maturity Test, the occurrence of a Demand Loan Repayment Event, the Demand Loan being demanded by the Issuer, the service of an Asset Coverage Test Breach Notice (if not revoked) or a Notice to Pay on the Guarantor, the Guarantor will be required to ensure that before offering Loans for sale:

(a) the Loans and their Related Security being sold are Randomly Selected Loans; and

(b) the Loans have an aggregate True Balance in an amount which is as close as possible to the amount calculated as follows:

(i) following a Demand Loan Repayment Event or the Demand Loan being demanded by the Issuer but prior to service of an Asset Coverage Test Breach Notice, such amount that would ensure that, if the Selected Loans were sold at their True Balance, the Demand Loan as calculated on the date of the demand could be repaid, subject to satisfaction of the Asset Coverage Test; or

(ii) following the service of an Asset Coverage Test Breach Notice (but prior to service of a Notice to Pay on the Guarantor), such amount that would ensure that, if the Selected Loans were sold at their True Balance, the Asset Coverage Test would be satisfied on the next Calculation Date taking into account the payment obligations of the Guarantor on the Guarantor Payment Date following that

Calculation Date (assuming for this purpose that the Asset Coverage Test Breach Notice is not revoked on the next Calculation Date); or

(iii) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Guarantor:

$$N \times \frac{\text{True Balance of all the Loans in the Covered Bond Portfolio}}{\text{the Canadian Dollar Equivalent of the Required Redemption Amount in respect of each Series of Covered Bonds then outstanding}}$$

where "N" is an amount equal to:

(x) in respect of Selected Loans being sold following a breach of the Pre-Maturity Test, the Pre-Maturity Liquidity Required Amount less amounts standing to the credit of the Pre-Maturity Liquidity Ledger; or

(y) in respect of Selected Loans being sold following service of a Notice to Pay, the Canadian Dollar Equivalent of the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the Guarantor Accounts and the principal amount of any Substitute Assets (excluding all amounts to be applied on the next following Guarantor Payment Date to repay higher ranking amounts in the Guarantee Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds).

The Guarantor will offer the Loans and their Related Security for sale to Purchasers for the best price reasonably available but in any event:

(a) following (i) a Demand Loan Repayment Event, the Demand Loan being demanded by the Issuer or (ii) the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay on the Guarantor), in each case, for an amount not less than the True Balance of the Loans; and

(b) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Guarantor, for an amount not less than the Adjusted Required Redemption Amount.

Following the service of a Notice to Pay on the Guarantor, if the Loans and their Related Security have not been sold (in whole or in part) in an amount equal to the Adjusted Required Redemption Amount by the date which is six months prior to, as applicable, if the Covered Bonds are not subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Final Maturity Date or, if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto), or the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds in respect of a sale in connection with the Pre-Maturity Test, then the Guarantor will offer the Loans for sale for the best price reasonably available notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

The Guarantor will through a tender process appoint a portfolio manager of recognized standing on a basis intended to incentivize the portfolio manager to achieve the best price for the sale of the Loans (if such terms are commercially available in the market) to advise it in relation to the sale of the Loans to Purchasers (except where the Seller is buying the Loans in accordance with their right of pre-emption in the Hypothecary Loan Sale Agreement). The terms of the agreement giving effect to the appointment in accordance with such tender will be approved by the Bond Trustee.

In respect of any sale or refinancing (as applicable) of Loans and their Related Security at any time an Asset Coverage Test Breach Notice is outstanding, a breach of the Pre-Maturity Test, or a Notice to Pay has been served on the Guarantor, the Guarantor will instruct the portfolio manager to use all reasonable efforts to procure that Loans are sold or refinanced (as applicable) as quickly as reasonably practicable (in accordance with the recommendations of the portfolio manager) taking into account the market conditions at that time and the scheduled repayment dates of the Covered Bonds and the terms of the Limited Partnership Agreement.

The terms of any sale and purchase agreement with respect to the sale of Loans (which will give effect to the recommendations of the portfolio manager) will be subject to the prior written approval of the Bond Trustee. The Bond Trustee will not be required to

release the Loans from the Security unless the conditions relating to the release of the Security (as described under "*Security Agreements—Release of Security*", below) are satisfied.

Following the service of a Notice to Pay on the Guarantor, if Purchasers accept the offer or offers from the Guarantor so that some or all of the Loans will be sold prior to the next following Final Maturity Date or, if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the next following Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, then the Guarantor will, subject to the foregoing paragraph, enter into a sale and purchase agreement with the relevant Purchasers which will require among other things a cash payment from the relevant Purchasers. Any such sale will not include any Loan Representations and Warranties from the Guarantor in respect of the Loans and the Related Security unless expressly agreed by the Bond Trustee or otherwise agreed with the Seller.

Covenants of the General Partner and Limited Partner of the Guarantor

Each of the Partners covenants that, subject to the terms of the Transaction Documents, it will not sell, transfer, convey, create or permit to arise any security on, declare a trust over, create any beneficial interest in or otherwise dispose of its interest in the Guarantor without the prior written consent of the Managing GP and, while the Covered Bonds are outstanding, the Bond Trustee.

The Guarantor covenants that it will not, save with the prior written consent of the Limited Partner (and, for so long as any Covered Bonds are outstanding, the consent of the Bond Trustee) or as envisaged by the Transaction Documents:

(a) have an interest in a bank account;

(b) have any employees, premises or subsidiaries;

(c) acquire any material assets;

(d) sell, exchange, deal with or grant any option, present or future right to acquire any of the assets or undertakings of the Guarantor or any interest therein or thereto;

(e) enter into any contracts, agreements or other undertakings;

(f) incur any indebtedness or give any guarantee or indemnity in respect of any such indebtedness;

(g) create or permit to subsist any security interest or real right over the whole or any part of the assets or undertakings, present or future of the Guarantor;

(h) change the name or business of the Guarantor or do any act in contravention of, or make any amendment to, the Limited Partnership Agreement;

(i) do any act which makes it impossible to carry on the ordinary business of the Guarantor, including winding up the Guarantor;

(j) compromise, compound or release any debt due to it;

(k) commence, defend, consent to a judgment, settle or compromise any litigation or other claims relating to it or any of its assets;

(l) permit a person to become a general or limited partner (except in accordance with the terms of the Limited Partnership Agreement); or

(m) consolidate or merge with another person.

The funds and assets of the Guarantor shall not (except in accordance with the terms of the Limited Partnership Agreement, the other Transaction Documents and the CMHC Guide) be commingled with the funds or assets of the Managing GP or the Liquidation GP or of any other person. For greater certainty, subject to such permitted commingling in accordance with the terms of the Limited Partnership Agreement, the other Transaction Documents and the CMHC Guide, all cash and Substitute Assets of the Guarantor shall be held in one or more Guarantor Accounts and all Substitute Assets shall be segregated from the assets of the Account Depository Institution.

Limit on investing in Substitute Assets; Prescribed Cash Limitation

At any time that no Asset Coverage Test Breach Notice is outstanding and prior to a Notice to Pay having been served on the Guarantor, the Guarantor will be permitted to hold Substitute Assets provided that the aggregate value of the Substitute Assets does not at any time exceed an amount equal to 10 per cent of the aggregate value of (x) the Loans and the Related Security; (y) any Substitute Assets; and (z) all cash held by the Guarantor (subject to the Prescribed Cash Limitation) and provided that investments in Substitute Assets are made in accordance with the terms of the Cash Management Agreement and subject to the applicable Priority of Payments.

At any time an Asset Coverage Test Breach Notice is outstanding or a Covered Bond Guarantee Activation Event has occurred, the Substitute Assets held by or on behalf of the Guarantor must be sold as quickly as reasonably practicable with proceeds credited to the GIC Account.

The Guarantor may not at any time hold cash in excess of (such limitation, the "**Prescribed Cash Limitation**") (i) the amount necessary to meet its payment obligations for the immediately succeeding six months pursuant to the terms of the Transaction Documents, or (ii) such greater amount as CMHC may at its discretion permit in accordance with the Covered Bond Legislative Framework and the CMHC Guide, in each case excluding amounts received between Guarantor Payment Dates; provided that to the extent that cash receipts of the Guarantor cause it to hold cash in excess of the amount permitted in (i) or (ii), as applicable, the Guarantor will not be in breach of this covenant if it uses such excess amount (w) to purchase New Loans and their Related Security for the Covered Bond Portfolio pursuant to the terms of the Hypothecary Loan Sale Agreement; and/or (x) to invest in Substitute Assets in an amount not exceeding the prescribed limit under the CMHC Guide; and/or (y) subject to complying with the Asset Coverage Test, to make Capital Distributions to the Limited Partner; and/or (z) to repay all or a portion of the Demand Loan, in each case, within 31 days of receipt.

For greater certainty, amounts standing to the credit of the Pre-Maturity Liquidity Ledger and the Reserve Fund (other than, in each case, those amounts that constitute Substitute Assets) constitute cash and are subject to the Prescribed Cash Limitation. In the event that the Guarantor is required to fund the Pre-Maturity Liquidity Ledger and/or the Reserve Fund in accordance with the Transaction Documents and such funding would cause the Guarantor to hold cash in excess of the Prescribed Cash Limitation, any cash held by the Guarantor in excess of such cash standing to the credit of the Pre-Maturity Liquidity Ledger and the Reserve Fund shall be used by the Guarantor in accordance with clauses (w), (x), (y) and (z) in the immediately preceding paragraph above within 31 days of receipt to ensure that the Guarantor is not in breach of the Prescribed Cash Limitation. In the event that the Guarantor is in breach of the Prescribed Cash Limitation and it does not hold any cash other than the amounts it is required to hold in order to fund the Pre-Maturity Liquidity Ledger and the Reserve Fund in accordance with the Transaction Documents, the Guarantor will request that CMHC, in accordance with the discretion granted to it under the Covered Bond Legislative Framework and the CMHC Guide, permit the Guarantor to hold such amount of cash in excess of the Prescribed Cash Limitation as may be required to allow it to comply with the Transaction Documents in the circumstances.

Other Provisions

The allocation and distribution of Revenue Receipts, Principal Receipts and all other amounts received by the Guarantor is described under "*Cashflows*" below.

For so long as any Covered Bonds are outstanding, each of the Partners has agreed that it will not terminate or purport to terminate the Guarantor or institute any winding-up, administration, insolvency or other similar proceedings against the Guarantor. Furthermore, each of the Partners has agreed, among other things, except as otherwise specifically provided in the Transaction Documents not to demand or receive payment of any amounts payable to such Partners by the Guarantor (or the Cash Manager on its behalf) or the Bond Trustee unless all amounts then due and payable by the Guarantor to all other creditors ranking higher in the relevant Priorities of Payments have been paid in full.

Each of the Partners will be responsible for the payment of its own tax liabilities and will be required to indemnify the other from any liabilities which they incur as a result of the relevant partner's non-payment.

Following the appointment of a liquidator to any Partner, any decisions of the Guarantor that are reserved to the Partners or a unanimous decision of the Partners in the Limited Partnership Agreement will be made by the Partner(s) not in liquidation only.

Cash Management Agreement

The Cash Manager has agreed to provide certain cash management services to the Guarantor pursuant to the terms of the Cash Management Agreement entered into on the Programme Establishment Date (as amended on October 10, 2014, December 21, 2017

and as may be further amended, restated or supplemented from time to time) between the Guarantor, the Federation in its capacities as Cash Manager, Seller and Servicer, and the Bond Trustee.

The Cash Manager's services include but are not limited to:

(a) maintaining the Ledgers on behalf of the Guarantor;

(b) collecting the Revenue Receipts and the Principal Receipts from the Servicer and distributing and/or depositing the Revenue Receipts and the Principal Receipts in accordance with the Priorities of Payment described under "*Cashflows*", below;

(c) determining whether the Asset Coverage Test is satisfied as at each Calculation Date in accordance with the Limited Partnership Agreement, as more fully described under "*Credit Structure—Asset Coverage Test*";

(d) determining whether the Amortization Test is satisfied as at each Calculation Date following the occurrence and during the continuance of an Issuer Event of Default in accordance with the Limited Partnership Agreement, as more fully described under "*Credit Structure—Amortization Test*", below;

(e) performing the Valuation Calculation, as more fully described under "*Description of the Canadian Registered Covered Bond Programs Regime*", below;

(f) performing the OC Valuation, as more fully described under "*Summary of the Principal Documents —Limited Partnership Agreement – OC Valuation*", above;

(g) preparation of Investor Reports in respect of the Covered Bonds for the Bond Trustee and the Rating Agencies; and

(h) on each Montréal Business Day, determining whether the Pre-Maturity Test for each Series of Hard Bullet Covered Bonds, if any, is satisfied as more fully described under "*Credit Structure—Pre-Maturity Liquidity*" below.

Under the Cash Management Agreement, the Cash Manager represents and warrants to the Guarantor and the Bond Trustee that (i) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under the Cash Management Agreement and the other Transaction Documents 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 thereunder, (ii) it is rated at or above the Cash Manager Required Ratings by each of the Rating Agencies, (iii) it is and will continue to be in good standing with AMF, (iv) 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 the Cash Management Agreement and the other Transaction Documents to which it is party, and (v) 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 the Cash Management Agreement and the other Transaction Documents to which it is a party.

In the event of a downgrade in the ratings of the Cash Manager by the Rating Agencies below the Cash Management Deposit Ratings**,** the Cash Manager will be required to (i) direct the Servicer to deposit all Revenue Receipts and Principal Receipts received by the Servicer directly into the GIC Account, and (ii) transfer any amounts held by it to the Transaction Account (or Standby Transaction Account) or GIC Account (or Standby GIC Account) within 5 Business Days (inclusive of all cure periods).

In the event of a downgrade in the ratings of the Cash Manager by the Rating Agencies below the Cash Manager Required Ratings, the Cash Manager will, in certain circumstances, be required to assign the Cash Management Agreement to a third party service provider acceptable to the Bond Trustee and for which Rating Agency Confirmation has been received. The Guarantor will also have the discretion to terminate the Cash Manager if an Issuer Event of Default occurs and is continuing, or has previously occurred and is continuing, at any time that the Guarantor is Independently Controlled and Governed. In addition to the foregoing, the Guarantor and the Bond Trustee will, in certain circumstances, each have the right to terminate the appointment of the Cash Manager in which event the Guarantor will appoint a substitute (the identity of which will be subject to the Bond Trustee's written approval). Any substitute cash manager will have substantially the same rights and obligations as the Cash Manager (although the fee payable to the substitute cash manager may be higher).

Interest Rate Swap Agreement

To provide a hedge against (i) possible variances in the rates of interest payable on the Loans and related amounts in the Covered Bond Portfolio (which may, for instance, include variable rates of interest or fixed rates of interest) following the Interest Rate

Swap Effective Date and (ii) the amount (if any) payable under the Intercompany Loan Agreement and, following the Covered Bond Swap Effective Date, the Covered Bond Swap Agreement, the Guarantor has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider. The Guarantor and the Interest Rate Swap Provider have agreed to swap the amount of interest received by the Guarantor from Borrowers and related amounts (less certain expenses of the Guarantor) in exchange for an amount sufficient to pay, amongst other things, the amount payable by the Guarantor under the Covered Bond Swap Agreement plus an amount for certain expenses of the Guarantor and a minimum spread.

The amounts payable by the Interest Rate Swap Provider under the Interest Rate Swap Agreement, and the amounts payable by the Guarantor following a Covered Bond Swap Effective Date under Covered Bond Swap Agreements entered into before June 30, 2023, are based on CDOR. With the announced cessation of the publication of all CDOR tenors after June 30, 2024, and as a result of the Guarantor adhering to the ISDA 2020 IBOR Fallbacks Protocol on August 15, 2023, the Interest Rate Swap Agreement and all outstanding Covered Bond Swap Agreements based on CDOR will convert to CORRA rates on July 1, 2024.

However, in order to ensure a smooth transition to alternative reference rates, the AMF expects all new derivatives transactions entered into by the Covered Bond Swap Provider to transition to CORRA rates one year earlier (by June 30, 2023). Therefore, under all new Covered Bond Swap Agreements entered into after June 30, 2023, the Guarantor's payment to the Covered Bond Swap Provider following a Covered Bond Swap Effective Date will be based on CORRA, whereas the Guarantor will continue to receive from the Interest Rate Swap Provider payments based on CDOR under the Interest Rate Swap Agreement until June 30, 2024, thereby creating some basis risk if the Covered Bond Swap Agreements are activated during this one year transition period. The Issuer and the Guarantor have determined that this basis risk is not material.

No cash flows will be exchanged under the Interest Rate Swap Agreement unless and until the Interest Rate Swap Effective Date has occurred.

The Interest Rate Swap Agreement will terminate (unless terminated earlier by an Interest Rate Swap Early Termination Event) on the earlier of:

(a) the Final Maturity Date for the final Tranche or Series of Covered Bonds then outstanding (provided that the Issuer has not given prior written notice to the Interest Rate Swap Provider and the Guarantor that it intends to issue additional Covered Bonds following such date) or, if the Guarantor notifies the Interest Rate Swap Provider, prior to the Final Maturity Date for such final Tranche or Series of Covered Bonds then outstanding, of the inability of the Guarantor to pay in full Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such final Tranche or Series of Covered Bonds then outstanding, the final date on which an amount representing the Final Redemption Amount for such final Tranche or Series of Covered Bonds then outstanding is paid (but in any event not later than the Extended Due for Payment Date for such Tranche or Series of Covered Bonds);

(b) the date designated therefor by the Bond Trustee and notified to the Interest Rate Swap Provider and the Guarantor for purposes of realizing the Security in accordance with the Security Agreements and distributing the proceeds therefrom in accordance with the Post Enforcement Priority of Payments following the enforcement of the Security pursuant to Condition 7.03;

(c) the date on which the notional amount under the Interest Rate Swap Agreement reduces to zero (as a result of the reduction for the amount of any Early Redemption Amount paid pursuant to Condition 7.02 in respect of the final Tranche or Series of Covered Bonds then outstanding or any Final Redemption Amount paid pursuant to Condition 6.01 in respect of the final Tranche or Series of Covered Bonds then outstanding following the Final Maturity Date for such Tranche or Series of Covered Bonds, provided in each case that the Issuer has not given prior written notice to the Interest Rate Swap Provider that it intends to issue additional Covered Bonds following such date); and

(d) the date of redemption pursuant to Conditions 6.02 or 6.13 in respect of any final Tranche or Series of Covered Bonds then outstanding (provided that the Issuer has not given prior written notice to the Interest Rate Swap Provider that it intends to issue additional Covered Bonds following such date).

The Interest Rate Swap Agreement may also be terminated in certain other circumstances (each referred to as an "**Interest Rate Swap Early Termination Event**"), including:

- subject to the following paragraph, at the option of any party to the Interest Rate Swap Agreement, if there is a failure by the other party to pay any amounts due under the Interest Rate Swap Agreement, provided that no such failure to pay by the Guarantor, other than payments in respect of Swap Collateral Excluded Amounts, will entitle the Interest Rate Swap

Provider to terminate the Interest Rate Swap Agreement, if such failure is due to the assets available at such time to the Guarantor being insufficient to make the required payment in full);

- subject to the following paragraph, at the option of the Guarantor, if the Interest Rate Swap Provider is the Issuer and an Issuer Event of Default has occurred which has resulted in the Covered Bonds becoming due and payable under their respective terms;

- subject to the following paragraph, at the option of the Guarantor, in the event that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations or, the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Provider or any credit support provider, as applicable, cease to be rated at least P-1 or A2, respectively, by Moody's, or, if the short-term unsecured, unsubordinated and unguaranteed debt obligations of any such person do not have a rating assigned by Moody's, the long-term unsecured, unsubordinated and unguaranteed debt obligations of such person cease to be rated at least A1 by Moody's, or (ii) the short-term issuer default rating and the long-term issuer default rating of the Interest Rate Swap Provider or any credit support provider, as applicable, cease to be at least F1 and A, respectively, by Fitch (each such event, an "**Initial IRS Downgrade Trigger Event**") and the Interest Rate Swap Provider does not provide credit support to the Guarantor within 10 Business Days of the occurrence of such Initial IRS Downgrade Trigger Event pursuant to the terms of the applicable credit support annex, or, within 30 calendar days, in the case of Moody's, or 14 calendar days, in the case of Fitch, in each case, after the occurrence of such Initial IRS Downgrade Trigger Event, does not arrange for its obligations under the Interest Rate Swap Agreement to be guaranteed by, or transferred to, an entity with rating(s) required by the relevant Rating Agencies;

- subject to the following paragraph, at the option of the Guarantor, in the event that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations or, respectively, the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Provider or any credit support provider, as applicable, cease to be rated at least P-2 or A3, respectively, by Moody's, or (ii) the short-term issuer default rating and the long-term issuer default rating of the Interest Rate Swap Provider or any credit support provider, as applicable, cease to be at least F3 and BBB-, respectively, by Fitch, (each such event, a "**Subsequent IRS Downgrade Trigger Event**", and together with the Initial IRS Downgrade Trigger Events, each an "**IRS Downgrade Trigger Event**") and, within 15 calendar days after such Subsequent IRS Downgrade Trigger Event, the Interest Rate Swap Provider does not arrange for its obligations under the Interest Rate Swap Agreement to be guaranteed by, or transferred to, an entity with rating(s) required by the relevant Rating Agencies, or does not provide additional credit support to the Guarantor within 10 Business Days of the occurrence of such Subsequent IRS Downgrade Trigger Event pursuant to the terms of the applicable credit support annex; and

- upon the occurrence of the insolvency of the Interest Rate Swap Provider, or any credit support provider and certain insolvency-related events in respect of the Guarantor, or the merger of the Interest Rate Swap Provider without an assumption of the obligations under the Interest Rate Swap Agreement.

If, at any time, the Guarantor (a) is Independently Controlled and Governed, the Guarantor has the discretion, but is not required to, (i) waive any requirement of the Interest Rate Swap Provider to provide credit support, obtain an eligible guarantee or replace itself upon the occurrence of an IRS Downgrade Trigger Event, and (ii) refrain from forthwith terminating the Interest Rate Swap Agreement or finding a replacement Interest Rate Swap Provider, in each case, upon the occurrence of an event of default or additional termination event caused solely by the Interest Rate Swap Provider, and (b) is not Independently Controlled and Governed, the Guarantor shall not have the rights set out under clause (a)(i) and (a)(ii) of this paragraph unless, within 10 Montréal Business Days, of the occurrence of an IRS Downgrade Trigger Event or an event of default (other than an insolvency event of default) or additional termination event caused solely by the Interest Rate Swap Provider, as applicable, and for so long as such event continues to exist, and provided that the Interest Rate Swap Provider is the lender under the Intercompany Loan Agreement, a Contingent Collateral Notice is delivered in respect of such event by the Interest Rate Swap Provider (in its capacity as lender under the Intercompany Loan Agreement) to the Guarantor and the Guarantor has Contingent Collateral.

Upon the termination of the Interest Rate Swap Agreement pursuant to an Interest Rate Swap Early Termination Event, the Guarantor or the Interest Rate Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the Interest Rate Swap Agreement.

As noted herein, the notional amount of the Interest Rate Swap Agreement will be adjusted to correspond to any sale of Loans following each of a Demand Loan Repayment Event, the Demand Loan being demanded by the Issuer, breach of the Pre-Maturity Test, service of an Asset Coverage Test Breach Notice and service of a Notice to Pay and swap termination payments may be due and payable in accordance with the terms of the Interest Rate Swap Agreement as a consequence thereof.

Swap Collateral Excluded Amounts, if applicable, will be paid to the Interest Rate Swap Provider directly and not via the Priorities of Payments. If withholding taxes are imposed on payments made by the Interest Rate Swap Provider under the Interest Rate Swap

Agreement, the Interest Rate Swap Provider will always be obliged to gross up these payments. If withholding taxes are imposed on payments made by the Guarantor to the Interest Rate Swap Provider under the Interest Rate Swap Agreement, the Guarantor shall not be obliged to gross up those payments.

All of the interest and obligations of the Interest Rate Swap Provider under the Interest Rate Swap Agreement may be transferred by it to a replacement swap counterparty upon the Interest Rate Swap Provider providing five Business Days' prior written notice to Guarantor and, subject to the following sentence, the Bond Trustee, provided that (i) such replacement swap counterparty has the rating(s) required by the relevant Rating Agencies (or the obligations of such replacement swap counterparty under the Interest Rate Swap Agreement are guaranteed by an entity having the rating(s) required by the relevant Rating Agencies), (ii) as of the date of such transfer, such replacement swap counterparty will not be required to withhold or deduct any taxes under the Interest Rate Swap Agreement as a result of such transfer, (iii) no termination event or event of default will occur under the Interest Rate Swap Agreement as a result of such transfer, (iv) no additional amount will be payable by the Guarantor under the Interest Rate Swap Agreement as a result of such transfer, (v) Rating Agency Confirmation shall have been obtained or deemed to have been obtained and (vi) such replacement swap counterparty enters into documentation substantially identical to the Interest Rate Swap Agreement. The Bond Trustee's consent to such transfer is required if such transfer occurs as a result of the occurrence of an IRS Downgrade Trigger Event, provided that such consent shall be given if such replacement swap counterparty has the rating(s) required by the relevant Rating Agencies and Rating Agency Confirmation has been received.

The Interest Rate Swap Agreement is in the form of an ISDA Master Agreement, including a schedule and confirmation thereto and credit support annex. Under the Interest Rate Swap Agreement, each of the Guarantor and the Interest Rate Swap Provider makes the following representations with respect to itself and/or the Interest Rate Swap Agreement, as applicable: (i) that is it duly organized and validly existing, (ii) that it has the power and authority to enter into the Interest Rate Swap Agreement, (iii) that it is not in violation or conflict with any applicable law, its constitutional documents, any court order or judgment or any contractual restriction, (iv) it has obtained all necessary consents, (v) its obligations under the Interest Rate Swap Agreement are valid and binding, (vi) no event of default, potential event of default or termination event has occurred and is continuing under the Interest Rate Swap Agreement, (vii) there is no pending or, to its knowledge, any threatened litigation which is likely to affect its ability to perform under the Interest Rate Swap Agreement, (viii) all information furnished in writing is true, accurate and complete in every material respect, (ix) all payments will be made without any withholding and deduction, (x) that it is entering into the agreement as principal and not as agent, and (xi) that it is not relying on the other party for any investment advice, that is capable of assessing the merits of and understanding the risks of entering into the relevant transaction and that the Interest Rate Swap Provider is not acting as fiduciary to it. In addition, the Guarantor makes the representation that it is a "Canadian partnership" under the Income Tax Act and a limited partnership organized under the laws of the Province of Ontario, and the Interest Rate Swap Provider makes the representation that it is not a non-resident of Canada for purposes of the Income Tax Act and it is a financial services cooperative incorporated under the laws of Québec.

Under the Interest Rate Swap Agreement, the Guarantor's obligations are limited in recourse to the Charged Property.

Covered Bond Swap Agreement

To provide a hedge against currency and/or other risks, in respect of amounts received by the Guarantor under the Interest Rate Swap Agreement and amounts payable in respect of its obligations under the Covered Bond Guarantee, the Guarantor has entered into the Covered Bond Swap Agreement with the Covered Bond Swap Provider in respect of each Series of Covered Bonds issued to date, and may enter into a new ISDA Master Agreement, schedule and confirmation(s) and credit support annex for each Tranche and/or Series of Covered Bonds issued at the time such Covered Bonds are issued. The Covered Bond Swap Provider and the Guarantor have agreed to swap Canadian dollar floating rate amounts received by the Guarantor under the Interest Rate Swap Agreement (described above) into the exchange rate specified in the Covered Bond Swap Agreement relating to the relevant Tranche or Series of Covered Bonds. This will allow the Guarantor to hedge certain currency and/or other risks in respect of amounts received by the Guarantor under the Interest Rate Swap Agreement and amounts payable or that may become payable in respect of its obligations under the Covered Bond Guarantee. However, in certain circumstances, the amounts received by the Guarantor under the Covered Bond Swap Agreement may not match its obligations under the Covered Bond Guarantee. For example, in the event that a reference rate on a specified date is not available, the fallback provisions for determining the reference rate in such circumstances under a Series of Covered Bonds, and thus, the amounts payable by the Guarantor under the Covered Bond Guarantee, may be different than the fallback provisions for determining that reference rate under the relevant Covered Bond Swap Agreement which is used to determine the amounts received by the Guarantor under the Covered Bond Swap Agreement. In addition, the calculation of a reference rate under a Series of Covered Bonds may include an observation look back period which may not be included in the determination of that reference rate under the Covered Bond Swap Agreement. No cash flows will be exchanged under the Covered Bond Swap Agreement unless and until the Covered Bond Swap Effective Date has occurred.

If prior to (i) the Final Maturity Date in respect of the relevant Series or Tranche of Covered Bonds, or (ii) any Interest Payment Date or the Extended Due for Payment Date following a deferral of the Original Due for Payment Date to the Extended Due for Payment Date by the Guarantor pursuant to Condition 6.01 (if an Extended Due for Payment Date is specified as applicable in the

Final Terms for a Series of Covered Bonds and the payment of the Final Redemption Amount or any part of it by the Guarantor under the Covered Bond Guarantee is deferred pursuant to Condition 6.01), the Guarantor notifies the Covered Bond Swap Provider (pursuant to the terms of the Covered Bond Swap Agreement) of the amount in the Specified Currency to be paid by such Covered Bond Swap Provider on such Final Maturity Date or Interest Payment Date thereafter (such amount being equal to the Final Redemption Amount or the relevant portion thereof payable by the Guarantor on such Final Maturity Date or Interest Payment Date under the Covered Bond Guarantee in respect of the relevant Series or Tranche of Covered Bonds), then the Covered Bond Swap Provider will pay the Guarantor such amount and the Guarantor will pay the Covered Bond Swap Provider the Canadian Dollar Equivalent of such amount. Further, if on any day an Early Redemption Amount is payable pursuant to Condition 7.02, the Covered Bond Swap Provider will pay the Guarantor such Early Redemption Amount (or the relevant portion thereof) and the Guarantor will pay the Covered Bond Swap Provider the Canadian Dollar Equivalent thereof, following which the notional amount of the Covered Bond Swap Agreement will reduce accordingly.

The Covered Bond Swap Agreement will (unless terminated earlier by a Covered Bond Swap Early Termination Event) terminate in respect of any relevant Tranche or Series of Covered Bonds, on the earlier of:

(a) the Final Maturity Date for, or if earlier, the date of redemption in whole of, such Series of Covered Bonds or, if the Guarantor notifies the Covered Bond Swap Provider, prior to the Final Maturity Date for such Tranche or Series of Covered Bonds, of the inability of the Guarantor to pay in full Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such Tranche or Series of Covered Bonds, the final Interest Payment Date on which an amount representing the Final Redemption Amount for such Tranche or Series of Covered Bonds is paid (but in any event not later than the Extended Due for Payment Date for such Tranche or Series of Covered Bonds); and

(b) the date designated therefor by the Bond Trustee and notified to the Covered Bond Swap Provider and the Guarantor for purposes of realizing the Security in accordance with the Security Agreements and distributing the proceeds therefrom in accordance with the Post-Enforcement Priority of Payments following the enforcement of the Security pursuant to Condition 7.03.

The Covered Bond Swap Agreement may also be terminated in certain other circumstances (each referred to as a "**Covered Bond Swap Early Termination Event**"), including:

- subject to the following paragraph, at the option of any party to the Covered Bond Swap Agreement, if there is a failure by the other party to pay any amounts due under the Covered Bond Swap Agreement, however, no such failure to pay by the Guarantor other than payments in respect of Swap Collateral Excluded Amounts will entitle the Covered Bond Swap Provider to terminate the Covered Bond Swap Agreement, if such failure is due to the assets available at such time to the Guarantor being insufficient to make the required payment in full);

- subject to the following paragraph, at the option of the Guarantor, if the Covered Bond Swap Provider is the Issuer and an Issuer Event of Default has occurred which has resulted in the Covered Bonds becoming due and payable under their respective terms;

- subject to the following paragraph, in the event that (i) (x) the short-term counterparty risk assessment or (y) the long-term counterparty risk assessment of the Covered Bond Swap Provider or any credit support provider, as applicable, ceases to be at least P-1(cr) or A2(cr), respectively, by Moody's (provided that, for greater certainty, if the Covered Bond Swap Provider or any credit support provider, as applicable, has one of such assessments from Moody's, an Initial CBS Downgrade Trigger Event will not occur), or (ii) (x) the short-term issuer default rating of the Covered Bond Swap Provider or any credit support provider, as applicable, ceases to be at least as high as "F1" by Fitch or (y) the derivative counterparty rating, if one is assigned, and if not, the long-term issuer default rating of the Covered Bond Swap Provider or any credit support provider, as applicable, ceases to be at least as high as "A-" by Fitch (provided that, for greater certainty, if the Covered Bond Swap Provider or any credit support provider, as applicable, has one of such ratings from Fitch, an Initial CBS Downgrade Trigger Event will not occur) (each such event, an "**Initial CBS Downgrade Trigger Event**") and the Covered Bond Swap Provider does not provide credit support to the Guarantor within 14 calendar days of the occurrence of such Initial CBS Downgrade Trigger Event pursuant to the terms of the applicable credit support annex, or, within 30 Toronto Business Days, in the case of Moody's, or 60 calendar days, in the case of Fitch, in each case, after the occurrence of such Initial CBS Downgrade Trigger Event, does not arrange for its obligations under the Covered Bond Swap Agreement to be guaranteed by, or transferred to, an entity with rating(s) required by the relevant Rating Agencies;

- subject to the following paragraph, at the option of the Guarantor, in the event that (i) the short-term counterparty risk assessment or the long-term counterparty risk assessment of the Covered Bond Swap Provider or any credit support provider, as applicable, ceases to be at least P-2(cr) or A3(cr), respectively, by Moody's (provided that, for greater

certainty, if the Covered Bond Swap Provider or any credit support provider, as applicable, has one of such ratings from Moody's, a Subsequent CBS Downgrade Trigger Event will not occur), or (ii) (x) the short-term issuer default rating or (y) the derivative counterparty rating, if one is assigned, and if not, the long-term issuer default rating of the Covered Bond Swap Provider or any credit support provider, as applicable, ceases to be at least F3 or BBB-, respectively, by Fitch (provided that, for greater certainty, if the Covered Bond Swap Provider or any credit support provider, as applicable, has one of such ratings from Fitch, a Subsequent CBS Downgrade Trigger Event will not occur) (each such event, a "**Subsequent CBS Downgrade Trigger Event**", and together with the Initial CBS Downgrade Trigger Events, each a "**CBS Downgrade Trigger Event**") and the Covered Bond Swap Provider does not provide credit support to the Guarantor pursuant to the terms of the applicable credit support annex within 14 calendar days and does not arrange for its obligations under the Covered Bond Swap Agreement to be guaranteed by, or transferred to, an entity with rating(s) required by the relevant Rating Agencies no later than 60 calendar days (in the case of Fitch) and 30 Toronto Business Days (in the case of Moody's) after the occurrence of such Subsequent CBS Downgrade Trigger Event; and

- upon the occurrence of the insolvency of the Covered Bond Swap Provider or any credit support provider, and certain insolvency-related events in respect of the Guarantor or the merger of the Covered Bond Swap Provider without an assumption of the obligations under the Covered Bond Swap Agreement.

If, at any time, the Guarantor (a) is Independently Controlled and Governed, the Guarantor has the discretion, but is not required to, (i) waive any requirement of the Covered Bond Swap Provider to provide credit support, obtain an eligible guarantee or replace itself upon the occurrence of a CBS Downgrade Trigger Event, and (ii) refrain from forthwith terminating the Covered Bond Swap Agreement or finding a replacement Covered Bond Swap Provider, in each case, upon the occurrence of an event of default or additional termination event caused solely by the Covered Bond Swap Provider, and (b) is not Independently Controlled and Governed, the Guarantor shall not have the rights set out under clause (a)(i) and (a)(ii) of this paragraph unless, within 10 Toronto Business Days, of the occurrence of a CBS Downgrade Trigger Event or an event of default (other than an insolvency event of default) or additional termination event caused solely by the Covered Bond Swap Provider, as applicable, and for so long as such event continues to exist, and provided that the Covered Bond Swap Provider is the lender under the Intercompany Loan Agreement, a Contingent Collateral Notice is delivered in respect of such event by the Covered Bond Swap Provider (in its capacity as lender under the Intercompany Loan Agreement) to the Guarantor and the Guarantor has Contingent Collateral.

Upon the termination of the Covered Bond Swap Agreement pursuant to a Covered Bond Swap Early Termination Event, the Guarantor or the Covered Bond Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the Covered Bond Swap Agreement.

Any termination payment made by the Covered Bond Swap Provider to the Guarantor in respect of the Covered Bond Swap Agreement will first be used to the extent necessary (prior to the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice) to pay a replacement Covered Bond Swap Provider to enter into a replacement Covered Bond Swap with the Guarantor, unless a replacement Covered Bond Swap Agreement has already been entered into on behalf of the Guarantor.

Any premium received by the Guarantor from a replacement Covered Bond Swap Provider entering into a Covered Bond Swap Agreement will first be used to make any termination payment due and payable by the Guarantor with respect to the Covered Bond Swap Agreement, unless such termination payment has already been made or behalf of the Guarantor.

Swap Collateral Excluded Amounts, if applicable, will be paid to the Covered Bond Swap Provider directly and not via the Priorities of Payments.

All of the interest and obligations of the Covered Bond Swap Provider under the Covered Bond Swap Agreement may be transferred by it to a replacement swap counterparty upon the Covered Bond Swap Provider providing five Business Days' prior written notice to Guarantor and, subject to the following sentence, the Bond Trustee, provided that (i) such replacement swap counterparty has the rating(s) required by the relevant Rating Agencies (or the obligations of such replacement swap counterparty under the Covered Bond Swap Agreement are guaranteed by an entity having the rating(s) required by the relevant Rating Agencies), (ii) as of the date of such transfer, such replacement swap counterparty will not be required to withhold or deduct any taxes under the Covered Bond Swap Agreement as a result of such transfer, (iii) no termination event or event of default will occur under the Covered Bond Swap Agreement as a result of such transfer, (iv) no additional amount will be payable by the Guarantor under the Covered Bond Swap Agreement as a result of such transfer, (v) Rating Agency Confirmation shall have been obtained or deemed to have been obtained and (vi) such replacement swap counterparty enters into documentation substantially identical to the Covered Bond Swap Agreement. The Bond Trustee's consent to such transfer is required if such transfer occurs as a result of the occurrence of a CBS Downgrade Trigger Event or an IRS Downgrade Trigger Event, provided that such consent shall be given if such replacement swap counterparty has the rating(s) required by the relevant Rating Agencies and Rating Agency Confirmation has been received.

If withholding taxes are imposed on payments made by the Covered Bond Swap Provider to the Guarantor under the Covered Bond Swap Agreement, the Covered Bond Swap Provider will always be obliged to gross up those payments. If withholding taxes are imposed on payments made by the Guarantor to the Covered Bond Swap Provider under the Covered Bond Swap Agreement, the Guarantor will not be obliged to gross up those payments.

The Covered Bond Swap Agreement is in the form of an ISDA Master Agreement, including a schedule and confirmation and credit support annex, if applicable, in relation to each particular Tranche or Series of Covered Bonds, as the case may be. Under the Covered Bond Swap Agreement, each of the Guarantor and the Covered Bond Swap Provider makes the following representations with respect to itself and/or the Covered Bond Swap Agreement, as applicable: (i) that is it duly organized and validly existing, (ii) that it has the power and authority to enter into the Covered Bond Swap Agreement, (iii) that it is not in violation or conflict with any applicable law, its constitutional documents, any court order or judgment or any contractual restriction, (iv) it has obtained all necessary consents, (v) its obligations under the Covered Bond Swap Agreement are valid and binding, (vi) no event of default, potential event of default or termination event has occurred and is continuing under the Covered Bond Swap Agreement, (vii) there is no pending or, to its knowledge, any threatened litigation which is likely to affect its ability to perform under the Covered Bond Swap Agreement, (viii) all information furnished in writing is true, accurate and complete in every material respect, (ix) all payments will be made without any withholding and deduction, (x) that it is entering into the agreement as principal and not as agent, and (xi) that it is not relying on the other party for any investment advice, that is capable of assessing the merits of and understanding the risks of entering into the relevant transaction and that the Covered Bond Swap Provider is not acting as fiduciary to it. In addition, the Guarantor makes the representation that it is a "Canadian partnership" under the Income Tax Act and a limited partnership organized under the laws of the Province of Ontario, and the Covered Bond Swap Provider makes the representation that it is not a non-resident of Canada for purposes of the Income Tax Act and it is a financial services cooperative incorporated under the laws of Québec.

Under the Covered Bond Swap Agreement, the Guarantor's obligations are limited in recourse to the Charged Property.

Account Agreement

Pursuant to the terms of the Account Agreement entered into on the Programme Establishment Date, as amended on December 21, 2017, between the Guarantor, the Account Depository Institution, the GIC Provider, the Cash Manager and the Bond Trustee (as amended and/or restated and/or supplemented from time to time), the Guarantor will maintain with the Account Depository Institution the accounts described below, which will be operated in accordance with the Cash Management Agreement, the Limited Partnership Agreement and the Security Agreements:

(a) the GIC Account into which amounts may be deposited by the Guarantor (including, following the occurrence of an Issuer Event of Default which is not cured within the applicable grace period, all amounts received from Borrowers in respect of Loans in the Covered Bond Portfolio). On each Guarantor Payment Date as applicable, amounts required to meet the Guarantor's various creditors and amounts to be distributed to the Partners under the Limited Partnership Agreement will be transferred to the Transaction Account (to the extent maintained); and

(b) the Transaction Account (to the extent maintained) into which, amounts may be deposited by the Guarantor prior to their transfer to the GIC Account. Moneys standing to the credit of the Transaction Account will be transferred on each Guarantor Payment Date and applied by the Cash Manager in accordance with the Priorities of Payments described below under "*Cashflows*".

Under the Account Agreement, the Account Depository Institution represents and warrants to the Cash Manager, the Guarantor and the Bond Trustee on the Programme Establishment Date and on each date on which an amount is credited to the Guarantor Accounts and on each Guarantor Payment Date that: (i) it is a financial services cooperative constituted under the laws of Québec and duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, (ii) the execution, delivery and performance by it of the Account Agreement (x) are within its corporate powers, (y) have been duly authorized by all necessary corporate action, and (z) do not contravene or result in a default under or material conflict with (A) its constating documents, (B) any law, rule or regulation applicable to it, or (C) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting it or its property, (iii) it is not a non-resident of Canada for purposes of the Income Tax Act, (iv) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under the Account Agreement and the other Transaction Documents 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 thereunder, (v) it is rated at or above the Account Depository Institution Threshold Ratings by each of the Rating Agencies, (vi) it is and will continue to be in good standing with the AMF, (vii) 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 the Account Agreement and the other Transaction Documents to which it is party, and (viii) 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 the Account Agreement and the other Transaction Documents to which it is a party.

If the Account Depository Institution ceases to be rated by the Rating Agencies at or above the Account Depository Institution Threshold Ratings (as defined below), then the GIC Account and the Transaction Account (to the extent maintained) will be required to be closed and all amounts standing to the credit thereof transferred to accounts held with the Standby Account Depository Institution.

"**Account Depository Institution Threshold Ratings**" means the threshold ratings P-1 (in respect of Moody's) and A or F1 (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of, in the case of Moody's, the short term deposit rating, and in the case of Fitch, the issuer default rating, in each case, of the Account Depository Institution by the Rating Agencies.

In addition to the requirement that the Guarantor Accounts be moved to the Standby Account Depository Institution if the Account Depository Institution breaches the Account Depository Institution Threshold Ratings as described above, the Guarantor may (in the case of (i) through (iii) below) or shall (in the case of (iv) through (vii) below) terminate the Account Agreement and move the Guarantor Accounts to the Standby Account Depository Institution if: (i) a deduction or withholding for or on account of any taxes is imposed or is likely to be imposed in respect of the interest payable on any Guarantor Account, (ii) there is a breach by the Account Depository Institution of certain representations and warranties or a failure by the Account Depository Institution to perform certain covenants made by it under the Account Agreement, (iii) the Account Depository Institution fails to comply with any of its other covenants and obligations under the Account Agreement, which failure in the reasonable opinion of the Bond Trustee is materially prejudicial to the interests of the Covered Bondholders and such failure is not remedied within 30 days of the earlier of the Account Depository Institution becoming aware of the failure and receipt by the Account Depository Institution of notice from the Bond Trustee requiring the same to be remedied, (iv) the Account Depository Institution ceases or threatens to cease carrying on the business of the Account Depository Institution, (v) an order is made for the winding up of the Account Depository Institution, (vi) an Insolvency Event occurs with respect to the Account Depository Institution, or (vii) if the Account Depository Institution is the Issuer or an affiliate thereof, an Issuer Event of Default has occurred and is continuing.

Standby Account Agreement

Pursuant to the terms of a standby account agreement (the "**Standby Account Agreement**") entered into on the Programme Establishment Date, as amended on December 21, 2017, between the Guarantor, the Standby Account Depository Institution, the Standby GIC Provider, the Cash Manager, the Issuer and the Bond Trustee (as amended and/or restated and/or supplemented from time to time), the Standby Account Depository Institution will open and maintain a standby GIC account (the "**Standby GIC Account**") and standby transaction account (the "**Standby Transaction Account**") in the name of the Guarantor following delivery by the Guarantor (or the Cash Manager on its behalf) of a standby account depository institution notice (the "**Standby Account Depository Institution Notice**") to the Standby Account Depository Institution.

Pursuant to the terms of the Cash Management Agreement, the Cash Manager will deliver a Standby Account Depository Institution Notice to the Standby Account Depository Institution if the funds held in the GIC Account and the Transaction Account (to the extent maintained) are required to be transferred to the Standby Account Depository Institution pursuant to the terms of the Account Agreement or the Account Agreement is terminated for any reason.

The Standby Account Agreement provides that the Standby GIC Account and the Standby Transaction Account, when opened, will be subject to the security in favour of the Bond Trustee (for itself and on behalf of the other Secured Creditors) granted under the Security Agreements and that payments of amounts owing to the Standby Account Depository Institution in respect of fees or otherwise shall be subject to the relevant Priorities of Payment set out in the Limited Partnership Agreement and the Security Agreements.

Under the Standby Account Agreement, the Standby Account Depository Institution represents and warrants to the Guarantor and the Bond Trustee on the Programme Establishment Date and on each date on which an amount is credited to any Guarantor Account that is held with the Standby Account Depository Institution and on each Guarantor Payment Date that: (i) it is a bank listed in Schedule I to the Bank Act and duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, (ii) the execution, delivery and performance by it of the Standby Account Agreement (x) are within its corporate powers, (y) have been duly authorized by all necessary corporate action, and (z) do not contravene or result in a default under or conflict with (A) its charter or by-laws, (B) any law, rule or regulation applicable to it, or (C) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting it or its property, (iii) it is not a non-resident of Canada for purposes of the Income Tax Act, (iv) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under the Standby Account Agreement and the other Transaction Documents 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 thereunder, (v) it is rated at or above the Standby Account Depository Institution Ratings by each of the Rating Agencies, (vi) it is and will continue to be in good standing with the Office of the Superintendent of Financial Institutions, (vii) 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 the Standby Account Agreement and the other Transaction Documents to which it is party, and (viii) 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 the Standby Account Agreement and the other Transaction Documents to which it is a party.

The Standby Account Agreement further provides that if the ratings of the Standby Account Depository Institution by the Rating Agencies fall below the Standby Account Depository Institution Ratings, then the Standby GIC Account and the Standby Transaction Account (to the extent maintained) will be required to be closed and all amounts standing to the credit thereof transferred to accounts held with a satisfactorily rated depository institution.

As of the date of this Base Prospectus, the Standby Account Depository Institution has been assigned the following ratings from the Rating Agencies being, in the case of Moody's, its short-term and long-term deposit ratings, and, in the case of Fitch, its short-term and long-term issuer default ratings, respectively:

Rating Agency	**Short-term debt**	**Senior debt**[10]
Moody's	P-1	A1
Fitch	F1+	AA-

In addition to the requirement that the Guarantor Accounts be moved from the Standby Account Depository Institution to a satisfactorily rated depository institution if the Standby Account Depository Institution breaches the Standby Account Depository Institution Ratings as described above, the Guarantor may (in the case of (i) through (iii) below) or shall (in the case of (iv) through (vi) below) terminate the Standby Account Agreement and move the Guarantor Accounts from the Standby Account Depository Institution to a satisfactorily rated depository institution if: (i) a deduction or withholding for or on account of any taxes is imposed or is likely to be imposed in respect of the interest payable on any Guarantor Account, (ii) there is a breach by the Standby Account Depository Institution of certain representations and warranties or a failure by the Standby Account Depository Institution to perform certain covenants made by it under the Standby Account Agreement, (iii) the Standby Account Depository Institution materially breaches any of its other covenants and obligations under the Standby Account Agreement or the Standby Guaranteed Deposit Account Contract, (iv) the Standby Account Depository Institution ceases or threatens to cease carrying on the business of the Standby Account Depository Institution, (v) an order is made for the winding up of the Standby Account Depository Institution, or (vi) an Insolvency Event occurs with respect to the Standby Account Depository Institution.

References in this Base Prospectus to the GIC Account or the Transaction Account include, unless otherwise stated, references to the Standby GIC Account or the Standby Transaction Account when the Standby GIC Account and the Standby Transaction Account become operative.

Guaranteed Investment Contract

The Guarantor entered into a Guaranteed Investment Contract (or "**GIC**") with the GIC Provider, the Cash Manager and the Bond Trustee on the Programme Establishment Date, pursuant to which the GIC Provider has agreed to pay interest on the moneys standing to the credit of the Guarantor in the GIC Account at specified rates determined in accordance with the GIC during the term of the GIC. The Guarantor or the Bond Trustee may terminate the GIC following the closing of the GIC Account or termination of the Account Agreement. Under the GIC, the GIC Provider makes the same representations and warranties to the Cash Manager, the Guarantor and the Bond Trustee on the Programme Establishment Date and on each date on which an amount is credited to the GIC Account and on each Guarantor Payment Date as are made by the Account Depository Institution and which are described under "*Account Agreement*" above.

Standby Guaranteed Investment Contract

Pursuant to the terms of a standby guaranteed investment contract (the "**Standby Guaranteed Investment Contract**") entered into on the Programme Establishment Date, as amended on December 21, 2017, by and among the Standby Account Depository Institution, the Standby GIC Provider, the Guarantor, the Cash Manager, the Issuer and the Bond Trustee (as amended and/or restated and/or supplemented from time to time), the Standby GIC Provider has agreed to pay interest on the moneys standing to the credit of the Standby GIC Account at specified rates determined in accordance with the terms of the Standby Guaranteed Investment Contract during the term of the Standby Account Agreement. The Standby Guaranteed Investment Contract will be automatically terminated following the closing of the Standby GIC Account or termination of the Standby Account Agreement in accordance with the Standby Account Agreement. Under the Standby Guaranteed Investment Contract, the Standby GIC Provider makes the same representations and warranties to the Guarantor and the Bond Trustee on the Programme Establishment Date and

[10] Subject to conversion under the Canadian bank recapitalization "bail-in" regime.

on each date on which an amount is credited to the Standby GIC Account and on each Guarantor Payment Date as are made by the Standby Account Depository Institution and which are described under "Standby Account Agreement" above.

Security Agreements

Pursuant to the terms of the Security Agreements entered into on the Programme Establishment Date by the Guarantor, the Bond Trustee, and other Secured Creditors (as amended and/or restated and/or supplemented from time to time), the secured obligations of the Guarantor and all other obligations of the Guarantor under or pursuant to the Transaction Documents to which it is a party owed to the Bond Trustee and the other Secured Creditors are secured by a first ranking security interest and hypothec (the "**Security**") over all present and after-acquired undertaking, property and assets of the Guarantor (the "**Charged Property**"), including without limitation the Covered Bond Portfolio, and any other Loans and their Related Security, Substitute Assets that the Guarantor may acquire from time to time and funds being held for the account of the Guarantor by its service providers and the amounts standing to the credit of the Guarantor in the Guarantor Accounts, subject to the right of the Guarantor (provided the Asset Coverage Test and/or the Amortization Test, as applicable, is met) to sell such Charged Property.

Under the Security Agreement, the Guarantor represents and warrants to the Secured Creditors that: (i) the Security Agreement creates a valid first priority security interest in the present and future personal property and undertaking of the Guarantor and all proceeds thereof (the "**Collateral**"), (ii) it is the legal and beneficial owner of all Collateral, (iii) the Collateral is free and clear of all liens other than those created in favour of the Bond Trustee and customary permitted liens, (iv) the security interest of the Bond Trustee in the Collateral has been perfected, (v) the Bond Trustee has obtained control pursuant to applicable personal property security legislation of the Collateral that consists of investment property, the Bond Trustee is a "protected purchaser" within the meaning of such legislation, and no other person has control or the right to obtain control of such investment property, (vi) no authorization, consent or approval from, or notices to, any governmental authority or other person is required for the due execution and delivery by it of the Security Agreement or the performance or enforcement of its obligations thereunder, other than those that have been obtained or made, (vii) it is validly formed and existing as a limited partnership under the laws of the Province of Ontario, (viii) since its date of formation there has been no material adverse change in its financial position or prospects, (ix) it is not the subject of any governmental or other official investigation, nor to its knowledge is such an investigation pending, which may have a material adverse effect, (x) no litigation, arbitration or administrative proceedings have been commenced, nor to its knowledge are pending or threatened, against any of its assets or revenues which may have a material adverse effect, (xi) the Managing GP has (x) at all times carried on and conducted the affairs and business of the Guarantor in the name of the Guarantor as a separate entity and in accordance with the Limited Partnership Agreement and all laws and regulations applicable to it, (y) at all times kept or procured the keeping of proper books and records for the Guarantor separate from any other person or entity, and (z) duly executed the Transaction Documents for and on behalf of the Guarantor, (xii) its entry into the Transaction Documents and the performance of its obligations thereunder do not and will not constitute a breach of (x) its constitutional documents, (y) any law applicable to it, or (z) any agreement, indenture, contract, mortgage, deed or other instrument to which it is a party or which is binding on it or any of its assets, (xiii) its obligations under the Transaction Documents to which it is a party are legal, valid, binding and enforceable obligations, (xiv) the Transaction Documents to which it is a party have been entered into in good faith for its own benefit and on arm's length commercial terms, (xv) it is not in breach of or default under any agreement, indenture, contract, mortgage, deed or other instrument to which it is a party or which is binding on it or any of its assets which would be reasonably likely to result in a material adverse effect, and (xvi) each of the Transaction Documents to which it is a party has been properly authorized by all necessary action of its Partners and constitutes the legal, valid and binding obligation of, and is enforceable in accordance with its terms against, the Guarantor, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.

Release of Security

In the event of any sale of Loans and their Related Security by the Guarantor pursuant to and in accordance with the Transaction Documents, the Bond Trustee will, while any Covered Bonds are outstanding (subject to the written request of the Guarantor), release those Loans from the Security created by and pursuant to the Security Agreements on the date of such sale but only if:

(a) the Bond Trustee provides its prior written consent to the terms of such sale as described under "Limited Partnership Agreement—Method of Sale of Loans and their Related Security" above; and

(b) in the case of the sale of Loans, the Guarantor provides to the Bond Trustee a certificate confirming that the Loans being sold are Randomly Selected Loans.

In the event of the repurchase of a Loan and its Related Security by the Seller pursuant to and in accordance with the Transaction Documents, the Bond Trustee will release that Loan from the Security created by and pursuant to the Security Agreements on the date of the repurchase.

Enforcement

If a Guarantor Acceleration Notice is served on the Guarantor, the Bond Trustee will be entitled to appoint a receiver, and/or enforce the Security constituted by the Security Agreements (including selling the Covered Bond Portfolio), and/or take such steps as it deems necessary, subject in each case to being indemnified and/or secured to its satisfaction. All proceeds received by the Bond Trustee from the enforcement of the Security will be applied in accordance with the Post-Enforcement Priority of Payments described under "*Cashflows*".

The Security Agreements are governed by the laws of the Province of Québec and the federal laws of Canada applicable therein (other than certain other provisions relating to real property located outside of the Province of Québec, which will be governed by the law of the jurisdiction in which such property is located, and the General Security Agreement, which is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein).

Corporate Services Agreement

Pursuant to the terms of a corporate services agreement, (such corporate services agreement, and as may be amended and/or restated and/or supplemented from time to time, the "**Corporate Services Agreement**") entered into on the Programme Establishment Date by and among the Corporate Services Provider, the Liquidation GP, the Issuer and the Guarantor, the Corporate Services Provider will provide corporate services to the Liquidation GP.

Custodial Agreement

Pursuant to the terms of a custodial agreement entered into on the Programme Establishment Date, as amended pursuant to amending agreements dated as of September 18, 2014, December 21, 2017 and December 21, 2020 (as the same may be further amended, restated, supplemented or replaced from time to time, the "**Custodial Agreement**") among, *inter alios*, the Custodian, the Issuer and the Custodian will, among other things, hold applicable powers of attorney granted by the Issuer to the Guarantor, and details of the Loans and the Related Security and Substitute Assets, in each case on behalf of the Guarantor, all in accordance with the CMHC Guide. In order to act as Custodian under the Custodial Agreement, the Custodian must meet the Custodian Qualifications, as described under "*Description of the Canadian Registered Covered Bond Programs Regime – Custodian*".

The Custodian agrees to securely and confidentially hold and remain responsible for the data and documents delivered to it pursuant to the Custodial Agreement until the earliest of (a) the release of such data and documents to a replacement custodian in accordance with the terms of the Custodial Agreement, (b) the termination of the Programme, and (c) in relation to a particular Loan or Substitute Asset, its disposition or maturity, as the case may be. In the case of (b) or (c), the Custodian shall either (i) release such data and documents to the Seller (or to such other owner of the Loans and Substitute Assets to which such data and documents relate) or as it may direct, or (ii) destroy such data and documents at the instructions of, and in accordance with such procedures as may be satisfactory to, the Seller (or such other owner of the Loans and Substitute Assets to which such data and documents relate).

In the event that there is a breach by the Custodian of certain representations and warranties or a failure by the Custodian to perform certain covenants made by it under the Custodial Agreement, the Guarantor will have the right to terminate the Custodial Agreement and appoint a replacement Custodian. The Issuer and the Guarantor may also terminate the Custodial Agreement and appoint a replacement Custodian if the Custodian commits a breach which is either not capable of remedy, or capable of remedy but which is not remedied within 30 days of receipt by the Custodian of notice specifying such breach and requiring the same to be remedied.

Agency Agreement

Under the terms of the Agency Agreement entered into on the Programme Establishment Date between the Agents, the Issuer, the Guarantor and the Bond Trustee, the Agents have been appointed by the Issuer and the Guarantor to carry out various issuing and paying agency, exchange agency, transfer agency, calculation agency and registrar duties in respect of the Covered Bonds. Such duties include, but are not limited to, dealing with any applicable stock exchanges and Clearing Systems on behalf of the Issuer and the Guarantor in connection with an issuance of Covered Bonds and making payments of interest and principal in respect of the Covered Bonds upon receipt of such amounts from the Issuer or the Guarantor, as applicable.

Upon the occurrence of an Issuer Event of Default, Potential Issuer Event of Default, a Guarantor Event of Default or Potential Guarantor Event of Default, as applicable, the Bond Trustee may, by notice in writing to the Issuer, the Guarantor and the Agents, require the Agents to thereafter act as agents of the Bond Trustee.

Any Agent or Calculation Agent may resign its appointment under the Agency Agreement and/or in relation to any Series of Covered Bonds upon 30 days' notice to the Issuer, the Guarantor and the Bond Trustee, provided that such resignation will not be effective (i) if the notice period would otherwise expire within 30 days before or after the final maturity date or any interest or other

payment date for any Series (or if the resignation is only with respect to a particular Series, such Series), until the 30th day following such final maturity date or any interest or other payment date, and (ii) in certain circumstances, unless a successor has been appointed.

The Issuer or the Guarantor may revoke its appointment of any Agent or Calculation Agent under the Agency Agreement and/or in relation to any Series of Covered Bonds upon 30 days' notice to such Agent or Calculation Agent, provided that in certain circumstances, such revocation will not be effective unless a successor has been appointed. Notwithstanding the foregoing, the Guarantor may revoke the appointment of any Agent or Calculation Agent in the event that there is a breach by such Agent or Calculation Agent of certain representations and warranties or a failure by such Agent or Calculation Agent to perform certain covenants made by it under the Agency Agreement.

The appointment of any Agent or Calculation Agent under the Agency Agreement and in relation to each relevant Series of Covered Bonds shall terminate forthwith if any of the following events or circumstances shall occur or arise, namely: such Agent or Calculation Agent becomes incapable of acting; such Agent or Calculation Agent is adjudged bankrupt or insolvent; such Agent or Calculation Agent files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver, administrator or other similar official of all or any substantial part of its property or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof; a resolution is passed or an order is made for the winding-up or dissolution of such Agent or Calculation Agent; a receiver, administrator or other similar official of such Agent or Calculation Agent or of all or any substantial part of its property is appointed; an order of any court is entered approving any petition filed by or against such Agent or Calculation Agent under the provisions of any applicable bankruptcy or insolvency law; or any public officer takes charge or control of such Agent or Calculation Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

Modification of Transaction Documents

The provisions of the Transaction Documents generally require that all amendments thereto be in writing and executed by the parties thereto and, in the case of the Swap Agreements, the Bond Trustee, unless the amendment relates to the transfer of the Swap Provider's interests in the Swap Agreements other than as a result of the occurrence of a CBS Downgrade Trigger Event or an IRS Downgrade Trigger Event, in which case five Montreal Business Days' prior notice is required to be provided to the Bond Trustee. In addition, any material amendment to a Transaction Document will be subject to satisfaction of the Rating Agency Confirmation. Pursuant to the terms of the Security Agreement and the Trust Deed, the Bond Trustee is permitted to consent to and/or execute amendments without consulting the other Secured Creditors if the amendment is of a minor or technical nature or the Bond Trustee is otherwise satisfied that the amendment is not reasonably expected to be materially prejudicial to the interests of the Covered Bondholders.

In addition to the general amendment provisions, the Managing GP has the authority to make amendments to the Limited Partnership Agreement without the consent of any other party in order to cure any ambiguity or correct or supplement any provision thereof, provided that such amendments are not reasonably expected to be materially prejudicial to the interests of the other Partners, or, while Covered Bonds are outstanding, the Bond Trustee (on behalf of the Secured Creditors). If the interests of any such party would be adversely affected by a proposed amendment to the Limited Partnership Agreement, such amendment may only be made by the Managing GP with the consent of such adversely affected Party and/or the Bond Trustee, as applicable.

For greater certainty, all amendments to the Transaction Documents must comply with the CMHC Guide.

Modification of Ratings Triggers and Consequences

Any amendment to (a) a ratings trigger that (i) lowers the ratings specified therein; or (ii) changes the applicable rating type, in each case as provided for in any Transaction Document, or (b) the consequences of breaching any such ratings trigger, or changing the applicable rating type, provided for in any Transaction Document 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 satisfaction of the Rating Agency Confirmation from each affected Rating Agency.

CREDIT STRUCTURE

Under the terms of the Covered Bond Guarantee, the Guarantor has agreed to, following the occurrence of a Covered Bond Guarantee Activation Event, unconditionally and irrevocably pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of the holders of the Covered Bonds), an amount equal to that portion of the Guaranteed Amounts which shall become Due for Payment but would otherwise be unpaid, as of any Original Due for Payment Date, or, if applicable, Extended Due for Payment Date, by the Issuer. Under the Covered Bond Guarantee, the Guaranteed Amounts will become due and payable on any earlier date on which a Guarantor Acceleration Notice is served. The Issuer will not be relying on payments from the Guarantor in respect of advances under the Intercompany Loan Agreement or receipt of Available Revenue Receipts or Available Principal Receipts from the Covered Bond Portfolio in order to pay interest or repay principal under the Covered Bonds.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to holders of the Covered Bonds, as follows:

- the Covered Bond Guarantee provides credit support to the Issuer;
- the Asset Coverage Test is intended to test the asset coverage of the Guarantor's assets in respect of the Covered Bonds at all times;
- the Pre-Maturity Test is intended to test the liquidity of the Guarantor's assets in respect of principal due on the Final Maturity Date of Hard Bullet Covered Bonds;
- the Amortization Test is intended to test the asset coverage of the Guarantor's assets in respect of the Covered Bonds following an Issuer Event of Default but prior to the service on the Guarantor of a Guarantor Acceleration Notice;
- a Reserve Fund (if the Issuer's ratings fall below the Reserve Fund Required Amount Ratings) will be established by the Guarantor (or the Cash Manager on its behalf) in the GIC Account to trap Available Revenue Receipts and Available Principal Receipts; and
- under the terms of the GIC, the GIC Provider has agreed to pay a variable rate of interest on all amounts held by the Guarantor in the GIC Account at a floor of 0.10 per cent below the average of the rates per annum for Canadian dollar bankers' acceptances having a term of 30 days that appears on the Reuters Screen Page as of 10:00 a.m. (Montréal time) on the date of determination, as reported by the GIC Provider (and if such screen is not available, any successor or similar service as may be selected by the GIC Provider) or such greater amount as the Guarantor and the GIC Provider may agree from time to time.

Certain of these factors are considered more fully in the remainder of this section.

Guarantee

The Covered Bond Guarantee provided by the Guarantor under the Trust Deed guarantees payment of Guaranteed Amounts when the same become Due for Payment in respect of all Covered Bonds issued under the Programme. The Covered Bond Guarantee will not guarantee any amount becoming payable for any other reason, including any accelerated payment pursuant to Condition 7 (Events of Default and Enforcement) following the occurrence of an Issuer Event of Default. In this circumstance (and until a Guarantor Event of Default occurs and a Guarantor Acceleration Notice is served), the Guarantor's obligations will only be to pay the Guaranteed Amounts as such amounts fall Due for Payment.

See further "*Summary of the Principal Documents—Trust Deed*" with respect to the terms of the Covered Bond Guarantee. See "*Cashflows—Guarantee Priority of Payments*" with respect to the payment of amounts payable by the Guarantor to holders of the Covered Bonds and other Secured Creditors following the occurrence of an Issuer Event of Default.

Pre-Maturity Liquidity

Certain Series of Covered Bonds may be scheduled to be redeemed in full on their respective Final Maturity Dates without any provision for scheduled redemption other than on the Final Maturity Date (the "**Hard Bullet Covered Bonds**"). The applicable Final Terms will identify whether any Series of Covered Bonds is a Series of Hard Bullet Covered Bonds. The Pre-Maturity Test is intended to test the liquidity of the Guarantor's assets in respect of the Hard Bullet Covered Bonds when the Issuer's ratings fall below the Pre-Maturity Minimum Ratings. On each Montréal Business Day (each, a "**Pre-Maturity Test Date**") prior to the occurrence of an Issuer Event of Default or the occurrence of a Guarantor Event of Default, the Guarantor (or the Cash Manager

on its behalf) will determine if the Pre-Maturity Test has been breached, and if so, it will immediately notify the Seller and the Bond Trustee.

The Issuer will fail and be in breach of the "**Pre-Maturity Test**" on a Pre-Maturity Test Date if:

(a) the rating from Moody's of the Issuer's unsecured, unsubordinated and unguaranteed debt obligations falls below P-1 and the Final Maturity Date of the Series of Hard Bullet Covered Bonds falls within 12 months from the relevant Pre-Maturity Test Date; or

(b) the short-term issuer default rating from Fitch of the Issuer falls below F1+ and the Final Maturity Date of the Series of Hard Bullet Covered Bonds falls within 12 months from the relevant Pre-Maturity Test Date,

(each of the ratings set out above, the "**Pre-Maturity Minimum Ratings**").

Following a breach of the Pre-Maturity Test in respect of a Series of Hard Bullet Covered Bonds, the Guarantor, shall, subject to any right of pre-emption of the Seller pursuant to the terms of the Hypothecary Loan Sale Agreement and the Security Sharing Agreement, as applicable, offer to sell Randomly Selected Loans to Purchasers, unless the Pre-Maturity Liquidity Ledger is otherwise funded from other sources as follows:

(i) a Capital Contribution in Kind made by one or more of the Partners (as recorded in the Capital Account Ledger for such Partners of the Guarantor) of certain Substitute Assets in accordance with the Limited Partnership Agreement with an aggregate principal amount up to the Pre-Maturity Liquidity Required Amount (which shall be a credit to the Pre-Maturity Liquidity Ledger); or

(ii) Cash Capital Contributions made by one or more of the Partners (as recorded in the Capital Account Ledger for each applicable Partner of the Guarantor) or proceeds advanced under the Intercompany Loan Agreement which have not been applied to acquire further Loans and their Related Security or otherwise applied in accordance with the Limited Partnership Agreement and/or the other Transaction Documents with an aggregate principal amount up to the Pre-Maturity Liquidity Required Amount (which shall be a credit to the Pre-Maturity Liquidity Ledger);

provided that if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached less than six months prior to the Final Maturity Date of that Series of Hard Bullet Covered Bonds, an Issuer Event of Default will occur if the Guarantor has not taken the required action described above within the earlier to occur of (i) 10 Montréal Business Days from the date that the Seller is notified of the breach of the Pre-Maturity Test and (ii) the Final Maturity Date of that Series of Hard Bullet Covered Bonds (see further: Condition 7.01). To cure a Pre-Maturity Test breach within such period, the Pre-Maturity Liquidity Ledger shall be funded so that by the end of such period, there will be an amount equal to the Pre-Maturity Liquidity Required Amount standing to the credit of the Pre-Maturity Liquidity Ledger. The method for selling Randomly Selected Loans is described in "*Summary of the Principal Documents— Limited Partnership Agreement—Method of Sale of Loans and their Related Security*" above. The proceeds of sale of Randomly Selected Loans will be recorded to the Pre-Maturity Liquidity Ledger on the GIC Account.

In certain circumstances, Revenue Receipts will also be available to repay a Hard Bullet Covered Bond, as described in "*Cashflows—Pre-Acceleration Revenue Priority of Payments*" below.

Failure by the Issuer to pay the full amount due in respect of a Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof, subject to applicable cure periods, will constitute an Issuer Event of Default. Following service of a Notice to Pay on the Guarantor, the Guarantor will apply funds standing to the Pre-Maturity Liquidity Ledger to repay the relevant Series of Hard Bullet Covered Bonds.

If the Issuer and/or the Guarantor fully repay the relevant Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof, cash standing to the credit of the Pre-Maturity Liquidity Ledger on the GIC Account will be applied by the Guarantor in accordance with the Pre-Acceleration Principal Priority of Payments, unless:

(a) the Issuer is failing the Pre-Maturity Test in respect of any other Series of Hard Bullet Covered Bonds, in which case the cash will remain on the Pre-Maturity Liquidity Ledger in order to provide liquidity for that other Series of Hard Bullet Covered Bonds; or

(b) the Issuer is not failing the Pre-Maturity Test, but the Cash Manager elects to retain the cash on the Pre-Maturity Liquidity Ledger in order to provide liquidity for any future Series of Hard Bullet Covered Bonds.

Amounts standing to the credit of the Pre-Maturity Liquidity Ledger following the repayment of the Hard Bullet Covered Bonds as described above may, except where the Cash Manager has elected or is required to retain such amounts on the Pre-Maturity Liquidity Ledger, also be used to repay the advances under the Intercompany Loan Agreement, subject to the Guarantor making provision for higher ranking items in the Pre-Acceleration Principal Priority of Payments.

Asset Coverage Test

The Asset Coverage Test is intended to ensure that (subject to certain limitations with respect to the Asset Percentage, which may be removed by agreement with the Issuer) the Guarantor can meet its obligations under the Covered Bond Guarantee. Under the Limited Partnership Agreement, so long as the Covered Bonds remain outstanding, the Guarantor must ensure that on each Calculation Date the Adjusted Aggregate Loan Amount will be in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date. If, on any Calculation Date, the Asset Coverage Test is not satisfied and such failure is not remedied on or before the next following Calculation Date, the Asset Coverage Test will be breached and the Guarantor (or the Cash Manager on its behalf) will serve an Asset Coverage Test Breach Notice on the Partners, the Bond Trustee and, if delivered by the Cash Manager, the Guarantor. The Asset Coverage Test is a formula which adjusts the Outstanding Principal Balance of each Loan in the Covered Bond Portfolio and has further adjustments to take account of a failure by the Seller to repurchase Loans, pursuant to a Loan Repurchase Notice delivered in accordance with the terms of the Hypothecary Loan Sale Agreement.

See further "*Summary of the Principal Documents—Limited Partnership Agreement—Asset Coverage Test" and "Summary of the Principal Documents—Hypothecary Loan Sale Agreement—Repurchase of Loans*", above.

An Asset Coverage Test Breach Notice will be revoked if, on any Calculation Date falling on or prior to the next Calculation Date following the service of the Asset Coverage Test Breach Notice, the Asset Coverage Test is satisfied and no Covered Bond Guarantee Activation Event has occurred.

If an Asset Coverage Test Breach Notice has been served and is not revoked on or before the Guarantor Payment Date immediately following the Calculation Date after service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default will have occurred and the Bond Trustee will be entitled (and, in certain circumstances, may be required) to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice, the Bond Trustee must serve a Notice to Pay on the Guarantor.

Amortization Test

The Amortization Test is intended to ensure that if, following an Issuer Event of Default (but prior to service on the Guarantor of a Guarantor Acceleration Notice), the assets of the Guarantor available to meet its obligations under the Covered Bond Guarantee fall to a level where holders of the Covered Bonds may not be repaid, a Guarantor Event of Default will occur and all amounts owing under the Covered Bonds may be accelerated. Under the Limited Partnership Agreement, following the occurrence and during the continuance of an Issuer Event of Default, for so long as there are Covered Bonds outstanding, the Guarantor must ensure that, as at each Calculation Date following an Issuer Event of Default, the Amortization Test Aggregate Loan Amount will be in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date. The Amortization Test is a formula which adjusts the True Balance of each Loan in the Covered Bond Portfolio and has further adjustments to take account of Loans in arrears. See further "*Summary of the Principal Documents—Limited Partnership Agreement— Amortization Test*", above.

Reserve Fund

If the ratings of the Issuer fall below the Reserve Fund Required Amount Ratings, the Guarantor will be required to establish the Reserve Fund on the GIC Account which will be credited with Available Revenue Receipts and Available Principal Receipts up to an amount equal to the Reserve Fund Required Amount. The Guarantor will not be required to maintain the Reserve Fund following the occurrence of an Issuer Event of Default.

The Reserve Fund will be funded from (i) Available Revenue Receipts after the Guarantor has paid all of its obligations in respect of items ranking higher than the Reserve Ledger in the Pre-Acceleration Revenue Priority of Payments, and (ii) Available Principal Receipts after the Guarantor has paid all of its obligations in respect of items ranking higher than the Reserve Ledger in the Pre-Acceleration Principal Priority of Payments on each Guarantor Payment Date.

A Reserve Ledger will be maintained by the Cash Manager to record the balance from time to time of the Reserve Fund. Following the occurrence of an Issuer Event of Default, service of an Issuer Acceleration Notice and service of a Notice to Pay on the Guarantor, amounts standing to the credit of the Reserve Fund will be added to certain other income of the Guarantor in calculating Available Revenue Receipts.

Voluntary Overcollateralization

From time to time, the Guarantor may hold Loans and Related Security, Substitute Assets and cash with a value in excess of the value required to satisfy the coverage tests prescribed by the Transaction Documents and the CMHC Guide, including the Asset Coverage Test and the Amortization Test, as applicable. Such excess collateral, excluding, for certainty, any Contingent Collateral, is the "**Voluntary Overcollateralization**". Pursuant to the terms of the Transaction Documents and provided that the Guarantor must at all times be in compliance with such coverage tests, the terms of the Transaction Documents and the CMHC Guide, the Guarantor is from time to time permitted to:

- apply cash (in an amount up to the Voluntary Overcollateralization) to the repayment of any loan advanced by the Issuer, including the Intercompany Loan;

- distribute cash (in an amount up to the Voluntary Overcollateralization) to the Partners;

- (i) subject to the rights of pre-emption enjoyed by the Seller pursuant to the terms of the Hypothecary Loan Sale Agreement and the Security Sharing Agreement, as applicable, transfer, or (ii) agree with the Seller to withdraw or remove, subject to any such rights of pre-emption, Loans and Related Security and Substitute Assets (with an aggregate value, in the case of Loans and Related Security, equal to the LTV Adjusted Loan Balance thereof, and in the case of Substitute Assets, equal to the face value thereof, up to the Voluntary Overcollateralization); or

- agree with the Seller to substitute assets owned by the Guarantor with other Loans and Related Security and/or Substitute Assets that in each case comply with the terms of the Transaction Documents, the CMHC Guide and the Covered Bond Legislative Framework.

In calculating Voluntary Overcollateralization, no credit will be given to the Guarantor in the coverage tests, including for the Adjusted Aggregate Loan Amount and Amortization Test Aggregate Loan Amount, for any Excess Proceeds received by the Guarantor following an Issuer Event of Default.

Any Loans and Related Security and/or Substitute Assets transferred, withdrawn, removed or substituted in accordance with the above will be selected in a manner that would not reasonably be expected to adversely affect the interests of the Covered Bondholders and the consideration received by the Guarantor therefor (whether in cash or in kind) will, unless otherwise prescribed by the terms of the Transaction Documents, not be less than the fair market value thereof. For instance, the terms of the Intercompany Loan Agreement prescribe the consideration to be received by the Guarantor for a Payment in Kind. See "*Summary of the Principal Documents – Intercompany Loan Agreement*".

CASHFLOWS

As described above under "*Credit Structure*", until the occurrence of a Covered Bond Guarantee Activation Event, the Covered Bonds will be obligations of the Issuer only. The Issuer is liable to make payments when due on the Covered Bonds, whether or not it has received any corresponding payment from the Guarantor under the Intercompany Loan.

This section summarizes the Priorities of Payments of the Guarantor, as to the allocation and distribution of amounts standing to the credit of the Guarantor on the Ledgers and their order of priority:

(a) when no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred;

(b) when an Asset Coverage Test Breach Notice is outstanding but no Covered Bond Guarantee Activation Event has occurred;

(c) following service of a Notice to Pay on the Guarantor; and

(d) following service of a Guarantor Acceleration Notice and enforcement of the Security.

If the Transaction Account is closed in accordance with the terms of the Account Agreement or no Transaction Account is maintained, any payment to be made to or from the Transaction Account will, as applicable, be made to or from the GIC Account, or no payment shall be made at all if such payment is expressed to be from the GIC Account to the Transaction Account.

Allocation and distribution of Available Revenue Receipts when no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred

At any time no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred, Available Revenue Receipts will be allocated and distributed as described below.

The Guarantor (or the Cash Manager on its behalf) will, as of each Calculation Date, calculate:

(i) the amount of Available Revenue Receipts available for distribution on the immediately following Guarantor Payment Date;

(ii) the Reserve Fund Required Amount (if applicable);

(iii) where the Pre-Maturity Test has been breached in respect of a Series of Hard Bullet Covered Bonds, on each Calculation Date falling in the five months prior to the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds, whether or not the amount standing to the credit of the Pre-Maturity Liquidity Ledger including the principal amount of any Substitute Assets standing to the credit of the Pre-Maturity Liquidity Ledger at such date is less than the Pre-Maturity Liquidity Required Amount.

On each Guarantor Payment Date, the Guarantor (or the Cash Manager on its behalf) will transfer Available Revenue Receipts from the Revenue Ledger to the Payment Ledger, and use Available Revenue Receipts held by the Cash Manager for and on behalf of the Guarantor and, as necessary, transfer Available Revenue Receipts from the GIC Account to the Transaction Account (to the extent maintained), in an amount equal to the lower of (a) the amount required to make the payments or credits described below (taking into account any Available Revenue Receipts held by the Cash Manager for or on behalf of the Guarantor and any Available Revenue Receipts standing to the credit of the Transaction Account), and (b) the amount of Available Revenue Receipts.

Pre-Acceleration Revenue Priority of Payments

At any time no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred, Available Revenue Receipts will be applied by or on behalf of the Guarantor (or the Cash Manager on its behalf) on each Guarantor Payment Date (except for amounts due to third parties by the Guarantor under paragraph (a) or Third Party Amounts, which will be paid when due) in making the following payments and provisions (the "**Pre-Acceleration Revenue Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, in or towards satisfaction of any amounts due and payable by the Guarantor to third parties and incurred without breach by the Guarantor of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere in the relevant Priorities of Payments) and to provide for any such amounts expected to become due and payable by the Guarantor in the immediately succeeding Guarantor Payment Period and to pay and discharge any liability of the Guarantor for taxes;

(b) *second*, any amounts in respect of interest due to the Federation in respect of the Demand Loan pursuant to the terms of the Intercompany Loan;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Agreement in the immediately succeeding Guarantor Payment Period, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(ii) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager under the provisions of the Cash Management Agreement in the immediately succeeding Guarantor Payment Period, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(iii) amounts (if any) due and payable to the Account Depository Institution, including in its capacity as GIC Provider (or, as applicable, the Standby Account Depository Institution, including in its capacity as Standby GIC Provider) (including costs) pursuant to the terms of the Account Agreement and Guaranteed Investment Contract (or, as applicable, the Standby Account Agreement and Standby Guaranteed Investment Contract), together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(iv) amounts due and payable to the Asset Monitor pursuant to the terms of the Asset Monitor Agreement (other than the amounts referred to in paragraph (j) below), together with applicable GST (or other similar taxes) thereon to the extent provided therein; and

(v) amounts due and payable to the Custodian pursuant to the terms of the Custodial Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(d) *fourth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) payment due to the Interest Rate Swap Provider (including any termination payment due and payable by the Guarantor under the Interest Rate Swap Agreement (but excluding any Excluded Swap Termination Amount)) pursuant to the terms of the Interest Rate Swap Agreement; and

(ii) payment due to the Covered Bond Swap Provider (including any termination payment due and payable by the Guarantor under the Covered Bond Swap Agreement (but excluding any Excluded Swap Termination Amount)) pursuant to the terms of the Covered Bond Swap Agreement;

(e) *fifth,* in or towards payment on the Guarantor Payment Date of, or to provide for payment on or before the next Guarantor Payment Date of such proportion of the relevant payment falling due in the next Guarantor Payment Period as the Cash Manager may reasonably determine (in the case of any such payment or provision, after taking into account any provisions previously made and any amounts receivable from the Interest Rate Swap Provider under the Interest Rate Swap Agreement) any amounts due or to become due and payable (excluding principal amounts) to the Federation in respect of the Guarantee Loan pursuant to the terms of the Intercompany Loan Agreement;

(f) *sixth*, if a Servicer Event of Default has occurred, all remaining Available Revenue Receipts to be credited to the GIC Account (with a corresponding credit to the Revenue Ledger maintained in respect of that account) until such Servicer Event of Default is either remedied by the Servicer or waived by the Bond Trustee or a new servicer is appointed to service the Covered Bond Portfolio (or the relevant part thereof);

(g) *seventh*, in or towards a credit to the GIC Account (with a corresponding credit to the Reserve Ledger) of an amount up to but not exceeding the amount by which the Reserve Fund Required Amount (if applicable)

exceeds the existing balance on the Reserve Ledger as calculated on the immediately preceding Calculation Date;

(h) *eighth*, if the Guarantor is required to make a deposit to the Pre-Maturity Liquidity Ledger due to a breach of the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds, towards a credit to the GIC Account (with a corresponding credit to the Pre-Maturity Liquidity Ledger in respect of each such Series) of an amount up to but not exceeding the difference between:

(i) the Pre-Maturity Liquidity Required Amount as calculated as of the immediately preceding Calculation Date; and

(ii) any amounts standing to the credit of the Pre-Maturity Liquidity Ledger as of the immediately preceding Calculation Date;

(i) *ninth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) payment of any Excluded Swap Termination Amounts due and payable by the Guarantor under the Interest Rate Swap Agreement; and

(ii) payment of any Excluded Swap Termination Amounts due and payable by the Guarantor under the Covered Bond Swap Agreement;

(j) *tenth*, in or towards payment *pro rata* and *pari passu* in accordance with the respective amounts thereof of any indemnity amount due to the Asset Monitor pursuant to the Asset Monitor Agreement, and any indemnity amount due to any Partner pursuant to the Limited Partnership Agreement;

(k) *eleventh*, in or towards payment of the fee due to the Corporate Services Provider by the Guarantor pursuant to the terms of the Corporate Services Agreement; and

(l) *twelfth*, towards such distributions of profit to the Partners as may be payable in accordance with the terms of the Limited Partnership Agreement.

Any amounts received by the Guarantor under the Interest Rate Swap Agreement and the Covered Bond Swap Agreement (other than, in each case, amounts in respect of Swap Collateral Excluded Amounts) on or after the Guarantor Payment Date but prior to the next following Guarantor Payment Date will be applied, together with any provision for such payments made on any preceding Guarantor Payment Date, to make payments (other than in respect of principal) due and payable in respect of the Intercompany Loan Agreement and then the expenses of the Guarantor unless an Asset Coverage Test Breach Notice is outstanding or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine.

Any amounts received under the Interest Rate Swap Agreement and the Covered Bond Swap Agreement on the Guarantor Payment Date or on any date prior to the next succeeding Guarantor Payment Date which are not applied towards a payment or provision in accordance with paragraph (d) above or the preceding paragraph will be credited to the Revenue Ledger and applied as Available Revenue Receipts on the next succeeding Guarantor Payment Date.

Amounts (if any) held by the Cash Manager for and on behalf of the Guarantor or standing to the credit of the Transaction Account which are not required to be applied in accordance with paragraphs (a) to (l) of the Pre-Acceleration Revenue Priority of Payments or paragraphs (a) to (g) of the Pre-Acceleration Principal Priority of Payments below will, if applicable, be deposited by the Cash Manager and, in each case be credited to the appropriate ledger in the GIC Account on the Guarantor Payment Date.

Allocation and Distribution of Available Principal Receipts when no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred

At any time no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred, Available Principal Receipts will be allocated and distributed as described below.

The Guarantor (or the Cash Manager on its behalf) will, as of each Calculation Date, calculate the amount of Available Principal Receipts available for distribution on the immediately following Guarantor Payment Date.

On each Guarantor Payment Date, the Guarantor (or the Cash Manager on its behalf) will transfer Available Principal Receipts from the Principal Ledger to the Payment Ledger, and use Available Principal Receipts held by the Cash Manager for and on behalf of the Guarantor and, as necessary, transfer Available Principal Receipts from the GIC Account to the Transaction Account (to the extent maintained), in an amount equal to the lower of (a) the amount required to make the payments or credits described below (taking into account any Available Principal Receipts held by the Cash Manager for or on behalf of the Guarantor and/or standing to the credit of the Transaction Account), and (b) the amount of Available Principal Receipts.

If a Guarantor Payment Date is the same as an Interest Payment Date, then the distribution of Available Principal Receipts under the Pre-Acceleration Principal Priority of Payments will be delayed until the Issuer has made Scheduled Interest and/or principal payments on that Interest Payment Date unless payment is made by the Guarantor directly to the Bond Trustee (or the Issuing and Paying Agent at the direction of the Bond Trustee).

Pre-Acceleration Principal Priority of Payments

At any time no Asset Coverage Test Breach Notice is outstanding and no Covered Bond Guarantee Activation Event has occurred, Available Principal Receipts (other than Cash Capital Contributions made from time to time by the Seller in its capacity as a Limited Partner) will be applied by or on behalf of the Guarantor on each Guarantor Payment Date in making the following payments and provisions (the "**Pre-Acceleration Principal Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, if the Pre-Maturity Test has been breached by the Issuer in respect of any Series of Hard Bullet Covered Bonds, towards a credit to the Pre-Maturity Liquidity Ledger in respect of each such Series in an amount up to but not exceeding the difference between:

  (i) the Pre-Maturity Liquidity Required Amount calculated as of the immediately preceding Calculation Date; and

  (ii) any amounts standing to the credit of the Pre-Maturity Liquidity Ledger on the immediately preceding Calculation Date;

(b) *second*, to pay amounts in respect of principal outstanding on the Demand Loan pursuant to the terms of the Intercompany Loan Agreement;

(c) *third*, to acquire New Loans and their Related Security offered to the Guarantor, if necessary or prudent to ensure that, taking into account the other resources available to the Guarantor, the Asset Coverage Test is met and thereafter to acquire (in the discretion of the Guarantor (or the Cash Manager on its behalf) Substitute Assets up to the prescribed limit under the CMHC Guide;

(d) *fourth*, to deposit the remaining Available Principal Receipts in the GIC Account (with a corresponding credit to the Principal Ledger) in an amount sufficient to ensure that taking into account the other resources available to the Guarantor, the Asset Coverage Test is met;

(e) *fifth*, in or towards repayment on the Guarantor Payment Date (or to provide for repayment on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine) of amounts (in respect of principal) due or to become due and payable to the Issuer in respect of the Guarantee Loan;

(f) *sixth*, in or towards a credit to the GIC Account (with a corresponding credit to the Reserve Ledger) of an amount up to but not exceeding the amount by which the Reserve Fund Required Amount (if applicable) exceeds the existing balance on the Reserve Ledger as calculated on the immediately preceding Calculation Date; and

(g) *seventh*, subject to complying with the Asset Coverage Test, to make Capital Distributions in accordance with the terms of the Limited Partnership Agreement.

Allocation and distribution of Available Revenue Receipts and Available Principal Receipts when an Asset Coverage Test Breach Notice is outstanding but no Covered Bond Guarantee Activation Event has occurred

At any time an Asset Coverage Test Breach Notice is outstanding but no Covered Bond Guarantee Activation Event has occurred, all Available Revenue Receipts and Available Principal Receipts will continue to be applied in accordance with the Pre-

Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments save that, while any Covered Bonds remain outstanding, no moneys will be applied under paragraphs (b), (d), (j) (to the extent only that such indemnity amounts are payable to a Partner), (k) or (l) of the Pre-Acceleration Revenue Priority of Payments or paragraphs (b), (c), (e) or (g) of the Pre-Acceleration Principal Priority of Payments.

Allocation and distribution of Available Revenue Receipts and Available Principal Receipts following service of a Notice to Pay on the Guarantor

At any time after service of a Notice to Pay on the Guarantor, but prior to service of a Guarantor Acceleration Notice, all Available Revenue Receipts and Available Principal Receipts (other than Third Party Amounts) will be applied as described below under "*Guarantee Priority of Payments*".

On each Guarantor Payment Date, the Guarantor (or the Cash Manager on its behalf) will transfer Available Revenue Receipts and Available Principal Receipts from the Revenue Ledger, the Reserve Ledger, the Principal Ledger or the Capital Account Ledger, as the case may be, to the Payment Ledger, in an amount equal to the lower of (a) the amount required to make the payments set out in the Guarantee Priority of Payments and (b) the amount of all Available Revenue Receipts and Available Principal Receipts standing to the credit of such Ledgers.

The Guarantor will create and maintain ledgers for each Series of Covered Bonds and record amounts allocated to such Series of Covered Bonds in accordance with paragraph(g) of the Guarantee Priority of Payments below, and such amounts, once allocated, will only be available to pay amounts due under the Covered Bond Guarantee and amounts due in respect of the relevant Series of Covered Bonds under the Covered Bond Swap Agreement on the scheduled repayment dates thereof.

Guarantee Priority of Payments

If a Notice to Pay is served on the Guarantor, the Guarantor will, on the Final Maturity Date for any Series of Hard Bullet Covered Bonds, apply all funds standing to the credit of the Pre-Maturity Liquidity Ledger (and transferred to the Transaction Account on the relevant Guarantor Payment Date) to repay such Series of Hard Bullet Covered Bonds. Subject thereto, on each Guarantor Payment Date after the service of a Notice to Pay on the Guarantor (but prior to service of a Guarantor Acceleration Notice), the Guarantor (or the Cash Manager on its behalf) will apply Available Revenue Receipts and Available Principal Receipts to make the following payments, provisions or credits in the following order of priority (the "**Guarantee Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, to pay any amounts in respect of principal and interest due to the Federation in respect of the Demand Loan pursuant to the terms of the Intercompany Loan Agreement;

(b) *second*, in or towards payment of all amounts due and payable or to become due and payable to the Bond Trustee in the immediately succeeding Guarantor Payment Period under the provisions of the Trust Deed together with interest and applicable GST (or other similar taxes) thereon as provided therein;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Agents and any costs, charges, liabilities and expenses due or to become due and payable under the provisions of the Agency Agreement together with applicable GST (or other similar taxes) thereon as provided therein; and

(ii) any amounts then due and payable by the Guarantor to third parties and incurred without breach by the Guarantor of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and to provide for any such amounts expected to become due and payable by the Guarantor in the immediately succeeding Guarantor Payment Period and to pay or discharge any liability of the Guarantor for taxes;

(d) *fourth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer in the immediately succeeding Guarantor Payment Period under the provisions of the Servicing Agreement in respect of Loans owned by the Guarantor together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(ii) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager in the immediately succeeding Guarantor Payment Period under the provisions of the Cash Management Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(iii) amounts (if any) due and payable to the Account Depository Institution, including in its capacity as GIC Provider (or, as applicable, the Standby Account Depository Institution, including in its capacity as Standby GIC Provider) (including costs) pursuant to the terms of the Account Agreement and the Guaranteed Investment Contract (or, as applicable, the Standby Account Agreement and the Standby Guaranteed Investment Contract), together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(iv) amounts due and payable to the Asset Monitor (other than the amounts referred to in paragraph (k) below) pursuant to the terms of the Asset Monitor Agreement, together with applicable GST (or other similar taxes) thereon as provided therein; and

(v) amounts due and payable to the Custodian pursuant to the terms of the Custodial Agreement, together with applicable GST (or other similar taxes) thereon as provided therein;

(e) *fifth,* if the Guarantor is Independently Controlled and Governed and has agreed to afford the Interest Rate Swap Provider priority over the holders of Covered Bonds in respect of amounts payable under the Covered Bonds, amounts due and payable to the Interest Rate Swap Provider (including any termination payment due and payable by the Guarantor under the Interest Rate Swap Agreement (but excluding any Excluded Swap Termination Amount)) in accordance with the terms of the Interest Rate Swap Agreement;

(f) *sixth*, to pay pro rata and pari passu according to the respective amounts thereof:

(i) if (e) above does not apply, the amounts due and payable to the Interest Rate Swap Provider *pro rata* and *pari passu* according to the respective amounts thereof (including any termination payment due and payable by the Guarantor under the Interest Rate Swap Agreement but excluding any Excluded Swap Termination Amount) in accordance with the terms of the Interest Rate Swap Agreement;

(ii) the amounts due and payable to the Covered Bond Swap Provider (other than in respect of principal) *pro rata* and *pari passu* in respect of each relevant Series of Covered Bonds (including any termination payment (other than in respect of principal) due and payable by the Guarantor to the Covered Bond Swap Provider but excluding any Excluded Swap Termination Amount) in accordance with the terms of the Covered Bond Swap Agreement; and

(iii) to the Bond Trustee or (if so directed by the Bond Trustee) the Issuing and Paying Agent on behalf of the holders of the Covered Bonds *pro rata* and *pari passu* Scheduled Interest that is Due for Payment (or will become Due for Payment in the immediately succeeding Guarantor Payment Period) under the Covered Bond Guarantee in respect of each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (f) (excluding any amounts received from the Covered Bond Swap Provider) would be insufficient to pay the Canadian Dollar Equivalent of the Scheduled Interest that is Due for Payment in respect of each Series of Covered Bonds under (f)(iii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the Guarantor in respect of each relevant Series of Covered Bonds to the Covered Bond Swap Provider under (f)(ii) above will be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(g) *seventh*, to pay or provide for *pro rata* and *pari passu* according to the respective amounts thereof, of:

(i) the amounts (in respect of principal) due and payable *pro rata* and *pari passu* in respect of each relevant Series of Covered Bonds (including any termination payment (relating solely to principal) due and payable by the Guarantor under the Covered Bond Swap Agreement but excluding any Excluded Swap Termination Amount) to the Covered Bond Swap Provider in accordance with the terms of the relevant Covered Bond Swap Agreement; and

(ii) to the Bond Trustee or (if so directed by the Bond Trustee) the Issuing and Paying Agent on behalf of the holders of the Covered Bonds *pro rata*, and *pari passu* Scheduled Principal that is Due for Payment (or will become Due for Payment in the immediately succeeding Guarantor Payment Period) under the Covered Bond Guarantee in respect of each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (g) (excluding any amounts received from the Covered Bond Swap Provider) in respect of the amounts referred to in (g)(i) above would be insufficient to pay the Canadian Dollar Equivalent of the Scheduled Principal that is Due for Payment in respect of the relevant Series of Covered Bonds under this (g)(ii), the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the Guarantor in respect of each relevant Series of Covered Bonds under (g)(i) to the Covered Bond Swap Provider above will be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(h) *eighth*, to deposit the remaining moneys into the GIC Account for application on the next following Guarantor Payment Date in accordance with the Priorities of Payment described in paragraphs (a) to (g) (inclusive) above, until the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series of Covered Bonds);

(i) *ninth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any Excluded Swap Termination Amount due and payable by the Guarantor to the relevant Swap Provider under the relevant Swap Agreement;

(j) *tenth*, after the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series of Covered Bonds), any remaining moneys will be applied in and towards repayment in full of amounts outstanding under the Intercompany Loan Agreement;

(k) *eleventh*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any indemnity amount due to the Partners pursuant to the Limited Partnership Agreement and certain costs, expenses and indemnity amounts due by the Guarantor to the Asset Monitor pursuant to the Asset Monitor Agreement; and

(l) *twelfth*, thereafter any remaining moneys will be applied in accordance with the Limited Partnership Agreement.

Payments received in respect of the Swap Agreements, premiums received in respect of replacement Swap Agreements

If the Guarantor receives any termination payment from a Swap Provider in respect of a Swap Agreement, such termination payment will first be used, to the extent necessary (prior to the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice) to pay a replacement Swap Provider to enter into a replacement Swap Agreement with the Guarantor, unless a replacement Swap Agreement has already been entered into on behalf of the Guarantor. If the Guarantor receives any premium from a replacement Swap Provider in respect of a replacement Swap Agreement, such premium will first be used to make any termination payment due and payable by the Guarantor with respect to the previous Swap Agreement, unless such termination payment has already been made on behalf of the Guarantor.

Any amounts received by the Guarantor from a Swap Provider in respect of a Swap Agreement and which are not applied to pay a replacement Swap Provider to enter into a replacement Swap Agreement will be credited to the Revenue Ledger and applied as Available Revenue Receipts on the next succeeding Guarantor Payment Date.

Application of moneys received by the Bond Trustee following service of a Guarantor Acceleration Notice and enforcement of the Security

Following service of a Guarantor Acceleration Notice and enforcement of the Security granted under the terms of the Security Agreements, all moneys received or recovered by the Bond Trustee (or a receiver appointed on its behalf) (excluding all amounts due or to become due in respect of any Third Party Amounts) will be applied in the following order of priority (the "**Post-Enforcement Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, in or towards satisfaction of all amounts due and payable or to become due and payable to the Bond Trustee under the provisions of the Trust Deed and the Security Agreement in connection with the performance

of its obligations thereunder together with interest and applicable GST (or other similar taxes) thereon as provided therein;

(b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to respective amounts thereof of any remuneration then due and payable to the Agents and any costs, charges, liabilities and expenses due or to become due and payable under or pursuant to the Agency Agreement together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Agreement in respect of Loans owned by the Guarantor, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(ii) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager under the provisions of the Cash Management Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(iii) amounts due to the Account Depository Institution (including in its capacity as GIC Provider) or, as applicable, the Standby Account Depository Institution (including in its capacity as Standby GIC Provider) (including costs) pursuant to the terms of the Account Agreement and the Guaranteed Investment Contract or, as applicable, the Standby Account Agreement and the Standby Guaranteed Investment Contract, together with applicable GST (or other similar taxes) thereon to the extent provided therein; and

(iv) amounts due to the Custodian pursuant to the terms of the Custodial Agreement, together with applicable GST (or other similar taxes) thereon to the extent provided therein;

(d) *fourth,* if the Guarantor is Independently Controlled and Governed and has agreed to afford the Interest Rate Swap Provider priority over the holders of Covered Bonds in respect of amounts payable under the Covered Bonds, amounts due and payable to the Interest Rate Swap Provider (including any termination payment (but excluding any Excluded Swap Termination Amount)) in accordance with the terms of the Interest Rate Swap Agreement;

(e) *fifth*, to pay *pro rata* and *pari passu* according to the respective amounts thereof, of:

(i) if paragraph (d) above does not apply, any amounts due and payable to the Interest Rate Swap Provider *pro rata* and *pari passu* according to the respective amounts thereof (including any termination payment (but excluding any Excluded Swap Termination Amounts)) pursuant to the terms of the Interest Rate Swap Agreement;

(ii) the amounts due and payable to the Covered Bond Swap Provider *pro rata* and *pari passu* in respect of each relevant Series of Covered Bonds to the Covered Bond Swap Agreement (including any termination payment due and payable by the Guarantor under the Covered Bond Swap Agreement (but excluding any Excluded Swap Termination Amount)) in accordance with the terms of the Covered Bond Swap Agreement; and

(iii) the amounts due and payable under the Covered Bond Guarantee, to the Bond Trustee on behalf of the holders of the Covered Bonds *pro rata* and *pari passu* in respect of interest and principal due and payable on each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (e)(excluding any amounts received from the Covered Bond Swap Provider in respect of amounts referred to in (e)(i) above) would be insufficient to pay the Canadian Dollar Equivalent of the amounts due and payable under the Covered Bond Guarantee in respect of each Series of Covered Bonds under (e)(iii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the Guarantor in respect of each relevant Series of Covered Bonds under (e)(i) above to the Covered Bond Swap Provider will be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(f) *sixth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any Excluded Swap Termination Amounts due and payable by the Guarantor to the relevant Swap Provider under the relevant Swap Agreement;

(g) *seventh*, after the Covered Bonds have been fully repaid, any remaining moneys shall be applied in or towards repayment in full of all amounts outstanding under the Intercompany Loan Agreement;

(h) *eighth,* towards payment of any indemnity amount due to the Partners pursuant to the Limited Partnership Agreement;

(i) *ninth,* in or towards payment of the fee due to the Corporate Services Provider; and

(j) *tenth,* thereafter any remaining moneys will be applied in or towards payment to the Partners pursuant to the Limited Partnership Agreement.

DESCRIPTION OF THE CANADIAN REGISTERED COVERED BOND PROGRAMS REGIME

On December 17, 2012, CMHC published the first version of the CMHC Guide implementing the legislative framework established by Part I.1 of the *National Housing Act* (Canada) (the "**Covered Bond Legislative Framework**"). As of the date of this Base Prospectus, the most recent version of the CMHC Guide was published on June 23, 2017. On November 13, 2019, CMHC advised that further changes were made to the CMHC Guide effective January 1, 2020, which amendments included the following: (i) covered bonds must be rated by at least one rating agency (as opposed to current requirement of at least two rating agencies), (ii) swap counterparties must maintain applicable credit ratings from no less than two rating agencies and (iii) a reduction in the credit ratings thresholds for delivery of registrable mortgage assignments in the Province of Québec. The CMHC Guide is updated from time to time and may result in amendments to the Transaction Documents, which changes will be made in accordance with the respective terms of those documents. The CMHC Guide elaborates on the role and powers of CMHC as administrator of the Covered Bond Legislative Framework and sets out the conditions and restrictions applicable to registered covered bond issuers and registered covered bond programs.

Eligible Issuers

The Covered Bond Legislative Framework provides that in order to apply for registration as a registered issuer, a proposed issuer of covered bonds must be a "federal financial institution", as defined in section 2 of the *Bank Act* (Canada), or a cooperative credit society that is incorporated and regulated by or under an act of the legislature of a province of Canada. The Issuer is a cooperative credit society that is incorporated and regulated by or under an act of the legislature of the Province of Québec.

Eligible Covered Bond Collateral and Coverage Tests

Assets held by a guarantor as collateral for covered bonds issued under a registered program may not include mortgages or other secured residential loans that (i) are insured by CMHC or other Prohibited Insurers, or (ii) have a loan-to-value ratio that exceeds 80% at the time of the loan. A guarantor may hold substitute assets consisting of Government of Canada securities and repos of such securities, provided that the value of such substitute assets may not exceed 10% of the total value of the assets of the guarantor held as covered bond collateral. The Covered Bond Legislative Framework, as further described in the CMHC Guide, further restricts assets comprising covered bond collateral by limiting cash held by the guarantor at any time to the amount necessary to meet the guarantor's payment obligations for the next six months, subject to certain exceptions.

In addition to confirming a Level of Overcollateralization greater than the Guide OC Minimum, the CMHC Guide requires registered issuers to establish a minimum and maximum level of overcollateralization by adopting a minimum and maximum value for the Asset Percentage to be used to perform the Asset Coverage Test and disclose such Asset Percentages in the issuer's offering documents and in the Registry. Methodology to be employed for the asset coverage and amortization tests is specified in the CMHC Guide. Commencing July 1, 2014, in performing such tests registered issuers are required to adjust the market values of the residential properties securing the mortgages or other residential loans comprising covered bond collateral to account for subsequent price adjustments.

The CMHC Guide also requires that the guarantor engage in certain risk-monitoring and risk-mitigation practices, including (i) measurement of the present value of the assets comprising covered bond collateral as compared to the outstanding covered bonds (the "**Valuation Calculation**"), and (ii) hedging of its interest rate and currency exchange risks.

Bankruptcy and Insolvency

The Covered Bond Legislative Framework contains provisions that will limit the application of the laws of Canada and the provinces and territories relating to bankruptcy, insolvency and fraudulent conveyance to the assignments of loans and other assets to be held by a guarantor as covered bond collateral under a registered covered bond program. Such provisions will not be applicable to any covered bonds that are issued under a registered program at a time that the registered issuer has been suspended by CMHC in accordance with the powers afforded to it under the Covered Bond Legislative Framework and the CMHC Guide.

Qualifications of Counterparties

The CMHC Guide prescribes certain qualifications for each of the counterparties to a registered covered bond program, including that such counterparty (i) possess the necessary experience, qualifications and facilities to perform its obligations under the program, (ii) meet or exceed any minimum standards prescribed by an applicable rating agency, (iii) if regulated, be in regulatory good standing, (iv) be in material compliance with any internal policies and procedures relevant to its role as a counterparty, and (v) be in material compliance with all laws, regulations and rules applicable to that aspect of its business relevant to its role as a counterparty (collectively, the "**Counterparty Qualifications**"). In connection with the Programme, the counterparties are the Swap Providers, the Servicer, the Cash Manager, the Asset Monitor, the Custodian, the Bond Trustee, the Paying Agent, the Account Depository Institution, the Standby Account Depository Institution, the GIC Provider and the Standby GIC Provider (collectively, the "**Counterparties**"). Each of the Counterparties has represented and warranted in the Transaction Documents that it meets the Counterparty Qualifications.

Asset Monitor

The role of the asset monitor and the specified procedures to be carried out by the asset monitor, are also detailed in the CMHC Guide. The asset monitor's responsibilities include confirmation of the arithmetical accuracy of the tests required by the CMHC Guide to be carried out under the registered covered bond program and the preparation and delivery of an annual report detailing the results of the specified procedures undertaken in respect of the covered bond collateral and the program. In addition to the Counterparty Qualifications, the asset monitor must be either (i) a firm engaged in the practice of accounting that is qualified to be an auditor of the registered issuer under the Cooperatives Act and Canadian auditing standards, or (ii) otherwise approved by CMHC (the "**Asset Monitor Qualifications**"). The Asset Monitor has represented and warranted in the Transaction Documents that it meets the Asset Monitor Qualifications.

Custodian

The CMHC Guide requires that a registered issuer appoint a custodian for each of its registered covered bond programs. The custodian's responsibilities include holding on behalf of the Guarantor applicable powers of attorney granted by the Seller to the Guarantor and details of the Loans and the Related Security and Substitute Assets. In addition to the Counterparty Qualifications, the custodian must satisfy certain other qualifications, including that it (i) be a federally or provincially chartered institution authorized to act in a fiduciary capacity with respect to valuable documents, or a chartered bank as described in Schedule I to the *Bank Act* (Canada), (ii) be equipped with secure, fireproof storage facilities, with adequate controls on access to assure the safety, confidentiality and security of the documents in accordance with customary standards for such facilities, (iii) use employees who are knowledgeable in the handling of mortgage and security documents and in the duties of a mortgage and security custodian, (iv) have computer systems that can accept electronic versions of asset details and be able to transmit that data as required by the CMHC Guide, and (v) be at arm's length from (and otherwise independent and not an affiliate of) the registered issuer (collectively, the "**Custodian Qualifications**"). The Custodian has represented and warranted in the Transaction Documents that it meets the Custodian Qualifications.

Bond Trustee

A registered issuer is required to appoint a bond trustee to represent the views and interests, and to enforce the rights, of the covered bondholders. In addition to the Counterparty Qualifications, a bond trustee must be at arm's length from (and otherwise independent and not an affiliate of) the registered issuer (the "**Bond Trustee Qualifications**"). The Bond Trustee has represented and warranted in the Transaction Documents that it meets the Bond Trustee Qualifications.

Ratings

If there are covered bonds outstanding under a registered covered bond program, at least one rating agency must at all times have current ratings assigned to at least one series or tranche of covered bonds outstanding, and swap counterparties must maintain applicable credit ratings from no less than two rating agencies.

Disclosure and Reporting

The CMHC Guide sets out a number of disclosure and reporting obligations for registered covered bond issuers. Underlying these obligations is the principle that investors should have access to all material information with respect to the registered issuer and the relevant series of covered bonds in order to make an informed investment decision with respect to buying, selling or holding such covered bonds. Registered covered bond issuers will be required to maintain a website where investors can access, among other things, public offering documents, material transaction documents, monthly reports on the covered bond collateral and static covered bond collateral portfolio data that users may download and analyze. The provisions of the CMHC Guide permit registered issuers to restrict access to such website (for example, through the use of a password) in order to comply with securities laws or otherwise. The Issuer's website can be found in French at http://www.desjardins.com/a-propos/relations-investisseurs/investisseurs-titres-revenu-fixe/obligations-securisees-ccd-modalites-acces/index.jsp and in English at http://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/ccd-covered-bonds-terms-access/index.jsp.

Status of the Issuer and the Programme

CCDQ and the Programme were registered in the Registry in accordance with the Covered Bond Legislative Framework and the CMHC Guide on January 29, 2014 and January 29, 2014, respectively. Effective the Amalgamation Date, the Issuer, as the absorbing federation, continued as the issuer for the Programme. Following the Amalgamation Date, the Issuer was registered as a registered issuer in the Registry and the Programme continued to be registered in the Registry.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantor believe to be reliable, but none of the Issuer, the Guarantor, the Bond Trustee or any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantor nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the Covered Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of DTC Covered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Covered Bonds on DTC's records. The ownership interest of each actual purchaser of each Covered Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Covered Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Covered Bonds, except in the event that use of the book-entry system for the DTC Covered Bonds is discontinued.

To facilitate subsequent transfers, all DTC Covered Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. The deposit of DTC Covered Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Covered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Covered Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communication by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Covered Bonds within Tranche are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Tranche to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Covered Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Covered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Covered Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Issuing and Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or its nominee, the Issuing and Paying Agent, the Issuer, the Guarantor, the Bond Trustee or the Dealers, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Under certain circumstances, DTC will exchange the DTC Covered Bonds for Registered Definitive Covered Bonds, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Covered Bond, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Covered Bonds to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Covered Bonds, will be required to withdraw its Registered Covered Bonds from DTC as described below.

CDS

CDS is the exclusive clearing agency for equity trading on the Toronto Stock Exchange and also clears a substantial volume of "over the counter" trading in equities and bonds. Its parent company, The Canadian Depository for Securities Limited, was incorporated in 1970 and is a private corporation owned by banks, TMX Group Inc. and the Investment Industry Regulatory Organization of Canada. CDS provides a variety of services for financial institutions and investment dealers active in domestic and international capital markets. CDS participants include banks, trust companies and investment dealers. Indirect access to CDS is available to other organizations that clear through or maintain a custodial relationship with a CDS participant. Transfers of ownership and other interests, including cash distributions, in Covered Bonds in CDS may only be processed through CDS participants and will be completed in accordance with existing CDS rules and procedures. CDS is headquartered in Toronto and has offices in Montréal, Vancouver and Calgary to centralize securities clearing functions through a central securities depositary.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg

have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of Covered Bonds registered with DTC or CDS

The Issuer may apply to DTC or CDS, as the case may be, in order to have any Tranche of Covered Bonds represented by a Registered Global Covered Bond accepted in its book-entry settlement system. Upon the issue of any such Registered Global Covered Bond, DTC or its custodian or CDS or its custodian, as the case may be, will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Covered Bond to the accounts of persons who have accounts with DTC or CDS, as the case may be. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Covered Bond will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Covered Bond, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Covered Bond accepted by DTC or CDS, as the case may be, will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee or CDS or its nominee, as the case may be (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Covered Bond accepted by DTC or CDS, as the case may be, will be made to the order of DTC or its nominee, or CDS or its nominee, as applicable, as the registered holder of such Covered Bond. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee, or CDS or its nominee, as applicable, and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Covered Bond in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC or CDS, as the case may be, to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC or CDS, as applicable, unless there is a reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Covered Bonds will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC or CDS, as the case may be, the Bond Trustee, the Issuing and Paying Agent, the Registrar, the Issuer, the Guarantor or the Dealers. Payment of principal, premium, if any, and interest, if any, on Covered Bonds to DTC or CDS is the responsibility of the Issuer and after a Covered Bond Guarantee Activation Event the Guaranteed Amounts in respect thereof are obligations of the Guarantor under the Covered Bond Guarantee.

Transfers of Covered Bonds Represented by Registered Global Covered Bonds

Transfers of any interests in Covered Bonds represented by a Registered Global Covered Bond within DTC, CDS, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. Similarly, because DTC and CDS can only act on behalf of Direct Participants in the DTC system or CDS system, as the case may be, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Covered Bonds represented by a Registered Global Covered Bond accepted by DTC or CDS to pledge such Covered Bonds to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Covered Bonds may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. The ability of any holder of Covered Bonds represented by a Registered Global Covered Bond accepted by DTC or CDS to resell, pledge or otherwise transfer such Covered Bonds may be impaired if the proposed transferee of such Covered Bonds is not eligible to hold such Covered Bonds through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Covered Bonds described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC or CDS, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Issuing and Paying Agent and any custodian with whom the relevant Registered Global Covered Bonds have been deposited.

On or after the Issue Date for any Series, transfers of Covered Bonds of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Covered Bonds of such Series between participants in DTC or CDS will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC and CDS participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC or CDS, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Covered Bonds will be effected through the Registrar, the Issuing and Paying Agent and the custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC or CDS participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, CDS, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Covered Bonds among participants and accountholders of DTC, CDS, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Bond Trustee, the Issuer, the Guarantor, the Agents or any Dealer will be responsible for any performance by DTC, CDS, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Covered Bonds represented by Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

The Proposed Financial Transactions Tax ("FTT")

The European Commission has published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Covered Bonds (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Covered Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and it may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective holders of Covered Bonds are advised to seek their own professional advice in relation to the FTT.

Canada

The following summary describes the principal Canadian federal income tax considerations under the Income Tax Act and Income Tax Regulations (the "**Regulations**") generally applicable to a holder of Covered Bonds who acquires, as a beneficial owner, Covered Bonds, including entitlement to all payments thereunder, pursuant to this Base Prospectus, and who, for purposes of the Income Tax Act, at all relevant times, (a) is not resident and is not deemed to be resident in Canada, (b) deals at arm's length with the Issuer and the Guarantor and any Canadian resident (or deemed Canadian resident) to whom the holder disposes of the Covered Bonds, (c) is not a "specified non-resident shareholder" of the Issuer for purposes of the Income Tax Act or a non-resident person not dealing at arm's length with a "specified shareholder" (within the meaning of subsection 18(5) of the Income Tax Act for the purposes of the "**thin capitalization**" rules) of the Issuer and each direct and indirect partner of the Guarantor, (d) does not use or hold and is not deemed to use or hold Covered Bonds in or in the course of carrying on a business in Canada, (e) is not an entity in respect of which the Issuer is a "specified entity" (as defined in proposed subsection 18.4(1) of the Income Tax Act set out in

proposals to amend the Income Tax Act released on April 29, 2022 (the "**Hybrid Mismatch Proposals**")), and (f) is not an insurer carrying on an insurance business in Canada and elsewhere (a "**Non-resident Holder**").

A "specified shareholder" for these purposes generally includes a person who (either alone or together with persons with whom that person is not dealing at arm's length for the purposes of the Income Tax Act) owns or has the right to acquire or control 25% or more of the Issuer's shares determined on a votes or fair market value basis. The Hybrid Mismatch Proposals provide that two entities will be treated as specified entities in respect of one another generally if one entity, directly or indirectly, holds a 25% equity interest in the other entity, or a third entity, directly or indirectly, holds a 25% equity interest in both entities.

This summary does not address the possible application of the Hybrid Mismatch Proposals to a holder (i) that is a "specified entity" (as defined in the Hybrid Mismatch Proposals) in respect of any transferee resident (or deemed to be resident) in Canada to whom the holder disposes of a Covered Bond, or (ii) that disposes of a Covered Bond under, or in connection with a "structured arrangement" (as defined in the Hybrid Mismatch Proposals). This summary assumes that no amount paid or payable to a Non-resident Holder will be the deduction component of a "hybrid mismatch arrangement" under which the payment arises within the meaning of proposed paragraph 18.4(3)(b) of the Income Tax Act set out in the Hybrid Mismatch Proposals. Investors should note that the Hybrid Mismatch Proposals are in consultation form, are highly complex, and there is significant uncertainty as to their interpretation and application. Such Non-resident Holders should consult their own tax advisors in this regard.

This summary is based upon the provisions of the Income Tax Act and the Regulations in force as of the date of this Base Prospectus, proposed amendments to the Income Tax Act and the Regulations in the form publicly announced prior to the date of this Base Prospectus by or on behalf of the Minister of Finance (Canada) (included for this purpose in the reference to the Income Tax Act and Regulations) and the current administrative practices and assessing policies of the Canada Revenue Agency ("**CRA**") published in writing by it prior to the date of this Base Prospectus. No assurance can be given that the proposed amendments will be enacted in the form proposed or at all. This summary is not exhaustive of all Canadian federal income tax considerations relevant to an investment in Covered Bonds and does not take into account or anticipate any other changes in law or any changes in the CRA's administrative practices or assessing policies, whether by legislative, governmental or judicial decision, action or interpretation, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation. Subsequent developments could have a material effect on the following description.

Material Canadian federal income tax considerations applicable to Covered Bonds may be described particularly when such Covered Bonds are offered in the Final Terms related thereto if they are not otherwise addressed herein. In that event, the following will be superseded to the extent indicated therein.

Interest paid or credited or deemed to be paid or credited by the Issuer on a Covered Bond (including amounts on account or in lieu of payment of, or in satisfaction of, interest) to a Non-resident Holder will not be subject to Canadian non-resident withholding tax unless all or any portion of such interest (other than on a "prescribed obligation", described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation (a "**Participating Debt Interest**"). A "prescribed obligation" is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money and no amount payable in respect thereof, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent upon the use of or production from property in Canada or is computed by reference to any of the criteria described in the Participating Debt Interest definition. If any interest payable on a Covered Bond, or any portion of the principal amount of a Covered Bond in excess of its issue price, is to be calculated by reference to an index or formula, interest on the Covered Bond, together with any such portion of such principal, may be subject to Canadian non-resident withholding tax.

In the event that a Covered Bond, the interest on which is not exempt from Canadian withholding tax by virtue of its terms, is redeemed, cancelled, repurchased or exchanged pursuant to Condition 6 or 7, as applicable, or purchased by the Issuer or any other person resident or deemed to be resident in Canada from a Non-resident Holder or is otherwise assigned or transferred by a Non-resident Holder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof, the excess may be deemed to be interest and may, together with any interest that has accrued or is deemed to have accrued on the Covered Bond to that time, be subject to Canadian non-resident withholding tax. Such Canadian non-resident withholding tax will apply if all or any portion of such deemed interest is Participating Debt Interest unless, in certain circumstances, the Covered Bond is considered to be an "excluded obligation" for purposes of the Income Tax Act. A Covered Bond that is not an "indexed debt obligation" (described below) will be an "excluded obligation" for this purpose if it was issued for an amount not less than 97% of its principal amount (as defined), and the yield from which, expressed in terms of an annual rate (determined in accordance with the Income Tax Act) on the amount for which the Covered Bond was issued, does not exceed 4/3 of the interest stipulated to be payable on the Covered Bond, expressed in terms of an annual rate on the outstanding principal amount from time to time. An "indexed debt obligation" is a debt obligation the terms and conditions of which provide for an adjustment to an amount payable

in respect of the obligation, for a period during which the obligation was outstanding, that is determined by reference to a change in the purchasing power of money.

Generally, for purposes of the Income Tax Act, all amounts must be converted into Canadian dollars based on exchange rates determined in accordance with the Income Tax Act.

If interest is subject to Canadian non-resident withholding tax, the rate is 25%, subject to reduction under the terms of an applicable income tax treaty or convention between Canada and the country of residence of the Non-resident Holder.

Amounts paid or credited or deemed to be paid or credited on a Covered Bond by the Guarantor to a Non-resident Holder pursuant to the Covered Bond Guarantee will be exempt from Canadian non-resident withholding tax to the extent such amounts, if paid or credited by the Issuer to such Non-resident Holder on such Covered Bond would have been exempt.

Generally, there are no other taxes on income (including taxable capital gains) payable by a Non-resident Holder on interest, discount or premium in respect of a Covered Bond or on the proceeds received by a Non-resident Holder on the disposition of a Covered Bond (including on a redemption, cancellation, purchase or repurchase).

The foregoing summary is of a general nature only, and is not intended to be, nor should it be considered to be, legal or tax advice to any particular Non-resident Holder. Non-resident Holders should therefore consult their own tax advisors with respect to their particular circumstances.

Organisation for Economic Co-operation and Development Common Reporting Standard and other international Information Gathering and Exchange of Information Powers

Under the Organisation for Economic Co-operation and Development's ("**OECD**") initiative for the automatic exchange of information, many countries have committed to automatic exchange of information relating to accounts held by tax residents of signatory countries, using a common reporting standard.

Canada has signed the OECD's Multilateral Competent Authority Agreement and Common Reporting Standard ("**CRS**"), which provides for the implementation of the automatic exchange of tax information. The CRS requires financial institutions to report certain information concerning certain investors resident in participating countries to the Canada Revenue Agency (or other relevant tax authority) and to follow certain due diligence procedures. The Canada Revenue Agency, or other tax authority, will then provide such information to the tax authorities in the applicable investors' countries of residence, where required under CRS.

In addition, domestic tax reporting obligations may, subject to any relevant exceptions or concessions, require a person (including a Paying Agent) making payments to a Covered Bondholder to report certain information (which may include the name and address of the Covered Bondholder) to the relevant tax authority in the jurisdiction in which the payer operates. Any information obtained may, in certain circumstances, be exchanged by that tax authority with the tax authority of the jurisdiction in which the Covered Bondholder is resident for tax purposes.

United States Federal Income Taxation

The following summary describes certain U.S. federal income tax consequences relevant to the purchase, ownership, and disposition of the Covered Bonds. Except as set forth below, this summary applies only to holders that acquire their Covered Bonds at their original offering for a price equal to the original offering price and hold such Covered Bonds as capital assets within the meaning of section 1221 of the Code. This discussion is based upon current provisions of the Code, existing and proposed Treasury regulations thereunder, current administrative rulings, judicial decisions and other applicable authorities. All of the foregoing are subject to change, which change may apply retroactively and could affect the continued validity of this summary. This summary does not describe any alternative minimum tax considerations, Medicare tax on net investment income considerations or any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the U.S. federal government.

This discussion does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to the Covered Bondholders in light of their personal investment circumstances nor, except for limited discussions of particular topics, to holders subject to special treatment under the U.S. federal income tax laws, including: financial institutions; life insurance companies; securities dealers or traders electing mark-to-market treatment; certain governmental entities; partnerships or any entities treated as partnerships for U.S. federal income tax purposes; non-resident alien individuals and foreign corporations; tax-exempt organizations; persons that hold the Covered Bonds as a position in a "straddle" or as part of a synthetic security or "hedge," "conversion transaction" or other integrated investment; persons subject to special tax accounting rules under Section 451(b) of the Code; U.S. holders (as defined below) that have a "functional currency" other than the U.S. dollar; investors in pass-through entities that hold Covered Bonds; investors subject to any alternative minimum tax; and United States expatriates.

This general summary deals only with certain U.S. federal income tax considerations relating to the purchase, ownership, and disposition of certain Covered Bonds in registered form with a maturity date not more than 30 years after issuance. This summary does not discuss the tax treatment of certain Covered Bonds that may be issued under the Programme including, but not limited to, Bearer Covered Bonds. In general, the U.S. federal income tax law imposes significant limitations on U.S. holders of Bearer Covered Bonds. U.S. holders should consult their own tax advisors regarding the U.S. federal income and other tax consequences of the acquisition, ownership and disposition of Bearer Covered Bonds.

Investors considering the purchase of the Covered Bonds should consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

As used in this section, a "**U.S. holder**" is a beneficial owner of a Covered Bond that is treated for U.S. federal income tax purposes as:

- an individual citizen or resident of the United States;
- a corporation organized under the laws of the United States or any U.S. State (or the District of Columbia);
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) a U.S. court is able to exercise primary supervision over the trust's administration and any one or more U.S. persons (as defined in section 7701(a)(30) of the Code (a "**U.S. person**")) are authorized to control all substantial decisions of the trust, or (2) the trust has in effect a valid election to be treated as a U.S. person for U.S. federal income tax purposes.

A "**Non-U.S. holder**" is a beneficial owner of a Covered Bond that is treated for U.S. federal income tax purposes as:

- a non-resident alien individual;
- a foreign corporation;
- an estate that is not subject to U.S. federal income tax on a net income basis; or
- a trust if (1) no U.S. court can exercise primary supervision over the trust's administration or no U.S. person and no group of such persons is authorized to control all substantial decisions of the trust, and (2) the trust has no election to be treated as a U.S. person in effect.

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of a Covered Bond, the treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A beneficial owner of a Covered Bond that is a partnership, and partners in such a partnership, should consult with their tax advisors about the U.S. federal income tax consequences of holding and disposing of such Covered Bond.

Characterization of the Covered Bonds

No statutory, judicial or administrative authority directly addresses the characterization of the Covered Bonds or instruments similar to the Covered Bonds for U.S. federal income tax purposes. As a result, significant aspects of the U.S. federal income tax consequences of an investment in the Covered Bonds are not certain. Unless otherwise indicated under the applicable Final Terms, the Issuer intends, and each holder, by purchasing the Covered Bonds, agrees, to treat such Covered Bonds as indebtedness for U.S. federal income tax purposes. No opinion of counsel will be issued with respect to the U.S. federal income tax characterization of the Covered Bonds, and no ruling will be sought from the U.S. Internal Revenue Service (the "**IRS**") regarding this, or any other, aspect of the U.S. federal income tax treatment of the Covered Bonds. Accordingly, there can be no assurances that the IRS will not contend, and that a court will not ultimately hold, that the Covered Bonds are equity in the Issuer or that any of the other items discussed below are treated differently. If any of the Covered Bonds were treated as equity in the Issuer for U.S. federal income tax purposes, there may be certain adverse tax consequences upon the sale, exchange, or other disposition of, or the receipt of certain types of distributions on, such Covered Bonds by a U.S. Holder. The discussion below assumes that the Covered Bonds will be treated as indebtedness for U.S. federal income tax purposes.

Prospective investors should consult their own tax advisers regarding the appropriate characterization of, and U.S. federal income tax and other tax consequences of investing in, the Covered Bonds.

U.S. Tax Treatment of U.S. Holders of Covered Bonds

Payments of Stated Interest

Interest paid on a Covered Bond will be taxable to a U.S. holder as ordinary interest income at the time it accrues or is received in accordance with the holder's method of accounting for U.S. federal income tax purposes, provided that the interest is "qualified stated interest" (as defined below). Interest income earned by a U.S. holder with respect to a Covered Bond will constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the holder's foreign tax credit limitation. The rules regarding foreign tax credits are complex and prospective investors should consult their tax advisors about the application of such rules to them in their particular circumstances. Special rules governing the treatment of interest paid with respect to original issue discount Covered Bonds (as defined below), Covered Bonds that are "contingent payment debt instruments" and foreign currency Covered Bonds are described under "*Taxation— United States Federal Income Taxation—Original Issue Discoun*t," "*—Contingent Payment Debt Instruments*," "*—Variable Rate Debt Instruments*," and "*—Foreign Currency Covered Bonds*."

Original Issue Discount

A Covered Bond that has an "issue price" that is less than its "stated redemption price at maturity" will be considered to have been issued at an original issue discount for U.S. federal income tax purposes (and will be referred to as an "**original issue discount Covered Bond**") unless the Covered Bond satisfies a *de minimis* threshold (as described below) or is a short-term Covered Bond (as defined below). The **issue price** of a Covered Bond generally will be the first price at which a substantial amount of the Covered Bonds are sold to the public (which does not include sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The **stated redemption price at maturity** of a Covered Bond generally will equal the sum of all payments required to be made under the Covered Bond other than payments of "qualified stated interest". **Qualified stated interest** is stated interest unconditionally payable (other than in debt instruments of the Issuer) at least annually during the entire term of the Covered Bond and equal to the outstanding principal balance of the Covered Bond multiplied by a single fixed rate of interest. In addition, qualified stated interest includes, among other things, stated interest on a "variable rate debt instrument" (discussed below) that is unconditionally payable (other than in debt instruments of the Issuer) at least annually at a single qualified floating rate of interest or at a rate that is determined at a single fixed formula that is based on objective financial or economic information. A rate is a qualified floating rate if variations in the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Covered Bond is denominated.

If the difference between a Covered Bond's stated redemption price at maturity and its issue price is less than a *de minimis* amount, *i.e.*, 1/4 of 1 per cent of the stated redemption price at maturity multiplied by the number of complete years to maturity (or if the Covered Bond is an installment obligation, as defined for these purposes, the weighted average maturity), the Covered Bond will not be considered to have original issue discount. U.S. holders of Covered Bonds with a *de minimis* amount of original issue discount will include this original issue discount in income, as capital gain, on a *pro rata* basis as principal payments are made on the Covered Bond.

A U.S. holder of original issue discount Covered Bonds will be required to include any qualified stated interest payments in income in accordance with the holder's method of accounting for U.S. federal income tax purposes. U.S. holders of original issue discount Covered Bonds that mature more than one year from their date of issuance will be required to include original issue discount in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received.

The amount of original issue discount that a U.S. holder must include in gross income for each taxable year is the sum of the "daily portions" of original issue discount with respect to an original issue discount Covered Bond for each day during such taxable year or portion of such taxable year in which the holder held such original issue discount Covered Bond. The **daily portion** is determined by allocating to each day in any "accrual period" a pro rata portion of the original issue discount allocable to that accrual period. The **accrual period** for an original issue discount Covered Bond may be of any length and may vary in length over the term of the original issue discount Covered Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period.

The amount of original issue discount allocable to any accrual period other than the final accrual period is an amount equal to the excess, if any, of (i) the original issue discount Covered Bond's "adjusted issue price" at the beginning of the accrual period multiplied by its yield to maturity, determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period, over (ii) the aggregate of all qualified stated interest allocable to the accrual period. The **adjusted issue price** of an original issue discount Covered Bond at the beginning of any accrual period is equal to its issue price increased by the accrued original issue discount for each prior accrual period and decreased by the amount of any payments previously made on the Covered Bond that were not qualified stated interest.

The amount of original issue discount allocable to an initial short accrual period may be computed using any reasonable method if all other accrual periods other than a final short accrual period are of equal length. The amount of original issue discount allocable to the final accrual period is the difference between (i) the amount payable at the maturity of the original issue discount Covered Bond (other than any payment of qualified stated interest) and (ii) the original issue discount Covered Bond's adjusted issue price as of the beginning of the final accrual period.

A U.S. holder may make an election to include in gross income all interest that accrues on any Covered Bond (including stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest for the taxable year in which the holder acquired such Covered Bond (a "**constant yield election**"), and may revoke such election only with the permission of the IRS.

A Covered Bond that matures one year or less from its date of issuance (a "**short-term Covered Bond**") will be treated as being issued at a discount and none of the interest paid on the Covered Bond will be treated as qualified stated interest. In general, a cash method U.S. holder of a short-term Covered Bond is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so. Holders who so elect and certain other holders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. holder who is not required and who does not elect to include the discount in income currently, any gain realized on the sale, exchange, or retirement of the short-term Covered Bond will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Covered Bonds in an amount not exceeding the accrued discount until the accrued discount is included in income.

The Issuer may have an unconditional option to redeem, or U.S. holders may have an unconditional option to require the Issuer to redeem, a Covered Bond prior to its stated maturity date. Under applicable regulations, if the Issuer has an unconditional option to redeem a Covered Bond prior to its stated maturity date, this option will be presumed to be exercised if, by utilizing any date on which the Covered Bond may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Covered Bond as the stated redemption price at maturity, the yield on the Covered Bond would be lower than its yield to maturity. If the U.S. holders have an unconditional option to require the Issuer to redeem a Covered Bond prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Covered Bond would be higher than its yield to maturity. If this option is not in fact exercised, the Covered Bond would be treated solely for purposes of calculating original issue discount as if it were redeemed, and a new Covered Bond were issued, on the presumed exercise date for an amount equal to the Covered Bond's adjusted issue price on that date. The adjusted issue price of an original issue discount Covered Bond is defined as the sum of the issue price of the Covered Bond and the aggregate amount of previously accrued original issue discount, less any prior payments other than payments of qualified stated interest.

Market Discount

A U.S. holder that acquires a Covered Bond (other than a short-term Covered Bond) after the initial distribution thereof for an amount that is less than its stated redemption price at maturity or, if the Covered Bond is an original issue discount Covered Bond, an amount that is less than its adjusted issue price (*i.e.*, a discount) will be subject to the "market discount" rules of the Code, unless the amount of such discount is less than a statutorily defined *de minimis* amount.

A U.S. holder will be required to treat any principal payment (or, in the case of an original issue discount Covered Bond, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Covered Bond, including disposition in certain non-recognition transactions, as ordinary income to the extent of the market discount accrued on the Covered Bond at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. holder pursuant to an election by the holder to include market discount in income as it accrues, or pursuant to a constant yield election by the holder as described under "*Taxation— United States Federal Income Taxation— Original Issue Discount*" above. In addition, the U.S. holder may be required to defer, until the maturity of the Covered Bond or its earlier disposition (including certain non-taxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Covered Bond.

If a U.S. holder makes a constant yield election (as described under "*Original Issue Discount*" above) for a Covered Bond with market discount, such election will result in a deemed election for all market discount bonds acquired by the holder on or after the first day of the first taxable year to which such election applies.

Acquisition Premium and Amortizable Bond Premium

A U.S. holder who purchases a Covered Bond for an amount that is greater than the Covered Bond's adjusted issue price but less than or equal to the sum of all amounts payable on the Covered Bond after the purchase date other than payments of qualified stated interest will be considered to have purchased the Covered Bond at an acquisition premium. Under the acquisition premium rules, the amount of original issue discount that the U.S. holder must include in its gross income with respect to the Covered Bond for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If a U.S. holder purchases a Covered Bond for an amount that is greater than the amount payable at maturity (defined to include all amounts payable on the Covered Bond after the purchase date through maturity other than payment of qualified stated interest), or on the earlier call date, in the case of a Covered Bond that is redeemable at the Issuer's option, the U.S. holder will be considered to have purchased the Covered Bond with amortizable bond premium equal in amount to the excess of the purchase price over the amount payable at maturity. The U.S. holder may elect to amortize this premium, using a constant yield method, over the remaining term of the Covered Bond (where the Covered Bond is not optionally redeemable prior to its maturity date) and may offset interest otherwise required to be included in respect of the Covered Bond during any taxable year by the amortized amount of such excess for the taxable year. If the Covered Bond may be optionally redeemed prior to maturity after the U.S. holder has acquired it, the amount of amortizable bond premium is determined by substituting the call date for the maturity date and the call price for the amount payable at maturity only if the substitution results in a smaller amount of premium attributable to the period before the redemption date. A U.S. holder who elects to amortize bond premium must reduce his tax basis in the Covered Bond by the amount of the premium amortized in any year. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. holder and may be revoked only with the consent of the IRS.

If a U.S. holder makes a constant yield election (as described under "*Original Issue Discount*" above) for a Covered Bond with amortizable bond premium, such election will result in a deemed election to amortize bond premium for all of the holder's debt instruments with amortizable bond premium.

Variable Rate Debt Instruments

A Covered Bond will be a variable rate debt instrument (a "**Variable Rate Bond**") if it:

- has an issue price that does not exceed the total noncontingent principal payments by more than the lesser of (i) the product of (x) the total noncontingent principal payments, (y) the number of complete years to maturity from the issue date and (z) 0.015, or (ii) 15 per cent of the total noncontingent principal payments; and

- does not provide for stated interest other than stated interest compounded or paid at least annually at (i) one or more "qualified floating rates", (ii) a single fixed rate and one or more qualified floating rates, (iii) a single "objective rate" or (iv) a single fixed rate and a single objective rate that is a "qualified inverse floating rate".

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A **current value** of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

A variable rate is a **qualified floating rate** if (i) variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Covered Bond is denominated or (ii) it is equal to the product of such a rate and either (a) a fixed multiple that is greater than 0.65 but not more than 1.35, or (b) a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate. If a Covered Bond provides for two or more qualified floating rates that (i) are within 0.25 percentage points of each other on the issue date or (ii) can reasonably be expected to have approximately the same values throughout the term of the Covered Bond, the qualified floating rates together constitute a single qualified floating rate. A rate is not a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Covered Bond or are not reasonably expected to significantly affect the yield on the Covered Bond.

An **objective rate** is a rate, other than a qualified floating rate, that is determined using a single fixed formula and that is based on objective financial or economic information that is not within the control of or unique to the circumstances of the Issuer or a related party (such as dividends, profits or the value of the Issuer's stock). A variable rate is not an objective rate, however, if it is reasonably expected that the average value of the rate during the first half of the Covered Bond's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Covered Bond's term. An objective rate is a **qualified inverse floating rate** if (i) the rate is equal to a fixed rate minus a qualified floating rate, and (ii) the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate.

If interest on a Covered Bond is stated at a fixed rate for an initial period of one year or less followed by either a qualified floating rate or an objective rate for a subsequent period and (i) the fixed rate and the qualified floating rate or objective rate have values on the issue date of the Covered Bond that do not differ by more than 0.25 percentage points or (ii) the value of the qualified floating rate or objective rate is intended to approximate the fixed rate, the fixed rate and the qualified floating rate or the objective rate constitute a single qualified floating rate or objective rate.

In general, if a Variable Rate Bond provides for stated interest at a single qualified floating rate or objective rate, all stated interest on the Covered Bond is qualified stated interest and the amount of original issue discount, if any, is determined under the rules applicable to fixed rate debt instruments by using, in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or, in the case of any other objective rate, a fixed rate that reflects the yield reasonably expected for the Covered Bond.

If a Variable Rate Bond does not provide for stated interest at a single qualified floating rate or a single objective rate and also does not provide for interest payable at a fixed rate (other than at a single fixed rate for an initial period), the amount of interest and original issue discount accruals on the Covered Bond are generally determined by (i) determining a fixed rate substitute for each variable rate provided under the Variable Rate Bond (generally, the value of each variable rate as of the issue date or, in the case of an objective rate that is not a qualified inverse floating rate, a rate that reflects the reasonably expected yield on the Covered Bond), (ii) constructing the equivalent fixed rate debt instrument (using the fixed rate substitutes described above), (iii) determining the amount of qualified stated interest and original issue discount with respect to the equivalent fixed rate debt instrument, and (iv) making the appropriate adjustments for actual variable rates during the applicable accrual period.

If a Variable Rate Bond provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate, and in addition provides for stated interest at a single fixed rate (other than at a single fixed rate for an initial period), the amount of interest and original issue discount accruals are determined as in the immediately preceding paragraph with the modification that the Variable Rate Bond is treated, for the purposes of the first three steps of the determination, as if it provided for a qualified floating rate (or a qualified inverse floating rate, as the case may be) rather than the fixed rate. The qualified floating rate (or qualified inverse floating rate) replacing the fixed rate must be such that the fair market value of the Variable Rate Bond as of the issue date would be approximately the same as the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate (or qualified inverse floating rate) rather than the fixed rate.

Prospective purchasers should consult their own tax advisors regarding the applicability and consequences of the variable rate debt instrument rules to any of the Covered Bonds issued under the Programme.

Sale, Exchange or Retirement of the Covered Bonds

Upon the sale, exchange or retirement of a Covered Bond, a U.S. holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the holder's adjusted tax basis in the Covered Bond. A U.S. holder's adjusted tax basis in a Covered Bond generally will equal the acquisition cost of the Covered Bond increased by the amount of original issue discount and market discount included in the Holder's gross income and decreased by the amount of any payment received from the Issuer other than a payment of qualified stated interest. Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. holder's foreign tax credit limitation. For these purposes, the amount realized does not include any amount attributable to accrued interest on the Covered Bond. Amounts attributable to accrued interest are treated as interest as described under "*Payments of Stated Interest*" above.

Except as described below, gain or loss realized on the sale, exchange or retirement of a Covered Bond will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the Covered Bond has been held for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount or, in the case of a short-term Covered Bond, to the extent of any accrued discount not previously included in the holder's taxable income. See "*Original Issue Discount*" and "*—Market Discount*" above. In addition, other exceptions to this general rule apply in the case of foreign currency Covered Bonds, and contingent payment debt instruments. See "*Contingent Payment Debt Instruments*" and "*Foreign Currency Covered Bonds*" below.

Contingent Payment Debt Instruments

If the terms of the Covered Bonds provide for certain contingencies that affect the timing and amount of payments (including Covered Bonds with a variable rate or rates that do not qualify as variable rate debt instruments for purposes of the original issue discount rules) they will be contingent payment debt instruments for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Covered Bonds qualifies as qualified stated interest. Rather, a U.S. holder must account for interest for U.S. federal income tax purposes based on a "comparable yield" and the differences between actual payments on the Covered Bond and the Covered Bond's "projected payment schedule" as described below. The comparable yield is determined by the Issuer at the time of issuance of the Covered Bonds. The comparable yield may

be greater than or less than the stated interest, if any, with respect to the Covered Bonds. Solely for the purpose of determining the amount of interest income that a U.S. holder will be required to accrue on a contingent payment debt instrument, the Issuer will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield. The applicable Final Terms will either set forth the comparable yield and projected payment schedule or it will provide instructions as to how and where a U.S. holder may obtain such information.

Neither the comparable yield nor the projected payment schedule constitutes a representation by the Issuer regarding the actual amount, if any, that the contingent payment debt instrument will pay.

For U.S. federal income tax purposes, a U.S. holder will be required to use the comparable yield and the projected payment schedule established by the Issuer in determining interest accruals and adjustments in respect of a Covered Bond treated as a contingent payment debt instrument, unless the holder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. holder, regardless of the holder's method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment instrument (as set forth below).

A U.S. holder will be required to recognize interest income equal to the amount of any net positive adjustment, i.e., the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a holder would otherwise be required to include in income in the taxable year; and
- to the extent of any excess, will give rise to an ordinary loss equal to so much of this excess as does not exceed the excess of:
    - the amount of all previous interest inclusions under the contingent payment debt instrument over
    - the total amount of the U.S. holder's net negative adjustments treated as ordinary loss on the contingent payment debt instrument in prior taxable years.

A net negative adjustment is not subject to the limitations imposed on miscellaneous deductions. Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the contingent payment debt instrument or to reduce the amount realized on a sale, exchange or retirement of the contingent payment debt instrument. Where a U.S. holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange or retirement of a contingent payment debt instrument, a U.S. holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the holder's adjusted basis in the contingent payment debt instrument. A U.S. holder's adjusted basis in a Covered Bond that is a contingent payment debt instrument generally will be the acquisition cost of the Covered Bond, increased by the interest previously accrued by the U.S. holder on the Covered Bond under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on the Covered Bond. A U.S. holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. In addition, if a U.S. holder recognizes loss above certain thresholds, the holder may be required to file a disclosure statement with the IRS (as described under "*Reportable Transactions*" below).

A U.S. holder will have a tax basis in any property, other than cash, received upon the retirement of a contingent payment debt instrument including in satisfaction of a conversion right or a call right equal to the fair market value of the property, determined at the time of retirement. The U.S. holder's holding period for the property will commence on the day immediately following its receipt.

Foreign Currency Covered Bonds

The following discussion summarizes the principal U.S. federal income tax consequences to a U.S. holder of the ownership and disposition of Covered Bonds that are denominated in a specified currency other than the U.S. dollar or the payments of interest or principal on which are payable in a currency other than the U.S. dollar ("**foreign currency Covered Bonds**").

The rules applicable to foreign currency Covered Bonds could require some or all of any gain or loss on the sale, exchange or other disposition of a foreign currency Covered Bond to be recharacterized as ordinary income or loss. The rules applicable to foreign currency Covered Bonds are complex and may depend on the holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a holder should make any of these elections may depend on the holder's particular U.S. federal income tax situation. **U.S. holders are urged to consult their own tax advisers regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Covered Bonds.**

A U.S. holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Covered Bond will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at the time, and this U.S. dollar value will be the U.S. holder's tax basis in the foreign currency. A cash method holder who receives a payment of qualified stated interest in U.S. dollars pursuant to an option available under such foreign currency Covered Bond will be required to include the amount of this payment in income upon receipt.

An accrual method U.S. holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount or market discount, but reduced by acquisition premium and amortizable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Covered Bond during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. holder will recognize ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of ordinary income or loss recognized will equal the difference between the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period (or, where a holder receives U.S. dollars, the amount of the payment in respect of the accrual period) and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue original issue discount or market discount.

An accrual method U.S. holder may elect to translate interest income (including original issue discount) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

Original issue discount, market discount, acquisition premium and amortizable bond premium on a foreign currency Covered Bond are to be determined in the relevant foreign currency. Where the taxpayer elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realized with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued interest described above.

If an election to amortize bond premium is made, amortizable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realized on amortized bond premium with respect to any period by treating the bond premium amortized in the period in the same manner as on the sale, exchange or retirement of the foreign currency Covered Bond. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realized on the sale, exchange or retirement of a foreign currency Covered Bond with amortizable bond premium by a U.S. holder who has not elected to amortize the premium will be a capital loss to the extent of the bond premium.

A U.S. holder's tax basis in a foreign currency Covered Bond, and the amount of any subsequent adjustment to the holder's tax basis, will be the U.S. dollar value amount of the foreign currency amount paid for such foreign currency Covered Bond, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. A U.S. holder who purchases a foreign currency Covered Bond with previously owned foreign currency will recognize ordinary income or loss in an amount equal to the difference, if any, between such U.S. holder's tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency Covered Bond on the date of purchase.

Gain or loss realized upon the sale, exchange or retirement of a foreign currency Covered Bond that is attributable to fluctuation in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between (i) the U.S. dollar value of the foreign currency

principal amount of the Covered Bond, determined on the date the payment is received or the Covered Bond is disposed of, and (ii) the U.S. dollar value of the foreign currency principal amount of the Covered Bond, determined on the date the U.S. holder acquired the Covered Bond. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Covered Bonds described above. The foreign currency gain or loss will be recognized only to the extent of the total gain or loss realized by the holder on the sale, exchange or retirement of the foreign currency Covered Bond. The source of the foreign currency gain or loss will be determined by reference to the residence of the holder or the "qualified business unit" of the holder on whose books the foreign currency Covered Bond is properly reflected. Any gain or loss realized by these holders in excess of the foreign currency gain or loss will be capital gain or loss except to the extent of any accrued market discount or, in the case of a short-term foreign currency Covered Bond, to the extent of any discount not previously included in the holder's income. The deductibility of capital losses is subject to limitations. In addition, if a U.S. holder recognize loss above a certain threshold, the U.S. holder may be required to file a disclosure statement with the IRS (as described under "*Reportable Transactions*"). Holders should consult their own tax advisor with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such foreign currency Covered Bond accrue.

A U.S. holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a foreign currency Covered Bond equal to the U.S. dollar value of the foreign currency, determined at the time of sale, exchange or retirement. A cash method taxpayer who buys or sells a foreign currency Covered Bond is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment for all purchases and sales of foreign currency obligations provided that the foreign currency Covered Bonds are traded on an established securities market. This election cannot be changed without the consent of the IRS. Any gain or loss realized by a U.S. holder on a sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase foreign currency Covered Bonds) will be ordinary income or loss.

Base Rate Amendments

The Issuer may in certain circumstances modify a Series of the Floating Rate Covered Bonds to change the relevant reference rate to a successor rate (such change, a "**Base Rate Modification**"). It is possible that a Base Rate Modification will be treated as a deemed exchange of pre-modification Covered Bonds for newly-issued post-modification Covered Bonds, which may be taxable to U.S. holders. In addition, the potential for a Base Rate Modification may affect the calculation of original issue discount. U.S. holders should consult with their own tax advisors regarding the potential consequences of a Base Rate Modification.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. holder may be required to treat a foreign currency exchange loss from the Covered Bonds as a reportable transaction if the loss exceeds certain thresholds in a single taxable year. In the event the acquisition, ownership or disposition of Covered Bonds constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. holder will be required to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisers regarding the application of these rules to the acquisition, ownership or disposition of Covered Bonds.

Information Reporting Regarding Specified Foreign Financial Assets

Certain U.S. holders with an interest in any "specified foreign financial asset" in which the aggregate value of all such assets for any taxable year is greater than certain threshold amounts may be required to file a report with the IRS with information relating to the asset. Specified foreign financial assets include any depository or custodial account held at a foreign financial institution; any debt or equity interest in a foreign financial institution if such interest is not regularly traded on an established securities market; and, if held for investment and not held at a financial institution, (i) any stock or security issued by a non-United States person, (ii) any financial instrument or contract where the issuer or counterparty is a non-United States person, and (iii) any interest in an entity which is a non-United States person. Penalties apply to any failure to file a required report. Additionally, in the event a U.S. holder does not file the information report relating to disclosure of specified foreign financial assets, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. holder for the related tax year will not begin until such information report is filed. The IRS issued Form 8938 on which U.S. individuals must report such information. Prospective investors should consult their own tax advisor as to the possible application to them of this information reporting requirement and related statute of limitations tolling provision.

U.S. holders should consult their own tax advisors regarding any reporting requirements they may have as a result of their acquisition, ownership or disposition of Covered Bonds.

U.S. Tax Treatment of Non-U.S. Holders of Covered Bonds

Subject to the backup withholding and FATCA rules described below, a Non-U.S. holder, will not be subject to any United States federal income or withholding taxes with respect to gain derived from the sale, exchange or redemption of, or any distributions received in respect of the Covered Bonds unless such gain or distributions are effectively connected with the conduct of a United States trade or business by the Non-U.S. holder, or in the case of gain, such Non-U.S. holder is a non-resident alien individual who holds Covered Bonds as a capital asset and who is present in the United States for 183 days or more during a taxable year of the disposition, and certain other conditions are satisfied.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Covered Bonds and the proceeds from a sale or other disposition of the Covered Bonds. A U.S. holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. holder will be allowed as a credit against the U.S. holder's U.S. federal income tax liability and may entitle them to a refund, provided that the required information is furnished to the IRS. Non-U.S. holders may be required to comply with applicable certification procedures to establish that they are not U.S. holders in order to avoid the application of such information reporting requirements and backup withholding.

The United States federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their own tax advisors with respect to the tax consequences to them of the ownership and disposition of the Covered Bonds, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

FATCA Withholding

Pursuant to certain provisions of the Code, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Canada and the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. In addition, holders may be subject to reporting by the Issuer or another payor to either the IRS or a non-US tax authority. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, under proposed regulations on which taxpayers may rely, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Covered Bonds executed on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Covered Bonds (as described under "*Terms and Conditions of the Covered Bonds—Further Issues*") that are not distinguishable from previously issued Covered Bonds are executed after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds executed prior to the expiration of the grandfathering period, as subject to withholding under FATCA. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Covered Bonds, no person will be required to pay additional amounts as a result of the withholding. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Covered Bonds.

The United States federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their own tax advisors with respect to the tax consequences to them of the ownership and disposition of the Covered Bonds, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

Irish Taxation

The following is a summary based on the laws and practices currently in force in Ireland of certain matters regarding the tax position of investors who are the absolute beneficial owners of the Covered Bonds. Particular rules not discussed below may apply to certain classes of taxpayers holding Covered Bonds, including dealers in securities and trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all

aspects of Irish taxation that may be relevant to any particular holder of Covered Bonds. Prospective investors in the Covered Bonds should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Covered Bonds and the receipt of payments thereon under the laws of their country of residence, citizenship or domicile.

Withholding Tax

Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold Irish income tax from payments of interest on the Covered Bonds so long as such payments do not constitute Irish source income. Interest paid on the Covered Bonds may be treated as having an Irish source if:

(a) the Issuer is resident in Ireland for tax purposes; or

(b) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which are used to fund the payments on the Covered Bonds; or

(c) the Issuer is not resident in Ireland for tax purposes but the register for the Covered Bonds is maintained in Ireland or (if the Covered Bonds are in bearer form) the Covered Bonds are physically held in Ireland.

It is anticipated that, (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer does not and will not have a branch or permanent establishment in Ireland; and (iii) bearer Covered Bonds will not be physically located in Ireland and the Issuer will not maintain a register of any registered Covered Bonds in Ireland.

Encashment Tax

Irish tax will be required to be withheld at the standard rate of income tax of 25% on any interest, dividends or annual payments payable out of or in respect of the stocks, funds, shares or securities of a company not resident in Ireland, where such interest, dividends or annual payments are collected or realised by a bank or encashment agent in Ireland. Encashment tax will not apply where the holder of the Covered Bonds (i) is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank or (ii) is a company which is within the charge to Irish corporation tax in respect of the payment.

Taxation of Receipts

Notwithstanding that a holder of Covered Bonds may receive payments of interest, premium or discount on the Covered Bonds free of Irish withholding tax, the holder may still be liable to pay Irish income or corporation tax (and in the case of individuals, the universal social charge) on such interest, premium or discount if (i) such interest, premium or discount has an Irish source, (ii) the holder is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there may also be a pay related social insurance (PRSI) liability for an individual in receipt of interest, premium or discount on the Covered Bonds), or (iii) the Covered Bonds are attributed to a branch or agency of the holder in Ireland.

Ireland operates a self-assessment system in respect of income and corporation tax, and each person must assess their own liability to Irish tax.

Relief from Irish income tax may be available under the specific provisions of a double taxation agreement between Ireland and the country of residence of the recipient.

Tax on Capital Gains

A holder of Covered Bonds will not be subject to Irish tax on capital gains (currently 33%) realised on a disposal of Covered Bonds unless (i) such holder is either resident or ordinarily resident in Ireland for tax purposes; or (ii) such holder carries on a trade in Ireland through a branch or agency in respect of which the Covered Bonds were used or held or acquired; or (iii) the Covered Bonds cease to be listed on a stock exchange in circumstances where such Covered Bonds derive their value or more than 50% of their value directly or indirectly from Irish land, mineral rights or exploration rights.

Capital Acquisitions Tax

A gift or inheritance comprising Covered Bonds will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs is currently levied at 33 per cent.) if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Covered Bonds are regarded as property

situate in Ireland. A foreign domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual (i) has been resident in Ireland for the five consecutive tax years immediately preceding the tax year in which the gift or inheritance is taken, and (ii) is either resident or ordinarily resident in Ireland on that date.

Bearer Bonds are generally regarded as situated where they are physically located at any particular time. Covered Bonds in registered form are regarded as property situate in Ireland if the register of the Covered Bonds is in Ireland. The Covered Bonds may, however, be regarded as situated in Ireland regardless of their physical location if they secure a debt due by an Irish resident debtor and/or are secured over Irish property. Accordingly, if Irish situate Covered Bonds are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponer or the donee/successor.

Stamp Duty On Transfer Of Covered Bonds

As the Issuer is not registered in Ireland, stamp duty will not arise on a document effecting a transfer of the Covered Bonds so long as (i) the Covered Bonds do not derive their value or the greater part of their value directly or indirectly from any non-residential immoveable property situated in Ireland and (ii) the instrument of transfer of the Covered Bonds does not relate to:

(a) any immoveable property situated in Ireland or any right over or interest in such property; or

(b) any stocks or marketable notes of a company which is registered in Ireland (other than a company which is (i) an investment undertaking within the meaning of section 739B of the Taxes Consolidation Act, 1997 ("**TCA**") or (ii) a qualifying company within the meaning of section 110 of the TCA).

CERTAIN CONSIDERATIONS FOR ERISA AND OTHER EMPLOYEE BENEFIT PLANS

The following is a summary of certain considerations associated with the purchase of the Covered Bonds by (i) employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (ii) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code, (iii) entities whose underlying assets are considered to include "plan assets" of any such employee benefit plan, plan, account or arrangement (each of the foregoing, a "**Plan**" or "**Benefit Plan Investor**"), or (iv) governmental, church and non-U.S. plans that are subject to provisions under any other U.S. federal, state, local or non-U.S. laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code (collectively, "**Similar Laws**").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan and prohibit certain transactions involving the assets of a Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Plan or the management or disposition of the assets of such a Plan, or who renders investment advice for a fee or other compensation to such a Plan, is generally considered to be a fiduciary of the Plan.

In considering an investment in the Covered Bonds of a portion of the assets of any Plan or any other plan subject to Similar Laws, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan or other plan subject to Similar Laws and the applicable provisions of ERISA, the Code or any Similar Laws relating to a fiduciary's duties to the Plan or other plan subject to Similar Laws including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

As described in this Base Prospectus, the Issuer and the Dealers may receive fees or other compensation as a result of a Plan's acquisition of the Covered Bonds. Accordingly, none of the Issuer, Guarantor, Servicer, Bond Trustee, Arranger, Dealers or any of their respective affiliates is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the acquisition and holding of any such Covered Bonds by any Plan.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition, holding and/or disposition of Covered Bonds (or any interest therein) by a Plan with respect to which the Issuer, Guarantor, Servicer, Bond Trustee, Arranger, Dealers or any of their respective affiliates is a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions, or "**PTCEs**," that may apply to the acquisition and holding of the Covered Bonds. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide limited relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan pays no more than adequate consideration in connection with the transaction. There can be no assurance that all of the conditions of any such exemptions will be satisfied with respect to any particular transaction involving the Covered Bonds.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to Similar Laws. Fiduciaries of any such plans should consult with their counsel before purchasing the Covered Bonds to determine the need for, if necessary, and the availability of, any exemptive relief under any Similar Laws.

Because of the foregoing, the Covered Bonds should not be acquired or held by any person investing "plan assets" of any Plan or a governmental, church or non-U.S. plan subject to Similar Laws, unless such acquisition, holding and subsequent disposition will

not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any Similar Laws.

Accordingly, unless otherwise stated in the Final Terms, by acceptance of a Covered Bond, each purchaser and subsequent transferee of a Covered Bond (or any interest therein) will be deemed to have represented and warranted that either (i) it is not, and is not acting on behalf of (and for so long as it holds a Covered Bond (or any interest therein) will not be and will not be acting on behalf of), or with the assets of, a Plan or a governmental, church or non-U.S. plan subject to Similar Laws or (ii) in the case of a Plan, an administrative or statutory exemption applies to its acquisition and holding of the Covered Bond and the acquisition, holding and disposition of the Covered Bond (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan subject to Similar Laws, its acquisition, holding and disposition of the Covered Bond (or any interest therein) will not constitute or result in a violation of any Similar Laws.

Each purchaser and transferee that is, or is acting on behalf of, a Benefit Plan Investor, will be further deemed to represent, warrant and agree that (i) none of the Issuer, Guarantor, Servicer, Bond Trustee, Arranger, Dealers or any of their respective affiliates has provided any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor ("**Plan Fiduciary**"), has relied as a primary basis in connection with its decision to invest in the Covered Bonds, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Covered Bonds and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Covered Bonds.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering acquiring the Covered Bonds on behalf of, or with the assets of, any Plan or any other plan subject to Similar Laws, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the acquisition, holding and subsequent disposition of the Covered Bonds (or any interest therein).

The sale of Covered Bonds to a Plan is in no respect a representation by the Issuer, Guarantor, Servicer, Bond Trustee, Arranger, Dealers or any of their respective affiliates that such an investment meets all relevant requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

CERTAIN VOLCKER RULE CONSIDERATIONS

The Guarantor is not now and, solely after giving effect to any offering and sale of Covered Bonds pursuant to the Trust Deed will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the BHC Act, commonly known as the "**Volcker Rule**."

In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act, and under the Volcker Rule and its related regulations may be available, we have relied on the determinations that:

- the Guarantor may rely on the exclusion from the definition of "investment company" under the Investment Company Act provided by Section 3(c)(5) thereof, and accordingly

- the Guarantor does not rely on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act for its exclusion from the definition of "investment company" under the Investment Company Act and may rely on the exclusion from the definition of a "covered fund" under the Volcker Rule made available to entities that do not rely solely on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act for their exclusion from the definition of "investment company" under the Investment Company Act.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Covered Bonds may be sold from time to time by the Issuer to any one or more of Barclays Bank PLC., Barclays Capital Inc. and any other dealers appointed from time to time in accordance with the Dealership Agreement, which appointment may be for a specific issue or on an ongoing basis (the "**Dealers**"). Covered Bonds may also be sold by the Issuer directly to institutions who are not Dealers. The arrangements under which Covered Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a dealership agreement dated the Programme Establishment Date, as amended and restated on December 21, 2020, as further amended and restated on December 19, 2022, and as further amended pursuant to an amending agreement dated December 19, 2023 (as the same may be further amended, restated, supplemented or replaced from time to time, the "**Dealership Agreement**") and made between the Issuer, the Federation, the Guarantor, the Dealers and the Arranger. Any such agreement will, among other things, make provision for the form and terms and conditions of the relevant Covered Bonds, the price at which such Covered Bonds will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Covered Bonds. The Dealership Agreement will be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

Other Relationships

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantor and their affiliates, in the ordinary course of business, for which they received or will receive customary compensation and, as applicable, without regard to the Issuer, the Bond Trustee, the Holders of the Covered Bonds or the Guarantor.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including loans) for their own account and for the accounts of their customers without regard to the Issuer, the Bond Trustee, the Holders of the Covered Bonds or the Guarantor. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Covered Bonds issued under the Programme. Any such short positions could adversely affect future trading prices of Covered Bonds issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Canada

The Covered Bonds have not been and will not be qualified for sale under the securities laws of any province or territory of Canada.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or delivered, and that it will not offer, sell, distribute or deliver any Covered Bonds, directly or indirectly, in Canada or to, or for the benefit of any resident thereof in contravention of the securities laws of Canada or any province or territory thereof.

If the applicable Final Terms provide that the Covered Bonds may be offered, sold or distributed in Canada, the Final Terms will specify that the Covered Bonds may only be offered, sold or distributed by the Dealers on such basis and in such provinces of Canada as, in each case, are agreed with the Issuer and in compliance with any applicable securities laws of Canada or any province, to the extent applicable. Each Dealer will be required to agree that it will offer, sell and distribute such Covered Bonds only in compliance with such additional Canadian selling restrictions.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, not to distribute or deliver this Base Prospectus, or any other offering material relating to the Covered Bonds, in Canada in contravention of the securities laws of Canada or any province or territory thereof.

United States

As a result of the following restrictions, purchasers of Covered Bonds in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of Covered Bonds.

Transfer Restrictions

Each purchaser of Registered Covered Bonds issued pursuant to this Base Prospectus (other than a person purchasing an interest in a Registered Global Covered Bond with a view to holding it in the form of an interest in the same Global Covered Bond) or person wishing to transfer an interest from one Registered Global Covered Bond to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either: (i) it is a QIB, purchasing (or holding) the Covered Bonds for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A, (ii) it is an Institutional Accredited Investor which has delivered an IAI Investment Letter or (iii) it is outside the United States and is not a U.S. person and is purchasing in compliance with Regulation S;

(b) that the Covered Bonds and the Covered Bond Guarantee are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act or any applicable U.S. State securities laws and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except as set forth in this section;

(c) it agrees that neither the Issuer nor the Guarantor has any obligation to register the Covered Bonds or the Covered Bond Guarantee under the Securities Act;

(d) that, unless it holds an interest in a Regulation S Global Covered Bond and is a person located outside the United States and is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Covered Bonds or any beneficial interests in the Covered Bonds, it will do so only, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Covered Bonds, (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

(e) it will, and will require each subsequent holder to, notify any purchaser of the Covered Bonds from it of the resale restrictions referred to in paragraph (d) above, if then applicable;

(f) that Covered Bonds initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Covered Bonds, that Covered Bonds offered in the United States to Institutional Accredited Investors will be in the form of Definitive IAI Registered Covered Bonds and that Covered Bonds offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Covered Bonds;

(g) that either (a) it is not, and is not acting on behalf of (and for so long as it holds a Covered Bond (or any interest therein) will not be and will not be acting on behalf of) or with the assets of, a Plan or a governmental, church or non-U.S. plan subject to Similar Laws, or (b) in the case of a Plan, an administrative or statutory exemption applies to its acquisition and holding of the Covered Bond and its acquisition, holding and disposition of the Covered Bond (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan subject to Similar Laws, its acquisition, holding and disposition of the Covered Bond (or any interest therein) will not constitute or result in a violation of any Similar Laws;

(h) that each purchaser and transferee that is, or is acting on behalf of, a Benefit Plan Investor, will be further deemed to represent, warrant and agree that (i) none of the Issuer, Guarantor, Servicer, Bond Trustee, Arranger, Dealers or any of their respective affiliates has provided any investment recommendation or investment advice on which it, or any Plan Fiduciary has relied as a primary basis in connection with its decision to invest in the Covered Bonds, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Covered Bonds and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Covered Bonds;

(i) that the Covered Bonds, other than the Regulation S Global Covered Bonds, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS OR (2) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR"); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "AGENCY AGREEMENT") AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY, OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

BY ITS ACQUISITION AND HOLDING OF THIS SECURITY (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF) OR WITH THE ASSETS OF, (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (EACH OF THE FOREGOING, A "BENEFIT PLAN INVESTOR"), OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR (B) IF IT IS A BENEFIT PLAN INVESTOR, AN ADMINISTRATIVE OR STATUTORY EXEMPTION APPLIES TO ITS ACQUISITION AND HOLDING OF THIS SECURITY AND ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406

OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO SIMILAR LAW, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SIMILAR LAW.

EACH PURCHASER AND TRANSFEREE THAT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, WILL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) NONE OF THE ISSUER, GUARANTOR, SERVICER, BOND TRUSTEE, ARRANGER, DEALERS OR ANY OF THEIR RESPECTIVE AFFILIATES HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE ON WHICH IT, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR ("**PLAN FIDUCIARY**"), HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH ITS DECISION TO INVEST IN THIS SECURITY, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(E)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS SECURITY AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS SECURITY.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISION OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A."

(j) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Covered Bonds prior to the expiration of the Distribution Compliance Period (defined as 40 days after the completion of the distribution of each Tranche of Covered Bonds), it will do so only (A)(I) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (II) to a QIB in compliance with Rule 144A and (B) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Covered Bonds will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "AGENCY AGREEMENT") AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE (I) PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (II) TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.

BY ITS ACQUISITION AND HOLDING OF THIS SECURITY (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF) OR WITH THE ASSETS OF, (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (EACH OF THE FOREGOING, A "BENEFIT PLAN INVESTOR"), OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR (B) IF IT IS A BENEFIT PLAN INVESTOR, AN ADMINISTRATIVE OR STATUTORY EXEMPTION APPLIES TO ITS ACQUISITION AND HOLDING OF THIS SECURITY AND ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT

CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO SIMILAR LAW, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SIMILAR LAW.

EACH PURCHASER AND TRANSFEREE THAT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, WILL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) NONE OF THE ISSUER, GUARANTOR, SERVICER, BOND TRUSTEE, ARRANGER, DEALERS OR ANY OF THEIR RESPECTIVE AFFILIATES HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE ON WHICH IT, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR ("**PLAN FIDUCIARY**"), HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH ITS DECISION TO INVEST IN THIS SECURITY, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(E)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS SECURITY AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS SECURITY"; and

(k) that the Issuer, the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it will promptly notify the Issuer; and if it is acquiring any Covered Bonds as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Covered Bonds in definitive form offered and sold in the United States in reliance on an exemption from registration under the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Covered Bonds will be issued in definitive registered form, see "*Form of the Covered Bonds*". The IAI Investment Letter will state, among other things, the following:

(a) that the Institutional Accredited Investor has received a copy of the Base Prospectus and such other information as it deems necessary in order to make its investment decision;

(b) that the Institutional Accredited Investor understands that the Covered Bonds are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Covered Bonds have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and any subsequent transfer of the Covered Bonds is subject to certain restrictions and conditions set forth in the Base Prospectus and the Covered Bonds (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Covered Bonds except in compliance with, such restrictions and conditions and the Securities Act;

(c) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Covered Bonds;

(d) that the Institutional Accredited Investor is an institution that is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Covered Bonds, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;

(e) that the Institutional Accredited Investor is acquiring the Covered Bonds purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Covered Bonds, subject, nevertheless, to the understanding that the disposition of its property will at all times be and remain within its control; and

(f) that, in the event that the Institutional Accredited Investor purchases Covered Bonds, it will acquire Covered Bonds having at least the minimum purchase price set forth in the applicable Final Terms.

No sales of Legended Covered Bonds in the United States to any one purchaser will be for less than the minimum Specified Denomination set forth in the applicable Final Terms in respect of the relevant Legended Covered Bonds. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least an amount equal to the applicable minimum purchase price set forth in the applicable Final Terms in respect of the relevant Legended Covered Bonds.

Dealers may arrange for the resale of Covered Bonds to QIBs pursuant to Rule 144A and each such purchaser of Covered Bonds is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Covered Bonds which may be purchased by a QIB pursuant to Rule 144A will be as specified in the applicable Final Terms.

Selling Restrictions

Regulation S, Category 2, TEFRA D Rules apply unless TEFRA C Rules are specified as applicable in the applicable Final Terms or unless TEFRA Rules are not applicable. Sales to QIBs in reliance upon Rule 144A under the Securities Act or sales to Institutional Accredited Investors who agree to purchase for their own account and not with a view to distribution will be permitted if so specified in the applicable Final Terms.

As a result of the following restrictions, purchasers of Covered Bonds in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of Covered Bonds.

The Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act or any U.S. state securities laws and may not be offered or sold within the United States or its territories or possessions or to or for the account or benefit of U.S. persons as defined in Regulation S and the Securities Act except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Covered Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder. The applicable Final Terms will identify whether TEFRA D Rules or TEFRA C Rules apply or whether the TEFRA Rules are not applicable.

In connection with any Covered Bonds which are offered or sold outside the United States in reliance on Regulation S ("**Regulation S Covered Bonds**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulations S Covered Bonds (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Tranche of Covered Bonds of which such Covered Bonds are part, and except in either case in accordance with Regulation S under the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Covered Bonds during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the completion of the distribution of the Tranche of Covered Bonds of which such Covered Bonds are part, any offer or sale of Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act (if available).

Dealers may arrange for the resale of Covered Bonds to QIBs pursuant to Rule 144A and each such purchaser of Covered Bonds is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Covered Bonds which may be purchased by a QIB pursuant to Rule 144A will be the minimum Specified Denomination specified in the applicable Final Terms in U.S. dollars (or the approximate equivalent in another Specified Currency).

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to EEA Retail Investors" is "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer, sell or otherwise make available Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II;

(b) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(c) not a qualified investor as defined in the Prospectus Regulation.

If the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to EEA Retail Investors" is "Not Applicable", then in relation to each Member State, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Member State except that it may make an offer of Covered Bonds to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors, as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the publication by the Issuer or any Dealer(s) of a prospectus pursuant to Article 3 of the Prospectus Regulation or a supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Covered Bonds to the public" in relation to any Covered Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

If the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Covered Bonds to the public in the United Kingdom:

(A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Covered Bonds referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Covered Bonds** to the public in relation to any Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA.

Other United Kingdom Regulatory Restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Covered Bonds which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Covered Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the UK.

Other Jurisdictions

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia ("**Corporations Act**")) in relation to the Programme or the Covered Bonds has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**"). Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it:

(a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offer to purchase the Covered Bonds in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any prospectus, offering circular or any other offering material or advertisement relating to the Covered Bonds in Australia,

unless (a) the aggregate consideration payable by each offeree or invitee in Australia (including any person who receives an offer or invitation or offering materials in Australia) is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act, (b) such action complies with all applicable laws, regulations and directives in Australia (including without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act), (c)

such action does not require any document to be lodged with ASIC, and (d) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act.

Belgium

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that an offering of Covered Bonds may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, issued, sold or resold, transferred, distributed or delivered, and will not offer, issue, sell, resell, transfer, distribute or deliver, the Covered Bonds, and that it has not published or distributed, and will not publish or distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Covered Bonds, directly or indirectly, to any Belgian Consumer.

Covered Bonds issued in bearer form (including, without limitation, definitive securities in bearer form and securities in bearer form underlying the Covered Bonds) shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005.

France

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Covered Bonds and the distribution in France of the Base Prospectus or any other offering material relating to the Covered Bonds.

Hong Kong

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that this Base Prospectus has not been approved by the Securities and Futures Commission in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") and, accordingly:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Covered Bonds other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**Securities and Futures Ordinance**") and any rules made under that Ordinance; or ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Covered Bonds which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Covered Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Ireland

Each Dealer represents and warrants and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that in respect of the underwriting of Covered Bonds in or involving Ireland:

(a) it will not underwrite the issue of, or place, any Covered Bonds otherwise than in conformity with the provisions of Regulation (EU) 2017/1129 and any applicable supporting law, rule or regulation and any rules issued under section 1363 of the Companies Act, 2014 (the "**Companies Act**") by the Central Bank;

(b) it will not underwrite the issue of, or place, any Covered Bonds otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) (the "**MiFID II Regulations**") including, without limitation, Regulation 5 (Requirement for Authorisation (and certain provisions concerning MTFs and OTFs)) thereof, or any rules or codes of conduct made under the MiFID II Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);

(c) it will not underwrite the issue of, or place, any Covered Bonds otherwise than in conformity with the provisions of the Companies Act, the Central Bank Acts 1942 – 2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended); and

(d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of, any Covered Bonds otherwise than in conformity with the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act.

Italy

As of the date of this Base Prospectus, the Federation is not licensed to "collect deposits and other funds with the obligation to reimburse" in Italy in accordance with the provisions of Legislative Decree No. 385 of September 1, 1993, as amended, and therefore, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Covered Bonds may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Covered Bonds be distributed in the Republic of Italy until such license has been obtained.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**FIEA**"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Covered Bonds directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended) or to others for re-offering or resale, directly or indirectly, in Japan or to or for the account or benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

New Zealand

No action has been or will be taken by any of the Issuer, the Guarantor or the Dealers which would permit the Covered Bonds to be directly or indirectly offered or sold to any retail investor, or otherwise under any regulated offer, in terms of the the Financial Markets Conduct Act 2013 of New Zealand (the "**FMC Act**"). In particular, no product disclosure statement or limited disclosure document under the FMC Act has been or will be prepared or lodged in New Zealand in relation to the Covered Bonds.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not directly or indirectly offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Covered Bond in New Zealand, and it will not distribute any offering memorandum or advertisement (as defined in the FMC Act) in relation to any offer of Covered Bonds, in New Zealand, other than to:

(a) "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the FMC Act, being a person who is:

(i) an "investment business";

(ii) "large"; or

(iii) a "government agency",

in each case as defined in Schedule 1 to the FMC Act; and

(b) a person who meets the "investment activity criteria" specified in clause 38 of Schedule 1 to the FMC Act.

In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not directly or indirectly offered or sold, and will not directly or indirectly offer or sell, any Covered Bonds to persons whom it believes to be persons to whom any amounts payable on the Covered Bonds are or would be subject to New Zealand resident withholding tax, unless such persons certify that they have "RWT-exempt status" (as that term is defined in the Income Tax Act of 2007 of New Zealand) for New Zealand and provide a New Zealand tax file number to such Dealer (in which event such Dealer shall provide details thereof to the Issuer or to a Paying Agent).

Norway

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that the offering of the Covered Bonds shall be, with respect to Norway, directed solely to qualified investors according to the Prospectus Regulation (Regulation (EU) 2017/1129) article 1 no. 4 (a) cf. article 2 (e) cf. the Norwegian Securities Trading Act Sections 7-1 and 7-6. Subscriptions by any other Norwegian person or body corporate will be rejected.

Singapore

Unless the Final Terms in respect of any Covered Bonds specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Covered Bonds or caused the Covered Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Covered Bonds or cause the Covered Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Covered Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Final Terms in respect of any Covered Bonds specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Covered Bonds or caused the Covered Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Covered Bonds or cause the Covered Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Covered Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

South Korea

The Covered Bonds have not been and will not be registered under the Financial Investment Services and Capital Markets Act ("**FSCMA**"). Each Dealer has represented and agreed, and each new Dealer further appointed under the programme will be required to represent and agree, that it has not offered, sold or delivered, directly or indirectly, in Korea or to any Korean resident (as such term is defined in the Foreign Exchange Transaction Law) for a period of one (1) year from the date of issuance of the Covered Bonds, except (i) to or for the account or benefit of a Korean resident which falls within certain categories of "professional investors" as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, in the case that the Covered Bonds are issued as bonds other than convertible bonds, bonds with warrants or exchangeable bonds, and where other relevant requirements are further satisfied, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Switzerland

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Covered Bonds. The Covered Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Covered Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Covered Bonds constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Covered Bonds may be publicly distributed or otherwise made publicly available in Switzerland. The Covered Bonds are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Covered Bonds will not benefit from protection or supervision by such authority.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any Covered Bonds will only be offered in the Netherlands to qualified investors (as defined in the Prospectus Regulation), unless such offer is made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

General

No action has been or will be taken in any country or jurisdiction by the Issuer, the Guarantor, the Dealers or the Bond Trustee that would permit an offer of the Covered Bonds to the public, or possession or distribution of any offering material in such country or jurisdiction where action for that purpose is required.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief after making reasonable investigation) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Covered Bonds or possesses or distributes this Base Prospectus, any Final Terms or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Federation nor any other Dealer shall have any responsibility therefor.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Federation and such Dealer shall agree.

These selling restrictions will be deemed to be modified by the agreement of the Federation and the relevant Dealer following a change in a relevant law or regulation and such amendments may be specified in a supplement to this Base Prospectus.

Neither the Federation nor any of the Dealers represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

LEGAL MATTERS

The legality of the Covered Bonds will be passed upon for the Issuer and the Guarantor by McCarthy Tétrault LLP, as to matters of Canadian law, and Mayer Brown LLP as to matters of United States law. Certain legal matters will be passed upon by Osler, Hoskin & Harcourt LLP and Allen & Overy LLP for the Dealers.

INDEPENDENT AUDITORS

The combined financial statements of Desjardins Group as of December 31, 2022 and 2021 and for the years then ended, incorporated by reference in this Base Prospectus, have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their report incorporated by reference therein.

GENERAL INFORMATION

1. The listing of the Covered Bonds on the Official List will be expressed as the principal amount of the Covered Bonds exclusive of accrued interest. Any Tranche of Covered Bonds which is to be listed on the Official List and to trading on the Regulated Market will be admitted separately upon submission of the applicable Final Terms and any other information required, subject to the issue of the relevant Covered Bonds. Prior to official listing, dealings will be permitted by Euronext Dublin in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.

2. The Programme and the issue of Covered Bonds has been authorized by the Issuer. The giving of the Covered Bond Guarantee has been duly authorized by resolution of the Managing GP on behalf of the Guarantor dated December 19, 2013. The Issuer and the Guarantor have obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of the Covered Bonds and the Covered Bond Guarantee.

3. There are no, nor have there been any, governmental, legal or arbitration proceedings involving Desjardins Group or any of its subsidiaries, the Guarantor or the Managing GP (including any such proceedings which are pending or threatened of which the Issuer, the Guarantor or the Managing GP is aware) which may have, or have had during the 12 months prior to the date of this Base Prospectus, which may have, or have had, in the recent past, a significant effect on the financial position or profitability of Desjardins Group, or of Desjardins Group (including the Issuer and its subsidiaries) taken as a whole, the Guarantor or the Managing GP.

4. There has been no significant change in the financial performance or financial position of the Desjardins Group since September 30, 2023, the last day of the financial period in respect of which the most recent published unaudited condensed interim combined financial statements of Desjardins Group have been prepared, or of the Guarantor since July 3, 2013, being the date of its formation. There has been no material adverse change in the prospects of Desjardins Group since December 31, 2022, the last day of the financial period in respect of which the most recent audited published combined financial statements of Desjardins Group have been prepared, or of the Guarantor since July 3, 2013, being the date of its formation.

5. The auditors of Desjardins Group are PricewaterhouseCoopers LLP, a partnership of Chartered Professional Accountants. PricewaterhouseCoopers is independent of Desjardins Group within the meaning of the *Code of ethics of chartered professional accountants* (Québec). The address for PricewaterhouseCoopers is set out on the last page hereof.

6. The combined financial statements of Desjardins Group for the years ended December 31, 2022 and 2021 prepared in accordance with IFRS, were audited in accordance with Canadian generally accepted auditing standards by PricewaterhouseCoopers. PricewaterhouseCoopers expressed an unmodified opinion thereon in their report dated February 22, 2023.

7. For so long as the Base Prospectus remains valid or any Covered Bonds are outstanding, physical copies of the following documents may be inspected during normal business hours at the specified offices of the Issuing and Paying Agent, the Registrar and the Issuer, namely:

    (i) an English language version of the Cooperatives Act;

    (ii) an English language version of the Issuer's capital stock by-law;

    (iii) the constating documents of the Guarantor;

(iv) the Transaction Documents (including, without limitation, the Trust Deed containing the Covered Bond Guarantee and the Agency Agreement);

(v) the Annual Report of Desjardins Group for the two most recently completed fiscal years (once such report has been made publicly available), which report includes audited annual combined financial statements and the auditors' report thereon; the Guarantor is not required to prepare any audited accounts on an annual basis pursuant to applicable Canadian law;

(vi) the most recent quarterly reports of Desjardins Group including the unaudited interim combined financial statements; the Guarantor is not required to prepare any unaudited interim accounts pursuant to applicable Canadian law;

(vii) each Final Terms for a Tranche of Covered Bonds that is offered to the public or admitted to trading on a regulated market in any Member State of the EEA in circumstances requiring publication of a prospectus in accordance with the Prospectus Regulation and directly applicable regulations; and

(viii) a copy of this Base Prospectus together with any supplement to this Base Prospectus.

Copies of these documents can be (i) viewed on the website of the Issuer and Desjardins Group at https://www.desjardins.com/ca/about-us/investor-relations/annual-quarterly-reports/federation-caisse-desjardins-quebec/index.jsp and https://www.desjardins.com/ca/about-us/investor-relations/annual-quarterly-reports/desjardins-group/index.jsp; (ii) viewed on the Issuer's website maintained in respect of the Programme in French at http://www.desjardins.com/a-propos/relations-investisseurs/investisseurs-titres-revenu-fixe/obligations-securisees-ccd-modalites-acces/index.jsp and in English at http://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/ccd-covered-bonds-terms-access/index.jsp; and (iii) accessed on the Canadian System for Electronic Document Analysis and Retrieval at http://www.SEDAR.com (an internet-based securities regulatory filing system). Please note that these websites and their contents do not form part of this Base Prospectus.

8. This Base Prospectus and the Final Terms for Covered Bonds that are listed on the Official List and admitted to trading on the Regulated Market of Euronext Dublin will be published on the website of Euronext Dublin available at https://live.euronext.com/.

9. The Covered Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records in respect of the Covered Bonds. The appropriate common code and International Securities Identification Number for the relevant Covered Bonds will be contained in the Final Terms relating thereto. In addition, the Issuer may make an application for any Registered Covered Bonds to be accepted for trading in book-entry form by DTC or CDS. The CUSIP and/or CINS numbers for each Tranche of Registered Covered Bonds, together with the relevant ISIN and Common Code, will be specified in the applicable Final Terms. If the Covered Bonds are to clear through an additional or alternative clearing system, the appropriate information (including address) will be specified in the applicable Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York, 10041-0099, United States of America. The address of CDS is 100 Adelaide Street West, Toronto, Ontario, M5H 1S3.

10. The price and amount of Covered Bonds to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

11. Bearer Covered Bonds (other than Temporary Global Covered Bonds) and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code". The sections referred to in such legend provide that a United States person who holds a Bearer Covered Bond or Coupon generally will not be allowed to deduct any loss realized on the sale, exchange or redemption of such Bearer Covered Bond or Coupon and any gain (which might otherwise be characterized as capital gain) recognized on such sale, exchange or redemption will be treated as ordinary income.

12. Settlement arrangements will be agreed between the Issuer, the relevant Dealer(s) of the Covered Bondholder(s), as applicable, and the Issuing and Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Covered Bonds.

13. The Issuer will provide post-issuance information to Holders of Covered Bonds in the form of Investor Reports, which will be available on the Issuer's website in French at https://www.desjardins.com/a-propos/relations-investisseurs/investisseurs-titres-revenu-fixe/ and in English at http://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/. Please note that this website and its contents do not form part of this Base Prospectus. The Issuer has no intention of providing any other post-issuance information to Holders of Covered Bonds.

14. The Issuer may, on or after the date of this Base Prospectus, make applications for one or more certificates of approval under Article 25 of the Prospectus Regulation to be issued by the Central Bank to the competent authority in any Member State.

15. The Trust Deed provides that the Bond Trustee may rely on reports or other information from professional advisers or other experts in accordance with the provisions of the Trust Deed. However, the Bond Trustee will have no recourse to the professional advisers in respect of such certificates or reports unless the professional advisers have agreed to have a duty of care for such certificates or reports to the Bond Trustee pursuant to the terms of the relevant document(s) between the Bond Trustee and such persons.

16. In the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including financial institution loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Covered Bonds issued under the Programme. Any such short positions could adversely affect future trading prices of Covered Bonds issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

17. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Covered Bonds and is not itself seeking admission of the Covered Bonds to the Official List of Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

18. Notices to Covered Bondholders will be valid, for so long as the Covered Bonds are admitted to trading on Euronext Dublin, when such notice is filed in the Companies Announcement Office of Euronext Dublin.

19. Any websites referred to herein do not form part of this Base Prospectus.

GLOSSARY

"30/360"	The meaning given to it in Condition 5.09 on page 102;
"360/360"	The meaning given to it in Condition 5.09 on page 102;
"30E/360"	The meaning given to it in Condition 5.09 on page 101;
"30E/360 (ISDA)"	The meaning given to it in Condition 5.09 on page 102;
"$", "C$", "CAD" or "Canadian dollars"	The lawful currency for the time being of Canada;
"€" or "euro"	The lawful currency for the time being of the Member States of the European Union that have adopted or may adopt the single currency in accordance with the treaty on the Functioning of the European Union, as amended by the treaty on European Union, as amended;
"€STR"	Euro Short-Term Rate;
"£", "Sterling" and "Pounds Sterling"	The lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;
"U.S.$" or "U.S. dollars"	The lawful currency for the time being of the United States of America;
''¥", "Yen" and "Japanese Yen"	The lawful currency for the time being of Japan;
"Account Agreement"	The Account Agreement between the Guarantor, the Account Depository Institution, the Cash Manager and the Bond Trustee dated the Programme Establishment Date, as amended on December 21, 2017 (as may be amended and/or restated and/or supplemented from time to time);
"Account Depository Institution"	The Issuer together with any successor Account Depository Institution appointed under the Account Agreement;
"Account Depository Institution Threshold Ratings"	The meaning given to it in "*Summary of the Principal Documents*" on page 217;
"accredited investor"	As defined in Rule 501(a) of the Securities Act;
"Accrual Period"	The meaning given to it in Condition 5.09 on page 101;
"Accrued Interest"	In respect of a Loan as at any relevant date the aggregate of all interest accrued but not yet due and payable on the Loan from (and including) the Monthly Payment Date immediately preceding the relevant date to (but excluding) the relevant date;
"Act/Act (ICMA)"	The meaning given to it in Condition 5.09 on page 102;
"Actual/360"	The meaning given to it in Condition 5.09 on page 101;
"Actual/365 (Fixed)"	The meaning given to it in Condition 5.09 on page 101;
"Actual/365 (Sterling)"	The meaning given to it in Condition 5.09 on page 101;
"Actual/Actual" or "Actual/Actual (ISDA)"	The meaning given to it in Condition 5.09 on page 101;
"Actual/Actual (ICMA)"	The meaning given to it in Condition 5.09 on page 102;
"Additional Loan Advance"	A further drawing (including, but not limited to, Further Advances) in respect of Loans sold by the Seller to the Guarantor;
"Adjusted Aggregate Loan Amount"	The meaning given to it in "*Summary of the Principal Documents*" on page 201;
"Adjusted Required Redemption Amount"	The meaning given to it in "*Summary of the Principal Documents*" on page 188;
"Agency Agreement"	The agency agreement dated the Programme Establishment Date (as may be amended and/or restated and/or supplemented from time to time) and made by and among the Issuer, the Guarantor, the Bond Trustee, the Issuing and Paying Agent and the other Paying Agents, the Exchange Agent, the Registrar and the Transfer Agents;

"Agent"	Each of the Paying Agents, the Registrar, the Exchange Agent and the Transfer Agent;
"Alternative Base Rate"	The meaning given to it in Condition 13.02 on page 119;
"Amalgamation Date"	The meaning given to it on page 1;
"AMF"	*Autorité des marchés financiers* (Québec);
"Amortization Test"	The test as to whether the Amortization Test Aggregate Loan Amount is in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date;
"Amortization Test Aggregate Loan Amount"	The meaning given to it in "*Summary of the Principal Documents*" on page 204;
"Amortization Yield"	The rate defined by the relevant Final Terms;
"Amortized Face Amount"	The meaning given to it in Condition 6.10 on page 108;
"Arranger"	The meaning given to it on the cover page;
"ARRC"	The meaning given to it in "*Risk Factors*" on page 58;
"Arrears of Interest"	As at any date in respect of any Loan, interest (other than interest comprising Capitalized Arrears or Accrued Interest) on that Loan which is currently due and payable and unpaid on that date;
"Asset Coverage Test"	The test as to whether the Adjusted Aggregate Loan Amount is at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date and from time to time;
"Asset Coverage Test Breach Notice"	The notice required to be served by the Guarantor (or the Cash Manager on its behalf) if the Asset Coverage Test has not been met on two consecutive Calculation Dates;
"Asset Monitor"	PricewaterhouseCoopers, in its capacity as Asset Monitor under the Asset Monitor Agreement, together with any successor asset monitor appointed from time to time;
"Asset Monitor Agreement"	The asset monitor agreement by and among the Asset Monitor, the Guarantor, the Cash Manager, the Issuer and the Bond Trustee dated the Programme Establishment Date, as amended on December 21, 2017 (as may be further amended and/or restated and/or supplemented from time to time);
"Asset Percentage"	The meaning given to it in "*Summary of the Principal Documents*" on page 203;
"Asset Percentage Adjusted Loan Balance"	The meaning given to it in "*Summary of the Principal Documents*" on page 202;
"Available Principal Receipts"	On a relevant Calculation Date, an amount equal to the aggregate of (without double counting): (a) the amount of Principal Receipts received during the immediately preceding Calculation Period and credited to the Principal Ledger (but, for the avoidance of doubt, excluding any Principal Receipts received in the Calculation Period commencing on the relevant Calculation Date); (b) any other amount standing to the credit of the Principal Ledger including (i) the proceeds of any advances under the Intercompany Loan Agreement (where such proceeds have not been applied to acquire additional Covered Bond Portfolios of Loans and their Related Security, refinance an advance under the Intercompany Loan, invest in Substitute Assets, or, in the Guarantor's discretion, fund the Reserve Fund), (ii) any Cash

Capital Contributions (where such contributions have not, in the Guarantor's discretion, been applied directly to the Reserve Fund) and (iii) the proceeds from any sale of Loans pursuant to the terms of the Limited Partnership Agreement or the Hypothecary Loan Sale Agreement but excluding any amounts received under the Covered Bond Swap Agreement in respect of principal (but, for the avoidance of doubt, excluding in each case any such amounts received in the Calculation Period commencing on the relevant Calculation Date); and

(c) following repayment of any Hard Bullet Covered Bonds by the Issuer and the Guarantor on the Final Maturity Date thereof, any amounts standing to the credit of the Pre-Maturity Liquidity Ledger in respect of such Series of Hard Bullet Covered Bonds (except where the Guarantor has elected to or is required to retain such amounts on the Pre-Maturity Liquidity Ledger);

"Available Revenue Receipts" On a relevant Calculation Date, an amount equal to the aggregate of:

(a) the amount of Revenue Receipts received during the previous Calculation Period and credited to the Revenue Ledger (but for the avoidance of doubt, excluding any Revenue Receipts received in the Calculation Period commencing on the relevant Calculation Date);

(b) other net income of the Guarantor including all amounts of interest received on the Guarantor Accounts and the Substitute Assets in the previous Calculation Period but excluding amounts received by the Guarantor under the Interest Rate Swap Agreement and in respect of interest received by the Guarantor under the Covered Bond Swap Agreement;

(c) prior to the service of a Notice to Pay on the Guarantor amounts standing to the credit of the Reserve Fund in excess of the Reserve Fund Required Amount;

(d) the amount of any termination payment or premium received from a Swap Provider which is not applied to pay a replacement Swap Provider or to satisfy a termination payment due;

(e) any other Revenue Receipts not referred to in paragraphs (a) to (d) (inclusive) above received during the previous Calculation Period and standing to the credit of the Revenue Ledger; and

(f) following the service of a Notice to Pay on the Guarantor, amounts standing to the credit of the Reserve Fund;

less

(g) Third Party Amounts, which shall be paid on receipt in cleared funds to the Seller;

"Bail-in Powers" The meaning given to it in "*Risk Factors*" on page 36;

"Bank Rate" The meaning given to it in Condition 5.03 on page 91;

"Banking Act" The meaning given to it in "*Risks related to Resolution of EU Firm Counterparties to the Issuer and UK Banking Act*" at page 30;

"Banking Day" The meaning given to it in Condition 5.09 on page 100;

"Base Prospectus" The meaning given to it on the cover page;

"Base Rate Modification" The meaning given to it in Condition 13.02 on page 119;

"Base Rate Modification Certificate" The meaning given to it in Condition 13.02 on page 119;

"Bearer Covered Bonds" The meaning given to it in Condition 1.01 on page 82;

"Bearer Definitive Covered Bond" A Definitive Covered Bond in bearer form and/or, as the context may require, a Registered Definitive Covered Bond;

"Bearer Global Covered Bond" The meaning given to it in "*Form of the Covered Bonds*" on page 77;

"Benchmarks Regulation"	Regulation (EU) 2016/1011;
"Beneficial Owner"	The meaning given to it in "*Book-Entry Clearance Systems*" on page 236;
"BHC Act"	U.S. Bank Holding Company Act of 1956, as amended;
"Bill 3"	The meaning given to it in "*Risk Factors*" on page 36;
"Board of Directors"	The meaning given to it in "*Fédération Des Caisses Desjardins Du Québec - Financial solidarity within the Groupe coopératif Desjardins*" on page 154;
"Bond Basis"	The meaning given to it in Condition 5.09 on page 102;
"Bond Trustee"	Computershare Trust Company of Canada, in its capacity as bond trustee under the Trust Deed together with any successor bond trustee appointed from time to time;
"Borrower"	In relation to a Loan, the person or persons specified as such in the relevant Hypothec together with the person or persons (if any) from time to time assuming an obligation under such Loan to repay such Loan or any part of it, and in relation to a Versatile Loan or a Versatile LOC, the person or persons specified as such in the relevant Versatile Hypothec together with the person or persons (if any) from time to time assuming an obligation under such Versatile Loan or Versatile LOC to repay such Versatile Loan or Versatile LOC or any part of it;
"Brexit"	The process of the UK leaving the EU initiated by the UK government on 29 March 2017, when the UK government invoked Article 50 of the Lisbon Treaty and gave the European Council official notice of the UK's intention to leave the EU;
"BRRD"	Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms;
"Business Day"	The meaning given to it in Condition 5.09 on page 100;
"Business Day Convention"	The meaning given to it in Condition 5.09 on page 100;
"Caisse"	Any financial services cooperative member of the Federation participating in the Programme;
"Calculation Agent"	In relation to all or any Series of the Covered Bonds, the person initially appointed as calculation agent in relation to such Covered Bonds by the Issuer and the Guarantor pursuant to the Agency Agreement or, if applicable, any successor or separately appointed calculation agent in relation to all or any Series of the Covered Bonds;
"Calculation Amount"	The meaning given to it in the applicable Final Terms;
"Calculation Date"	The meaning given to it in Condition 7.01 on page 110;
"Calculation Period"	In respect of a Calculation Date for a month, the period from, but excluding, the Calculation Date of the previous month to, and including, the Calculation Date of the current month and, for greater certainty, references to the "**immediately preceding Calculation Period**" or the "**previous Calculation Period**" in respect of a Calculation Date are references to the Calculation Period ending on such Calculation Date, provided that the first Calculation Period begins on, but excludes, the Programme Establishment Date;
"Call Option"	The meaning given to it in the applicable Final Terms;
"Call Option Date(s)"	The meaning given to it in Condition 6.04 on page 107;
"Call Option Period"	The meaning given to it in Condition 6.04 on page 107;
"Canadian Dollar Equivalent"	In relation to a Covered Bond which is denominated in (i) a currency other than Canadian dollars, the Canadian dollar equivalent of such amount ascertained using (x) the relevant Covered Bond Swap Rate relating to

	such Covered Bond, or (y) for the purposes of the Amortization Test only, if the Covered Bond Swap Agreement relating to such Covered Bond is no longer in force by reason of termination or otherwise, the end of day spot foreign exchange rate determined by the Bank of Canada on the related date of determination, and (ii) Canadian dollars, the applicable amount in Canadian dollars;
"Capital Account Ledger"	The ledger maintained by the Cash Manager on behalf of the Guarantor in respect of each Partner to record the balance of each Partner's Capital Contributions from time to time;
"Capital Balance"	For a Loan at any date, the principal balance of that Loan to which the Servicer applies the relevant interest rate at which interest on that Loan accrues;
"Capital Contribution"	In relation to each Partner, the aggregate of the capital contributed by or agreed to be contributed by that Partner to the Guarantor from time to time by way of Cash Capital Contributions and Capital Contributions in Kind as determined on each Calculation Date in accordance with the formula set out in the Limited Partnership Agreement;
"Capital Contribution Balance"	The balance of each Partner's Capital Contributions as recorded from time to time in the relevant Partner's Capital Account Ledger;
"Capital Contribution in Kind"	Contributions by a Partner to the Guarantor other than Cash Capital Contributions, including contributions of Substitute Assets (up to the prescribed limit) (which shall constitute a Capital Contribution equal to the aggregate principal balance of the contributed Substitute Assets) and/or contributions pursuant to the Limited Partnership Agreement;
"Capital Distribution"	Any return on a Partner's Capital Contribution in accordance with the terms of the Limited Partnership Agreement;
"Capitalized Arrears"	For any Loan at any date, interest or other amounts which are overdue in respect of that Loan and which as at that date have been added to the Capital Balance of the Loan in accordance with the Hypothecary Loan Conditions or otherwise by arrangement with the relevant Borrower;
"Capitalized Expenses"	In relation to a Loan, the amount of any expense, charge, fee, premium or payment (excluding, however, any Arrears of Interest) capitalized and added to the Capital Balance of that Loan in accordance with the relevant Hypothecary Loan Conditions;
"Cash Capital Contributions"	A Capital Contribution made in cash;
"Cash Management Agreement"	The cash management agreement entered into on the Programme Establishment Date, as amended on October 10, 2014 and on December 21, 2017, between the Guarantor, the Issuer in its capacity as the Cash Manager and the Bond Trustee (as the same may be further amended and/or restated and/or supplemented from time to time);
"Cash Management Deposit Ratings"	The meaning given to it in "*Summary of the Principal Documents*" on page 193;
"Cash Manager"	The Issuer, in its capacity as cash manager under the Cash Management Agreement together with any successor cash manager appointed pursuant to the Cash Management Agreement from time to time;
"Cash Manager Required Ratings"	The threshold ratings P-2(cr) and F2 (in respect of Moody's and Fitch, respectively) as applicable, of, in the case of Moody's, the short term counterparty risk assessment, and in the case of Fitch, the issuer default rating, in each case, of the Cash Manager by the Rating Agencies.
"CBS Downgrade Trigger Event"	The meaning given to it in "*Summary of the Principal Documents*" on page 215;
"CCDQ"	The meaning given to it on page 1;
"CDOR"	Canadian Dollar Offered Rate;

"CDS"	CDS Clearing and Depository Services Inc.;
"Central Bank"	Central Bank of Ireland;
"Charged Property"	The property charged by the Guarantor pursuant to the Security Agreements;
"Clearing Systems"	DTC, CDS, Euroclear and/or Clearstream, Luxembourg;
"Clearstream, Luxembourg"	Clearstream Banking S.A.;
"CFTC"	The Commodity Futures Trading Commission in the U.S.;
"CMHC"	Canada Mortgage and Housing Corporation, a Canadian federal Crown corporation and its successors responsible for administering the Covered Bond Legislative Framework;
"CMHC Guide"	The Canadian Registered Covered Bond Programs Guide published by CMHC, as the same may be amended, restated or replaced from time to time;
"Code"	U.S. Internal Revenue Code of 1986, as amended;
"Commission's Proposal"	The meaning given to it in "*The Proposed Financial Transactions Tax ("FTT")*" on page 239;
"Common Depositary"	The common depositary for Euroclear and/or Clearstream, Luxembourg;
"Common Reporting Standard"	The OECD's Multilateral Competent Authority Agreement and Common Reporting Standards;
"Common Safekeeper"	A common safekeeper for Euroclear and/or Clearstream, Luxembourg;
"Companies Act"	The meaning given to it in "*Subscription and Sale and Transfer and Selling Restrictions*" at page 264;
"Compounded Daily Rate"	The meaning given to it in Condition 5.03 on page 90;
"Compounded Daily SONIA"	The meaning given to it in Condition 5.03 on page 90;
"Compounded Index Rate"	The meaning given to it in Condition 5.03 on page 91;
"Conditions"	Terms and conditions of the Covered Bonds as described under "*Terms and Conditions of the Covered Bonds*";
"constant yield election"	An election to include in gross income all interest that accrues on any Covered Bond (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest for the taxable year in which the holder acquired such Covered Bond;
"Contingent Collateral"	On any Business Day, in respect of the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, the Loans and Related Security and the Substitute Assets of the Guarantor in an aggregate amount equal to the Contingent Collateral Amount in respect of the related Swap Agreement, provided that (i) in determining the value of (x) the Loans and Related Security, the LTV Adjusted Loan Balance thereof is used and (y) the Substitute Assets, the Trading Value thereof is used, and (ii) such Loans, Related Security and Substitute Assets are excluded from the determination of the Asset Coverage Test and/or the Amortization Test, as applicable;
"Contingent Collateral Amount"	On any Business Day, in respect of the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, an amount equal to the Guarantor's "Exposure" under and as defined in the related Swap Agreement, in each case, calculated as if the confirmation thereunder were in effect on such Business Day;

"Contingent Collateral Notice"	In respect of the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, an irrevocable notice delivered by the relevant Swap Provider, in its capacity as lender under the Intercompany Loan Agreement, to the Guarantor, that, as of the effective date of such notice and in respect of: (i) a Contingent Collateral Trigger Event in relation to the Covered Bond Swap Agreement or the Interest Rate Swap Agreement, (ii) a CBS Downgrade Trigger Event or an IRS Downgrade Trigger Event, or (iii) an event of default (other than an insolvency event of default) or an additional termination event, in each case, under the relevant Swap Agreement in respect of which the relevant Swap Provider is the sole defaulting party or the sole affected party, as applicable, it elects to decrease the amount of the Demand Loan with a corresponding increase in the amount of the Guarantee Loan, in each case, in an amount equal to the related Contingent Collateral Amount(s);
"Contingent Collateral Trigger Event"	The long-term, unsecured, unsubordinated and unguaranteed debt obligations (or, in the case of Fitch, the long-term issuer default rating) of the Covered Bond Swap Provider or the Interest Rate Swap Provider, as applicable, or any credit support provider or guarantor from time to time in respect of the Covered Bond Swap Provider or the Interest Rate Swap Provider, as applicable, cease to be rated at least BBB+ by Fitch or Baa1 by Moody's;
"Contractual Currency"	The meaning given to it in Condition 16 on page 131;
"Cooperatives Act"	*An Act respecting financial services cooperatives* (Québec), as amended from time to time;
"Corporate Services Agreement"	The meaning given to it in "*Summary of the Principal Documents*" on page 220;
"Corporate Services Provider"	Computershare Trust Company of Canada, a trust company formed under the laws of Canada, as corporate services provider to the Liquidation GP under the Corporate Services Agreement, together with any successor corporate services provider appointed from time to time;
"Counterparty Qualifications"	The meaning given to it in *"Description of the Canadian Registered Covered bond Programs Regime"* on page 235;
"Couponholders"	The meaning given to it in "*Terms and Conditions of the Covered Bonds*" on page 82;
"Coupons"	The meaning given to it in "*Terms and Conditions of the Covered Bonds*" on page 81;
"Cover Pool Collateral"	The meaning given to it in "*Summary of the Principal Documents*" on page 200;
"Covered Bond"	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, which covered bond may be represented by a Global Covered Bond or any Definitive Covered Bond and includes any replacements or a Covered Bond issued pursuant to Condition 12;
"Covered Bond Guarantee"	A direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and irrevocable guarantee by the Guarantor set forth in the Trust Deed for the payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment;
"Covered Bond Guarantee Activation Event"	The meaning given to it in "*Terms and Conditions of the Covered Bonds*" on page 88;
"Covered Bond Legislative Framework"	The meaning given to it in "Description of the Canadian Registered Covered Bond Programs Regime" on page 234;

"Covered Bond Portfolio"	The Initial Covered Bond Portfolio and each additional portfolio of Loans and Related Security acquired by the Guarantor;
"Covered Bond Swap Activation Event Date"	The earlier of (i) the date on which an Issuer Event of Default occurs, and (ii) the date on which a Guarantor Event of Default occurs, together with the service of a Guarantor Acceleration Notice on the Issuer and the Guarantor;
"Covered Bond Swap Agreement"	The agreement(s) (including any replacement agreements) entered into between the Guarantor and the Covered Bond Swap Provider(s) in the form of an ISDA Master Agreement (identified on page 1 thereof as a "Covered Bonds 2002 Master Agreement" in respect of a particular series of Covered Bonds), as the same may be amended, varied, supplemented, restated or extended from time to time, including a schedule, a credit support annex and confirmations, in relation to each Tranche or Series of Covered Bonds;
"Covered Bond Swap Early Termination Event"	The meaning given to it in "*Summary of the Principal Documents*" on page 214;
"Covered Bond Swap Effective Date"	The earlier of (i) the date on which a Contingent Collateral Trigger Event occurs in respect of the Covered Bond Swap Provider, and (ii) the date on which a Covered Bond Swap Activation Event occurs, provided that the Covered Bond Swap Effective Date will be such date on which a Covered Bond Swap Activation Event occurs if (a) the Covered Bond Swap Provider is the lender under the Intercompany Loan Agreement, (b) (i) a Contingent Collateral Trigger Event has occurred in respect of the Covered Bond Swap Provider, (ii) a Contingent Collateral Notice is in effect in respect of such Contingent Collateral Trigger Event relating to the Covered Bond Swap Provider and (iii) within 10 Toronto Business Days of the occurrence of such Contingent Collateral Trigger Event and for so long as a Contingent Collateral Trigger Event continues to exist, the Guarantor has Contingent Collateral in respect of the Covered Bond Swap Agreement, and (c) the Asset Coverage Test and/or the Amortization Test, as applicable, continues to be satisfied;
"Covered Bond Swap Provider"	The provider(s) of the Covered Bond Swap under the Covered Bond Swap Agreement;
"Covered Bond Swap Rate"	In relation to a Covered Bond or Tranche or Series of Covered Bonds, the exchange rate specified in the Covered Bond Swap Agreement relating to such Covered Bond or Series of Covered Bonds or, if the Covered Bond Swap Agreement has been terminated, the applicable spot rate;
"**CRA Regulations**"	The meaning given to it on page 1;
"Current Balance"	In relation to a Loan at any relevant date, means the aggregate principal balance of the Loan at such date (but avoiding double counting) including the following: (i) the Initial Advance; (ii) Capitalized Expenses; (iii) Capitalized Arrears; and (iv) any increase in the principal amount due under that Loan due to any form of Further Advance, in each case relating to such Loan less any prepayment, repayment or payment of the foregoing made on or prior to the determination date;
"Custodial Agreement"	The meaning given to it in "*Summary of the Principal Documents*" on page 220;
"Custodian"	Computershare Trust Company of Canada, a trust company under the laws of Canada, as custodian for the Guarantor under the Custodial Agreement, together with any successor custodian appointed from time to time;
"Cut-off Date"	For a Transfer Date, such date as agreed between the Issuer and the Guarantor or (in the case of a Product Switch or Further Advance) the related Guarantor Payment Date, as the case may be;
"D-SIFI"	The meaning given to it in "*Risk Factors*" on page 36;
"Day Count Fraction"	The meaning given to it in Condition 5.09 on page 101;

"DBRS"	DBRS Limited and any successors to its rating business;
"Dealers"	The meaning given to it in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 256;
"Dealership Agreement"	The meaning given to it in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 256;
"Default Rate"	The meaning given to it in Condition 5.06 on page 99;
"Definitive Covered Bond"	A Bearer Definitive Covered Bond and/or a Registered Definitive Covered Bond , as the context may require;
"Definitive IAI Registered Covered Bond"	A Registered Definitive Covered Bond sold to an Institutional Accredited Investor;
"Definitive N Covered Bond"	A Registered Definitive Covered Bond made out in the name of a specific creditor issued by a Definitive N Covered Bonds Deed;
"Definitive N Covered Bonds Deed"	The meaning given to it on page 15;
"Definitive Rule 144A Covered Bond"	A Registered Definitive Covered Bond sold to QIBs pursuant to Rule 144A;
"Demand Loan"	The meaning given to it in "*Summary of the Principal Documents*" on page 178;
"Demand Loan Contingent Amount"	The meaning given to it in "*Summary of the Principal Documents*" on page 179;
"Demand Loan Repayment Event"	The meaning given to it in "*Summary of the Principal Documents*" on page 179;
"Deposit Institutions and Deposit Protection Act"	The meaning given to it on the cover page;
"Designated Maturity"	In relation to the ISDA Determination, the meaning given to it in the ISDA Definitions, or, in relation to Screen Rate Determination, the meaning given to it in Condition 5.09 on page 103;
"Desjardins Caisses"	The meaning given to it in "*Fédération Des Caisses Desjardins Du Québec - Financial solidarity within the Groupe coopératif Desjardins*" on page 154;
"Desjardins Group"	The meaning given to it on the cover page;
"Determination Date"	The meaning given to it in the applicable Final Terms;
"Determination Period"	The meaning given to it in Condition 5.09 on page 103;
"DG 2022 Annual Report"	The meaning given to it in "*Documents Incorporated by Reference*" on page 73;
"DG 2022 Combined Financial Statements"	The meaning given to it in "*Documents Incorporated by Reference*" on page 73;
"DG 2022 MD&A"	The meaning given to it in "*Documents Incorporated by Reference*" on page 73;
"DG 2023 Q3 MD&A"	The meaning given to it in "*Documents Incorporated by Reference*" on page 73;
"DG 2023 Q3 Report"	The meaning given to it in "*Documents Incorporated by Reference*" on page 73;
"DG Q3 2023 Unaudited Combined Financial Statements"	The meaning given to it in "*Documents Incorporated by Reference*" on page 73;
"Direct Participants"	The meaning given to it in "*Book-Entry Clearance Systems*" on page 236 and includes participants of CDS, as the context requires;
"Distribution Compliance Period"	The meaning given to it in Condition 2.08(a) on page 85;

"DMFS" The meaning given to it in *"Loan Origination and Lending Criteria"* on page 172;

"Dodd-Frank Act" The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010;

"Downgrade Trigger Event" In respect of an Interest Rate Swap Provider or a Covered Bond Swap Provider, an Initial Downgrade Trigger Event or a Subsequent Downgrade Trigger Event;

"DTC" The Depository Trust Company;

"DTC Covered Bonds" Covered Bonds accepted into DTC's book-entry settlement system;

"DTCC" The Depository Trust & Clearing Corporation;

"Due for Payment" The requirement by the Guarantor to pay any Guaranteed Amounts following the service of a Notice to Pay on the Guarantor,

(i) prior to the occurrence of a Guarantor Event of Default, on:

(a) the date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, or, if later, the day which is two Business Days following service of a Notice to Pay on the Guarantor in respect of such Guaranteed Amounts or if the applicable Final Terms specify that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Interest Payment Date that would have applied if the Final Maturity Date of such Series of Covered Bonds had been the Extended Due for Payment Date (the "**Original Due for Payment Date**"); and

(b) in relation to any Guaranteed Amounts in respect of the Final Redemption Amount payable on the Final Maturity Date for a Series of Covered Bonds only, the Extended Due for Payment Date, but only (x) if in respect of the relevant Series of Covered Bonds the Covered Bond Guarantee is subject to an Extended Due for Payment Date pursuant to the terms of the applicable Final Terms and (y) to the extent that the Guarantor has been served a Notice to Pay no later than the date falling one Business Day prior to the Extension Determination Date and does not pay Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds by the Extension Determination Date because the Guarantor has insufficient moneys available under the Guarantee Priority of Payments to pay such Guaranteed Amounts in full on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Guarantor or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 7.01(a) or (b) the Extension Determination Date,

or, if, in either case, such day is not a Business Day, the next following Business Day. For the avoidance of doubt, Due for Payment does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, acceleration of maturity, mandatory or optional redemption or otherwise save as provided in paragraph (ii) below; or

(ii) following the occurrence of a Guarantor Event of Default, the date on which a Guarantor Acceleration Notice is served on the Issuer and the Guarantor;

"Earliest Maturing Covered Bonds"	At any time, the Series of the Covered Bonds (other than any Series which is fully collateralized by amounts standing to the credit of the Guarantor in the Guarantor Accounts) that has or have the earliest Final Maturity Date as specified in the applicable Final Terms (ignoring any acceleration of amounts due under the Covered Bonds prior to the occurrence of a Guarantor Event of Default);
"Early Redemption Amount"	In relation to a particular Series or Tranche, an amount determined at par, or otherwise agreed between the Issuer and the applicable Dealers, payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default, to be specified in the applicable Final Terms;
"ECB"	European Central Bank;
"EEA" or "European Economic Area"	The meaning given to it on page 1;
"Eligibility Criteria"	The meaning given to it in "*Summary of the Principal Documents*" on page 181;
"EMMI"	The European Money Markets Institute;
"ERISA"	*U.S. Employee Retirement Income Security Act of 1974*, as amended;
"ESMA"	European Securities and Markets Authority;
"EU"	European Union;
"EU CRA"	The meaning given to it on page 2;
"EU CRA Regulation"	Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies;
"EU Firms"	The meaning given to it in "*Risk Factors*" on page 30;
"EURIBOR"	Euro-zone inter-bank offered rate;
"Eurobond Basis"	The meaning given to it in Condition 5.09 on page 101;
"Euroclear"	Euroclear Bank SA/NV;
"Eurodollar Convention"	The meaning given to it in Condition 5.09 on page 101;
"Euronext Dublin"	The meaning given to it on the cover page;
"European Exchange Agent"	The meaning given to it in "*Terms and Conditions of the Covered Bonds*" on page 81;
"European Registrar"	The meaning given to it in "*Terms and Conditions of the Covered Bonds*" on page 81;
"Eurosystem"	The meaning given to it in "*Risk Factors*" on page 66;
"Eurosystem eligible Covered Bond"	Covered Bond that is intended to be held in a manner that would allow it to constitute eligible collateral for Eurosystem monetary policy and intraday credit operations, as specified in the applicable Final Terms;
"Euro-zone"	The meaning given to it in Condition 5.09 on page 103;
"EUWA"	the European Union (Withdrawal) Act 2018, as amended;
"Excess Proceeds"	Moneys received (following the occurrence of an Issuer Event of Default and delivery of an Issuer Acceleration Notice) by the Bond Trustee from the Issuer or any administrator, administrative receiver, receiver, liquidator, trustee in sequestration or other similar official appointed in relation to the Issuer;
"Exchange Act"	*U.S. Securities Exchange Act of 1934*, as amended;
"Exchange Agent"	Collectively, The Bank of New York Mellon and The Bank of New York Mellon, London Branch, in their capacity as exchange agent (which expression shall include any successor exchange agent);

"Exchange Date"	The meaning specified in the relevant Final Terms and/or the Permanent Global Covered Bond, as applicable;
"Exchange Event"	The meaning given to it in "*Form of the Covered Bonds*" on page 77;
"Excluded Scheduled Interest Amounts"	The meaning given to it in the definition of "*Scheduled Interest*" below;
"Excluded Scheduled Principal Amounts"	The meaning given to it in the definition of "*Scheduled Principal*" below;
"Excluded Swap Termination Amount"	In relation to a Swap Agreement, an amount equal to the amount of any termination payment due and payable (a) to the relevant Swap Provider as a result of a Swap Provider Default with respect to such Swap Provider or (b) to the relevant Swap Provider following a Swap Provider Downgrade Event with respect to such Swap Provider;
"Extended Due for Payment Date"	The meaning given to it in Condition 6.01 on page 106;
"Extension Determination Date"	The meaning given to it in Condition 6.01 on page 106;
"Extraordinary Resolution"	Means (a) a resolution passed at a meeting of the Holders of the Covered Bonds duly convened and held in accordance with the terms of the Trust Deed by a majority consisting of not less than three-quarters of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-quarters of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of the Holders of the Covered Bond holding not less than 50 per cent in Principal Amount Outstanding of the Covered Bonds, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Holders of the Covered Bonds;
"FATCA"	Sections 1471 through 1474 of the Code and any U.S. Treasury regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto;
"FCA"	Financial Conduct Authority in its capacity as competent authority under the FSMA;
"Federation"	The Fédération des caisses Desjardins du Québec, a federation governed by the Cooperatives Act;
"Final Maturity Date"	The Interest Payment Date on which each Series of Covered Bonds will be redeemed at their Principal Amount Outstanding in accordance with the Conditions;
"Final Redemption Amount"	In relation to a particular Series or Tranche, an amount determined at par, or otherwise agreed between the Issuer and the applicable Dealers, payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default, to be specified in the applicable Final Terms;
"Final Terms"	A document that sets out the final terms for a Tranche of Covered Bonds and which, with respect to Covered Bonds to be admitted to the Official List and admitted to trading by Euronext Dublin, will be delivered to the Central Bank and Euronext Dublin on or before the date of issue of the applicable Series or Tranche of Covered Bonds;
"Financial Centre"	The financial centre or centres specified in the applicable Final Terms;
"Financial Services Act"	The meaning given to it in "*Subscription and Sale and Transfer and Selling Restrictions*" at page 266;
"First Transfer Date"	The Transfer Date (which shall be on or before the first Issue Date) on which the Initial Covered Bond Portfolio is sold by the Issuer to the Guarantor pursuant to the Hypothecary Loan Sale Agreement;
"First Versatile Loan"	The first Versatile Loan made by an Originator to a particular Borrower , which is owned by the Guarantor;
"Fitch"	Fitch Ratings, Inc. and any successors to its rating business;

"Fixed Amount Payer"	The meaning given to it in the ISDA Definitions;
"Fixed Amounts"	The meaning specified in the applicable Final Terms;
"Fixed Coupon Amount"	The meaning specified in the applicable Final Terms;
"Fixed Interest Period"	The meaning given to it in Condition 5.02 on page 88;
"Fixed Rate Covered Bonds"	Covered Bonds paying a fixed rate of interest on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s);
"Floating Rate"	The meaning given to it in the ISDA Definitions;
"Floating Rate Covered Bonds"	Covered Bonds which bear interest at a rate determined: (a) on the same basis as the floating rate under a notional schedule and confirmations and credit support annex, if applicable, for each Tranche and/or Series of Covered Bonds in the relevant Specified Currency governed by the Interest Rate Swap Agreement incorporating the ISDA Definitions; or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service;
"Floating Rate Option"	The meaning given to it in the ISDA Definitions;
"FMC Act"	The meaning given to it in "*Subscription and Sal and Transfer and Selling Restrictions*" on page 256;
"Following Business Day Convention"	The meaning given to it in Condition 5.09 on page 101;
"**FRBNY**"	Federal Reserve Bank of New York;
"FRN Convention"	The meaning given to it in Condition 5.09 on page 101;
"FSCMA"	The meaning given to it in "*Subscription and Sal and Transfer and Selling Restrictions*" on page 256;
"FSMA"	*Financial Services and Markets Act 2000*, as amended;
"FTT"	The meaning given to it in "*The proposed financial transactions tax ("FTT")*" on page 239;
"Further Advance"	In relation to a Loan, any advance of further money to the relevant Borrower following the making of the Initial Advance, which is secured by the same Hypothec as the Initial Advance, excluding the amount of any retention in respect of the Initial Advance;
"General Security Agreement"	The general security agreement dated the Programme Establishment Date (as may be amended and/or restated and/or supplemented from time to time) and made between the Guarantor, the Bond Trustee and certain other Secured Creditors;
"GIC Account"	The account in the name of the Guarantor held with the Account Depository Institution and maintained subject to the terms of the Master Definitions and Construction Agreement, the Guaranteed Investment Contract, the Account Agreement and the Security Agreements or such additional or replacement account(s) as may be for the time being be in place with the prior consent of the Bond Trustee;
"GIC Provider"	The Issuer, in its capacity as GIC provider under the Guaranteed Investment Contract together with any successor GIC provider appointed from time to time;
"Global Covered Bond"	A Bearer Global Covered Bond and/or Registered Global Covered Bond, as the context may require;
"Groupe coopératif Desjardins"	The meaning given to it on the cover page;

"GST"	GST means (a) goods and services tax payable under Part IX of the *Excise Tax Act* (Canada), (b) goods and services tax payable pursuant to any similar value added tax legislation applicable that is stated to be harmonized with the foregoing, including for greater certainty, any harmonized sales tax payable, or (c) Québec sales tax imposed pursuant to an *Act respecting the Québec sales tax*;
"Guarantee Loan"	The meaning given to it in "*Summary of the Principal Documents*" on page 178;
"Guarantee Priority of Payments"	The meaning given to it in Condition 6.01 on page 230;
"Guaranteed Amounts"	Prior to the service of a Guarantor Acceleration Notice, with respect to any Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, the sum of Scheduled Interest and Scheduled Principal, in each case, payable on that Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, or after service of a Guarantor Acceleration Notice, an amount equal to the relevant Early Redemption Amount as specified in the Conditions plus all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the Guarantor under the Trust Deed;
"Guaranteed Investment Contract" or "GIC"	The guaranteed investment contract by and among the Guarantor, the GIC Provider, the Bond Trustee and the Cash Manager dated the Programme Establishment Date (as may be amended and/or restated and/or supplemented from time to time) and, if applicable, unless the context requires otherwise, shall include the Standby Guaranteed Investment Contract dated the Programme Establishment Date (as may be amended and/or restated and/or supplemented from time to time);
"Guarantor"	CCDQ Covered Bond (Legislative) Guarantor Limited Partnership;
"Guarantor Acceleration Notice"	The meaning given to it in Condition 7.02 on page 111;
"Guarantor Accounts"	The GIC Account, the Transaction Account (to the extent maintained) and any additional or replacement accounts opened in the name of the Guarantor, including the Standby GIC Account and the Standby Transaction Account;
"Guarantor Event of Default"	The meaning given to it in Condition 7.02 on page 111;
"Guarantor Payment Date"	The 17th day of each month or if not a Montréal Business Day the next following Montréal Business Day provided that the first Guarantor Payment Date shall occur in the month following the month in which the First Transfer Date occurs;
"Guarantor Payment Period"	The period from and including a Guarantor Payment Date to but excluding the next following Guarantor Payment Date;
"Guide OC Minimum"	The meaning given to it in "*Summary of the Principal Documents*" on page 200;
"Guideline"	The meaning given to it in "*Fédération des caisses Desjardins du Québec*" on page 156;
"Hard Bullet Covered Bonds"	The meaning given to it in "*Credit Structure*" on page 222;
"HMRC"	The meaning given to it in "*Taxation*" on page 239;
"Holders of the Covered Bonds" or "Holders" or "Covered Bondholders"	The holders for the time being of the Covered Bonds;
"Hong Kong"	The meaning given to it in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 264;
"Hypothec"	In respect of any Loan, each first fixed charge by way of hypothec or mortgage sold, transferred and assigned by the Seller to the Guarantor pursuant to the Hypothecary Loan Sale Agreement as part of the Related

	Security, which secures the repayment of the relevant Loan including the Hypothecary Loan Conditions applicable to it, and in respect of any Versatile Loan, the related Versatile Hypothec sold, transferred and assigned by the Seller to the Guarantor pursuant to the Hypothecary Loan Sale Agreement as part of the Related Security, which secures the repayment of the relevant Versatile Loan including the Hypothecary Loan Conditions applicable to it and "**Hypothecs**" means more than one Hypothec;
"Hypothecary Loan Conditions"	All the terms and conditions applicable to a Loan or a Versatile Agreement, including without limitation those set out in Desjardins Group's relevant Hypothecary Loan Conditions booklet and Desjardins Group's relevant general conditions, each as varied from time to time by the relevant Loan agreement or Versatile Agreement between the lender under the Loan or the Versatile Agreement and the Borrower, as the same may be amended from time to time, and the relevant Hypothec Deed;
"Hypothec Deed"	In respect of any Hypothec, the deed or charge creating that Hypothec;
"Hypothecary Loan Sale Agreement"	The hypothecary loan sale agreement by and among the Seller, the Guarantor and the Bond Trustee dated the Programme Establishment Date and amended and restated on December 19, 2022 (as may be further amended and/or restated and/or supplemented from time to time);
"Hypothec Terms"	The terms of the applicable Hypothec;
"IAI Investment Letter"	A duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement;
"ICE"	The ICE Benchmark Administration Limited;
"IDD"	The meaning given to it in "*Important Notices*" on page 4;
"IFRS"	International Financial Reporting Standards as issued by the International Accounting Standards Board;
"IGA"	An intergovernmental agreement entered into with the U.S. to implement FATCA;
"Income Tax Act"	The meaning given to it in "*Overview*" on page 27;
"Independently Controlled and Governed"	In respect of the Guarantor, (i) the general partner (having the power to carry on the business of the Guarantor) of the Guarantor is not (and cannot be) an affiliate (for the purposes of this definition, as defined in the CMHC Guide) of the Issuer and less than ten per cent of its voting securities are (or can be) owned, directly or indirectly, by the Issuer or any of its affiliates, (ii) if an administrative agent or other analogous entity has been engaged by the general partner of the Guarantor to fulfil such general partner's responsibility or role to carry on, oversee, manage or otherwise administer the business, activities and assets of the Guarantor, the agent or entity is not (and cannot be) an affiliate of the Issuer and less than ten per cent of its voting securities are (or can be) owned, directly or indirectly, by the Issuer or any of its affiliates, (iii) all members (but one) of the board of directors or other governing body of the general partner of the Guarantor, administrative agent or other entity are not (and cannot be) directors, officers, employees or other representatives of the Issuer or any of its affiliates, do not (and cannot) hold greater than ten per cent of the voting or equity securities of the Issuer or any of its affiliates and are (and must be) otherwise free from any material relationship with the Issuer or any of its affiliates (hereinafter referred to as "**Independent Members**"), and (iv) the board of directors or other governing body of the general partner of the Guarantor, administrative agent or other entity is (and must be) composed of at least three members, and the non-Independent Member is not (and shall not be) entitled to vote on any resolution or question to be

	determined or resolved by the board (or other governing body) and shall attend meetings of the board (or other governing body) at the discretion of the remaining members thereof, provided that such board of directors or other governing body may be composed of only two Independent Members with "observer" status granted to one director, officer, employee or other representative of the Issuer or any of its affiliates;
"Indexation Methodology"	The meaning given to it in "*Risk Factors*" on page 45;
"Indirect Participants"	The meaning given to it in "*Book-Entry Clearance Systems*" on page 236;
"Initial Advance"	In respect of any Loan, the original principal amount advanced by the Seller or the relevant Originator, as the case may be, to the relevant Borrower;
"Initial CBS Downgrade Trigger Event"	The meaning given to it in *"Summary of the Principal Documents"* on page 214;
"Initial Covered Bond Portfolio"	The portfolio of Loans and their Related Security, particulars of which were delivered on the First Transfer Date pursuant to the terms of the Hypothecary Loan Sale Agreement (other than any Loans and their Related Security that have been redeemed in full prior to the First Transfer Date) and all right, title, interest and benefit of the Seller in and to such Loans and their Related Security, including any rights of the Seller thereunder (but excluding, for greater certainty, any Additional Loan Advances not in existence on the First Transfer Date);
"Initial Downgrade Trigger Event"	Means an Initial CBS Downgrade Trigger Event or an Initial IRS Downgrade Trigger Event, as applicable;
"Initial IRS Downgrade Trigger Event"	The meaning given to it in *"Summary of the Principal Documents"* on page 212;
"Insolvency Event"	In respect of the Seller, the Servicer or the Cash Manager or any other person, any impending or actual insolvency on the part of such person, as evidenced by, but not limited to: (a) the commencement of a dissolution proceeding or a case in bankruptcy involving the relevant entity (and where such proceeding is the result of an involuntary filing, such proceeding is not dismissed within 60 days after the date of such filing); or (b) the appointment of a trustee or other similar court officer over, or the taking of control or possession by such officer, of the business of the relevant entity, in whole or in part, before the commencement of a dissolution proceeding or a case in bankruptcy; or (c) the relevant entity makes a general assignment for the benefit of any of its creditors; or (d) the general failure of, or the inability of, or the written admission of the inability of, the relevant entity to pay its debts as they become due;
"Instalment Amount"	The meaning given to it in Condition 1.07 on page 84;
"Instalment Covered Bonds"	The meaning given to it in Condition 1.07 on page 84;
"Instalment Dates"	The meaning given to it in the applicable Final Terms;
"Institutional Accredited Investor"	An institution that is an "accredited investor" (as defined in Rule 501(a) under the Securities Act);
"Intercompany Loan"	The meaning given to it in "*Summary of the Principal Documents*" on page 178;
"Intercompany Loan Agreement"	The meaning given to it in "*Summary of the Principal Documents*" on page 178;

"Intercompany Loan Ledger"	The ledger of such name maintained by the Cash Manager pursuant to and in accordance with the terms of the Cash Management Agreement;
"Interest Accrual Period"	The meaning given to it in Condition 5.03 on page 103;
"Interest Amount"	The amount of interest payable on the Floating Rate Covered Bonds in respect of each Specified Denomination for the relevant Interest Period;
"Interest Basis"	The meaning given to it in the applicable Final Terms;
"Interest Commencement Date"	The meaning given to it in Condition 5.09 on page 103;
"Interest Determination Date"	The meaning given to it in Condition 5.09 on page 103;
"Interest Payment Date"	The meaning given to it in Condition 5.09 on page 103;
"Interest Period"	The meaning given to it in Condition 5.09 on page 103;
"Interest Rate Swap Activation Event Date"	The earlier of (i) the date on which an Issuer Event of Default occurs, and (ii) the date on which a Guarantor Event of Default occurs, together with the service of a Guarantor Acceleration Notice on the Issuer and the Guarantor;
"Interest Rate Swap Agreement"	The agreement (including any replacement agreement) entered into between the Guarantor and the Interest Rate Swap Provider(s) in the form of an ISDA Master Agreement (identified on page 1 thereof as the "Interest Rate 2002 Master Agreement"), including a schedule and confirmation and credit support annex, if applicable, in relation to the Covered Bond Portfolio dated the Programme Establishment Date (as may be amended and/or restated and/or supplemented from time to time);
"Interest Rate Swap Early Termination Event"	The meaning given to it in "*Summary of the Principal Documents*" on page 211;
"Interest Rate Swap Effective Date"	The earlier of (i) the date on which a Contingent Collateral Trigger Event occurs in respect of the Interest Rate Swap Provider, and (ii) the date on which an Interest Rate Swap Activation Event occurs, provided that the Interest Rate Swap Effective Date will be such date on which an Interest Rate Swap Activation Event occurs if (a) the Interest Rate Swap Provider is the lender under the Intercompany Loan Agreement, (b) (i) a Contingent Collateral Trigger Event has occurred in respect of the Interest Rate Swap Provider, (ii) a Contingent Collateral Notice is in effect in respect of such Contingent Collateral Trigger Event relating to the Interest Rate Swap Provider and (iii) within 10 Montréal Business Days of the occurrence of such Contingent Collateral Trigger Event and for so long as a Contingent Collateral Trigger Event continues to exist, the Guarantor has Contingent Collateral in respect of the Interest Rate Swap Agreement, and (c) the Asset Coverage Test and/or the Amortization Test, as applicable, continues to be satisfied;
"Interest Rate Swap Provider"	The provider(s) of the Interest Rate Swap under the Interest Rate Swap Agreement;
"Investment Company Act"	U.S. Investment Company Act of 1940, as amended;
"Investor Reports"	The monthly report made available on the Issuer's website in French at https://www.desjardins.com/a-propos/relations-investisseurs/investisseurs-titres-revenu-fixe/programme-legislatif-obligations-securisees/index.jsp and in English at https://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/legislative-covered-bond-program/ detailing information with respect to the Programme, each Series of Covered Bonds and the Covered Bond Portfolio, in each case as required pursuant to Annex H to the CMHC Guide;
"IRS"	U.S. Internal Revenue Service;

"IRS Downgrade Trigger Event"	The meaning given to it in "*Summary of the Principal Documents*" on page 212;
"ISDA"	International Swaps and Derivatives Association, Inc.;
"ISDA Definitions"	The meaning given to it in Condition 5.09 on page 104;
"ISDA Determination"	The meaning specified in the applicable Final Terms;
"ISDA Master Agreement"	The 2002 Master Agreement, as published by ISDA;
"ISDA Rate"	The meaning given to it in Condition 5.04 on page 98;
"Issue Date"	Each date on which the Issuer issues Covered Bonds to purchasers of such Covered Bonds;
"Issue Price"	The meaning specified in the applicable Final Terms;
"Issuer"	Fédération des caisses Desjardins du Québec;
"Issuer Acceleration Notice"	The meaning given to it in Condition 7.01 on page 109;
"Issuer Event of Default"	The meaning given to it in Condition 7.01 on page 109;
"Issuing and Paying Agent"	The Bank of New York Mellon, London Branch, in its capacity as issuing and paying agent and any successor as such;
"Latest Valuation"	In relation to any Property, the value given to that Property by the most recent valuation addressed to the Seller or an Originator, as applicable, or obtained from an independently maintained risk assessment model, acceptable to reasonable and prudent institutional mortgage or hypothecary lenders in the Seller's or the applicable Originator's market or the purchase price of that Property or current property tax assessment, as applicable; provided that such value shall be adjusted at least quarterly to account for subsequent price adjustments using the Indexation Methodology;
"LCR"	The meaning given to it in "*Risk Factors*" on page 32;
"Ledger"	Each of the Revenue Ledger, the Principal Ledger, the Reserve Ledger, the Payment Ledger, the Pre-Maturity Liquidity Ledger, Intercompany Loan Ledger and the Capital Account Ledgers maintained by the Cash Manager in accordance with the terms of the Cash Management Agreement;
"Legended Covered Bonds"	The meaning given to it in Condition 2.08 (c) on page 86;
"Lending Criteria"	The lending criteria of Desjardins Group from time to time to which the Originators are bound, or such other criteria as would be acceptable to reasonable and prudent hypothecary lenders;
"Level of Overcollateralization"	The meaning given to it in "*Summary of the Principal Documents*" on page 200;
"LGP Trust"	The meaning given to it in "*Structure Overview – Ownership Structure of the Liquidation GP*" on page 27;
"LIBOR"	London inter-bank offered rate;
"Limited Partner"	Federation, in its capacity as a limited partner of the Guarantor, individually and together with such other person or persons who may from time to time, become limited partner(s) of the Guarantor pursuant to the terms of the Limited Partnership Agreement;
"Limited Partnership Agreement"	The meaning given to it in "*Summary of the Principal Documents*" on page 199;
"Liquidation GP"	8560129 Canada Inc., in its capacity as liquidation general partner of the Guarantor together with any successor liquidation general partner appointed pursuant to the terms of the Limited Partnership Agreement;

"Listing Agent"	Arthur Cox Listing Services Limited. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent in connection with Covered Bonds and is not itself seeking admission of the Covered Bonds to the Official List of Euronext Dublin or to trading on its markets for the purposes of the Prospectus Regulation;
"Loan"	Any real estate hypothecary or mortgage loan referenced by its loan identifier number, including, for greater certainty, a Versatile Loan, and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other moneys (including all Additional Loan Advances) due or owing with respect to that loan under the relevant Hypothecary Loan Conditions by a Borrower on the security of a Hypothec from time to time outstanding, or, as the context may require, the Borrower's obligations in respect of the same but excludes any real estate hypothecary or mortgage loan which is repurchased by the Seller or otherwise sold by the Guarantor and no longer beneficially owned by it;
"Loan Files" or "Loan and Related Security Files"	The file or files relating to each Loan and its Related Security (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing, among other things, the original fully executed copy of the document(s) evidencing the Loan and its Related Security, including the relevant loan agreement (together with the promissory note, if any, evidencing such Loan or, if applicable, a guarantor of the Borrower), and, if applicable, evidence of the registration thereof or filing of registration forms under the Civil Code or financing statements under the *Personal Property Security Act* (Ontario), and the mortgage documentation, Hypothec Deed and other Related Security documents in respect thereof and evidence of paper or electronic registration from the applicable land registry office, land titles office or similar place of public record in which the related Hypothec is registered together with a copy of other evidence, if applicable, of any applicable insurance policies in respect thereof to which the Seller or the Guarantor, as the case may be, is entitled to any benefit, a copy of the policy of title insurance or opinion of counsel regarding title, priority of the Hypothec or other usual matters, in each case, if any, and any and all other documents (including all electronic documents) kept on file by or on behalf of the Seller relating to such Loan;
"Loan Offer Notice"	A notice from the Guarantor served on the Seller offering to sell Loans and their Related Security for an offer price equal to the greater of (a) the fair market value of such Loans and (b) (i) if the sale is following a breach of the Pre-Maturity Test or the service of a Notice to Pay on the Guarantor, the Adjusted Required Redemption Amount of the relevant Series of Covered Bonds, otherwise (ii) the True Balance of such Loans;
"Loan Representations and Warranties"	The loan representations and warranties of the Seller set out in the Hypothecary Loan Sale Agreement;
"Loan Repurchase Notice"	A notice from the Guarantor (or the Cash Manager on its behalf) to the Seller delivered pursuant to the Hypothecary Loan Sale Agreement identifying a Loan or its Related Security in the Covered Bond Portfolio which does not, as at the relevant Transfer Date, materially comply with the Loan Representations and Warranties set out in the Hypothecary Loan Sale Agreement;
"local banking day"	The meaning given to it in Condition 9.11 on page 116;
"London Banking Day"	A day on which commercial banks in London are open for general business;
"LTV Adjusted Loan Balance"	The meaning given to it in "*Summary of the Principal Documents*" on page 201;

"Managing GP"	CCDQ CB (Legislative) Managing GP Inc., in its capacity as managing general partner of the Guarantor together with any successor managing general partner of the Guarantor;
"Margin"	In respect of a Floating Rate Covered Bond, the percentage rate per annum (if any) specified in the applicable Final Terms;
"Master Definitions and Construction Agreement"	The meaning given to it in "*Terms and Conditions of the Covered Bonds*" on page 82;
"Maximum Redemption Amount"	The meaning specified in the applicable Final Terms;
"Member States"	The countries united under and party to the treaties of the European Union as at the date hereof (and each individually, a "**Member State**");
"MiFID II"	The meaning given to it in "*Pro Forma Final Terms*" on page 140;
"MiFID Product Governance Rules"	The meaning given to it on page 4;
"MiFID II Regulations"	The meaning given to it in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 264;
"Minimum Redemption Amount"	The meaning specified in the applicable Final Terms;
"Modified Following Business Day Convention" or "Modified Business Day Convention"	The meaning specified in Condition 5.09 on page 100;
"Monthly Payment"	The amount which the relevant Hypothec Terms require a Borrower to pay on each Monthly Payment Date in respect of that Borrower's Loan;
"Monthly Payment Date"	In relation to a Loan, the date in each month on which the relevant Borrower is required to make a payment of interest and, if applicable, principal for that Loan, as required by the applicable Hypothecary Loan Conditions;
"Montréal Business Day"	The meaning given to it in Condition 5.09 on page 104;
"Moody's"	Moody's Investors Service Inc., and any successors to its rating business;
"Negative Carry Factor"	The meaning given to it in "*Summary of the Principal Documents*" on page 203;
"New Loan"	Loans, other than the Loans comprised in the Initial Covered Bond Portfolio, which the Seller may assign or transfer to the Guarantor after the First Transfer Date pursuant to the Hypothecary Loan Sale Agreement and "**New Loans**" means more than one New Loan;
"New Portfolio Asset Type"	A new type of hypothecary or mortgage loan and related security, originated or acquired by the Seller, which the Seller intends to transfer to the Guarantor, the terms and conditions of which are materially different (in the opinion of the Seller, acting reasonably) from the Loans. For the avoidance of doubt, a hypothecary or mortgage loan will not constitute a New Portfolio Asset Type if it differs from the Loans due to it having different interest rates and/or interest periods and/or time periods for which it is subject to a fixed rate, capped rate, tracker rate or any other interest rate or the benefit of any discounts, cash-backs and/or rate guarantees or due to it being originated by a new Originator. A home equity line of credit (including a Versatile LOC but not including a Versatile Loan), will be a New Portfolio Asset Type;
"New Seller"	Any member of the Issuer's group that accedes to the relevant Transaction Documents and sells Loans or New Loans and their respective Related Security to the Guarantor in the future;
"NGCB"	The meaning given to it in "*Form of the Covered Bonds*" in Condition 2.08 on page 86;

"Non-Performing Loan"	Any Loan in the Covered Bond Portfolio which is more than three months in arrears;
"Non-Performing Loans Notice"	A notice from the Cash Manager to the Seller identifying one or more Non-Performing Loans;
"Non-resident Holder"	The meaning given to it in "*Taxation*" on page 240;
"Notice to Pay"	The meaning given to it in Condition 7.01 on page 110;
"NSS"	The new safekeeping structure for Covered Bonds in registered form which are intended to be Eurosystem eligible Covered Bonds;
"Observation Look-Back Period"	The meaning given to it in Condition 5.03 on page 90;
"Observation Period"	The meaning given to it in Condition 5.03 on page 90;
"OCC"	The meaning given to it in "*Risk Factors*" on page 36;
"OC Valuation"	The meaning given to it in "*Summary of the Principal Documents*" on page 200;
"Official List"	Official list of Euronext Dublin;
"OECD"	The Organisation for Economic Co-operation and Development;
"Optional Redemption Amount"	The meaning specified in the applicable Final Terms;
"Optional Redemption Date"	The meaning specified in the applicable Final Terms;
"Original Due for Payment Date"	The meaning given to it in paragraph (i)(a) of the definition of "Due for Payment";
"Origination Hypothecary Loan Sale Agreement"	The meaning given to it in "*Structure Overview – Overview of Desjardins Group*" on page 21;
"Originator"	The meaning given to it in "*Structure Overview – Overview of Desjardins Group*" on page 21;
"OSFI"	Office of the Superintendent of Financial Institutions;
"Outstanding Principal Amount"	The meaning given to it in Condition 5.09 on page 104;
"Outstanding Principal Balance"	In respect of any relevant Loan or Loans, the Current Balance of such Loan or the aggregate Current Balance of such Loans, as the case may be;
"P&C"	The meaning given to it in "*Risk Factors*" on page 34;
"Participant"	A Direct and/or Indirect Participant;
"Participating Debt Interest"	The meaning given to it in "*Taxation*" on page 240;
"Partners"	The Managing GP, the Liquidation GP and the Limited Partner and any other limited partner who may become a limited partner of the Guarantor from time to time, and the successors and assigns thereof;
"Paying Agent"	The meaning given to it in "*Terms and Conditions of the Covered Bonds*" on page 81;
"Payment Day"	The meaning given to it in Condition 9.11 on page 116;
"Payment in Kind"	The meaning given to it in "*Summary of the Principal Documents*" on page 179;
"Payment Ledger"	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record payments by or on behalf of the Guarantor in accordance with the terms of the Limited Partnership Agreement;
"Permanent Global Covered Bond"	The meaning given to it in "*Form of the Covered Bonds*" on page 77;
"Post-Enforcement Priority of Payments"	The meaning given to it in "*Cashflows*" on page 232;

"Post Issuer Event of Default Yield Shortfall Test"	The meaning given to it in "*Summary of the Principal Documents*" on page 195;
"Potential Guarantor Event of Default"	The meaning given to it in Condition 13 on page 129;
"Potential Issuer Event of Default"	The meaning given to it in Condition 13 on page 129;
"Pre-Acceleration Principal Priority of Payments"	The meaning given to it in "*Cashflows*" on page 229;
"Pre-Acceleration Revenue Priority of Payments"	The meaning given to it in "*Cashflows*" on page 226;
"Preceding Business Day Convention"	The meaning given to it in Condition 5.09 on page 100;
"Pre-HIRE Rules"	The meaning given to it in *"Overview of the Programme"* on page 18;
"Pre-Maturity Liquidity Ledger"	The ledger on the GIC Account established to record the credits and debits of moneys available to repay any Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof if the Pre-Maturity Test has been breached;
"Pre-Maturity Liquidity Required Amount"	Nil, unless the Pre-Maturity Test has been breached in respect of one or more Series of Hard Bullet Covered Bonds, and then an amount equal to the aggregate for each affected Series (without double counting) of (i) the Required Redemption Amount for such affected Series, (ii) the Required Redemption Amount for all other Series of Hard Bullet Covered Bonds which will mature within 12 months of the date of the calculation, and (iii) the amount required to satisfy paragraphs (a) through (f) of the Guarantee Priority of Payments on the Final Maturity of the affected Series of Hard Bullet Covered Bonds and on the Final Maturity Date of all other Series of Hard Bullet Covered Bonds which will mature within 12 months of the date of the calculation;
"Pre-Maturity Minimum Ratings"	The meaning given to it in "*Credit Structure*" on page 223;
"Pre-Maturity Test"	The meaning given to it in "*Credit Structure*" on page 223;
"Pre-Maturity Test Date"	The meaning given to it in "*Credit Structure*" on page 222;
"Prescribed Cash Limitation"	The meaning given to it in "*Summary of the Principal Documents"* on page 209;
"Prescribed Debt Regulations"	The meaning given to it in "*Risk Factors*" on page 36;
"Present Value"	For any Loan, the value of the outstanding loan balance of such Loan, calculated by discounting the expected future cash flow (on a loan level basis) using current market interest rates for mortgage or hypothecary loans with credit risks similar to those of the Loan (using the same discounting methodology as that used as part of the fair value disclosure in the Issuer's audited financial statements), or using publicly posted mortgage or hypothecary rates;
"PricewaterhouseCoopers"	PricewaterhouseCoopers LLP, an Ontario limited liability partnership;
"PRIIPs Regulation"	The meaning given to it in "*Important Notices*" on page 4;
"Price Option"	The meaning specified in the ISDA Definitions;
"Principal Amount Outstanding"	In respect of a Covered Bond the principal amount of that Covered Bond on the relevant Issue Date thereof less all principal amounts received by the relevant holder of the Covered Bonds in respect thereof;
"Principal Ledger"	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record the credits and debits of Principal Receipts held by the Cash Manager for and on behalf of the Guarantor and/or in the Guarantor Accounts;
"Principal Receipts"	Receipts in respect of Loans which are not Revenue Receipts including the following (to the extent that such amounts are not Revenue Receipts):

(a) principal repayments under the Loans (including payments of arrears, Capitalized Expenses and Capitalized Arrears);

(b) recoveries of principal from defaulting Borrowers under Loans being enforced or in respect of which enforcement procedures have been completed (including the proceeds of sale of the relevant Property);

(c) any repayments of principal (including payments of arrears, Capitalized Expenses and Capitalized Arrears) received pursuant to any insurance policy (that is not a mortgage insurance policy provided by a Prohibited Insurer) in respect of a Property in connection with a Loan in the Covered Bond Portfolio; and

(d) the proceeds of the purchase of any Loan by a Purchaser from the Guarantor, including any amount received by the Guarantor as consideration for a repurchase of a Loan by the Seller (excluding, for the avoidance of doubt, amounts attributable to Accrued Interest and Arrears of Interest thereon as at the relevant purchase date);

"Priorities of Payments" The orders of priority for the allocation and distribution of amounts standing to the credit of the Guarantor in different circumstances;

"Product Switch" A variation to the financial terms or conditions included in the Hypothecary Loan Conditions applicable to a Loan other than:

(a) any variation agreed with a Borrower to control or manage arrears on a Loan;

(b) any variation in the maturity date of a Loan;

(c) any variation imposed by statute or any variation in the frequency with which the interest payable in respect of the Loan is charged;

(d) any variation to the interest rate as a result of the Borrowers switching to a different rate;

(e) any change to a Borrower under the Loan or the addition of a new Borrower under a Loan; or

(f) any change in the repayment method of the Loan;

"Programme" The Issuer's Global Covered Bond Programme as established by, or otherwise contemplated in, the Trust Deed and this Base Prospectus;

"Programme Establishment Date" January 28, 2014;

"Programme Resolution" The meaning given to it in Condition 13 on page 118;

"Prohibited Insurer" CMHC, Canada Guaranty Mortgage Insurance Company, the Genworth Financial Mortgage Insurance Company of Canada, the PMI Mortgage Insurance Company Canada, any other private mortgage insurer recognized by CMHC for purposes of the Covered Bond Legislative Framework or otherwise identified in the *Protection of Residential Mortgage or Hypothecary Insurance Act* (Canada), or any successor to any of them;

"Property" Owned, immovable property in one or more Provinces of Canada, or a freehold, leasehold or commonhold property, in each case which is subject to a Hypothec;

"Prospectus Regulation" Regulation (EU) 2017/1129;

"Purchaser" Any third party or the Seller to whom the Guarantor offers to sell Loans and their Related Security;

"Put Notice" The meaning given to it in Condition 6.06 on page 108;

"Put Option" The meaning given to it in the applicable Final Terms;

"QIB"	A "qualified institutional buyer" within the meaning of Rule 144A;
"Randomly Selected Loans"	Loans and, if applicable, their Related Security, in the Covered Bond Portfolio, selected in accordance with the terms of the Limited Partnership Agreement on a basis that (i) is not designed to favour the selection of any identifiable class or type or quality of Loans and their Related Security over all the Loans and their Related Security in the Covered Bond Portfolio, except with respect to identifying such Loans and their Related Security as having been acquired by the Guarantor from a particular Seller, if applicable, and (ii) will not (and is not reasonably expected to) adversely affect the interests of the Covered Bondholders;
"Rate of Interest"	The meaning given to it in Condition 5.09 on page 104;
"Rate Option"	The meaning given to it in the applicable Final Terms or if not specified in the Final Terms, the ISDA Definitions;
"Rating Agency" or "Rating Agencies"	The meaning given to it in Condition 6.01 on page 106;
"Rating Agency Confirmation"	The meaning given to it in Condition 19 on page 132;
"ratings"	includes, in respect of any Person, a rating or assessment (a) by a Rating Agency in respect of (i) short-term deposit rating, (ii) issuer default rating or (iii) such Person's short or long term debt obligations, or (b) by a Rating Agency of the counterparty risk assessment rating of such Person, including the derivative counterparty rating if one is assigned (in the case of Fitch) or the counterparty risk assessment (in the case of Moody's), and in the event such relevant Rating Agency replaces such rating or assessment with a successor rating or assessment that uses a substantially similar methodology for assessing counterparty risk, such successor rating or assessment, in each case as the context requires or permits;
"RBSL"	Refinitiv Benchmark Services (UK) Limited;
"Receiptholders"	The several persons who are for the time being the holders of the Receipts;
"Receipts"	The meaning given to it in Condition 1.07 on page 84;
"Record Date"	The meaning given to it in Condition 9.08 on page 115;
"Redemption Amount"	The meaning given to it in Condition 6.09 on page 108;
"Redemption/Payment Basis"	The meaning given to it in the applicable Final Terms;
"Reference Banks"	The meaning given to it in Condition 5.09 on page 104;
"Reference Rate"	The meaning given to it in Condition 5.09 on page 104;
"Register"	The meaning given to it in Condition 9.08 on page 115;
"Registered Covered Bonds"	The meaning given to it in Condition 1.01 on page 82;
"Registered CRA"	The meaning given to it on page 1;
"Registered Definitive Covered Bonds"	The meaning given to it in "*Terms and Conditions of the Covered Bonds*" on page 81;
"Registered Global Covered Bonds"	The Rule 144A Global Covered Bonds together with the Regulation S Global Covered Bonds;
"Registered Title Event"	The meaning given to it in "*Summary of the Principal Documents*" on page 183;
"Registrar" or "Registrars"	The meaning given to it in "*Terms and Conditions of the Covered Bonds*" on page 81;
"Registry"	The meaning given to it on the cover page;
"Regulated Market"	The meaning given to it on the cover page;
"Regulation S"	Regulation S under the Securities Act;

"Regulation S Covered Bonds"	The meaning given to it in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 261;
"Regulation S Global Covered Bond"	The meaning given to it in Condition 2.08(g) on page 86;
"Regulations"	The meaning given to it in "*Taxation*" on page 239;
"Related Security"	In relation to a Loan, the security granted by the Borrower for the repayment of that Loan (including, without limitation, the payment and performance of all obligations under the relevant Hypothec), insurance (other than (i) blanket insurance coverage maintained by an Originator or the Seller and (ii) any hypothec or mortgage insurance policy from a Prohibited Insurer) and any guarantees and any security relating to such guarantees and all other matters applicable thereto acquired as part of the Covered Bond Portfolio and all proceeds of the foregoing (including proceeds of title insurance and all risks insurance maintained by the Originator or the Seller relating to that Loan); provided that in relation to any such Hypothec, insurance, guarantees and security securing one or more Versatile LOCs or Versatile Loans, the Guarantor's ownership interest in such Hypothec, insurance, guarantees, security and the related Property shall be to the extent of the amount of indebtedness owing under all Loans secured by such Hypothec and owned by the Guarantor, and will not extend to the Seller's and/or applicable Versatile Purchaser's ownership interest in such Hypothec, insurance, guarantees, security and the related Property to the extent of any amounts of indebtedness owing under any Loans which are owned by such Seller or Versatile Purchaser and outstanding under the related Versatile Account from time to time, and the respective interests of the Guarantor, the Seller and any Versatile Purchaser in such Hypothec, insurance, guarantees, security and the related Property shall be subject, in all respects, to the terms of the Security Sharing Agreement;
"Relevant Account Holder"	The meaning given to it in Condition 1.02 on page 83;
"Relevant Banking Day"	The meaning given to it in Condition 2.08(h) on page 86;
"Relevant Date"	The meaning given to it in Condition 8.02 on page 113;
"Relevant Number"	The meaning given to it in Condition 5.03 on page 92;
"Relevant Screen Page"	The meaning given to it in Condition 5.09 on page 104;
"Relevant SONIAi"	The meaning given to it in Condition 5.03 on page 90;
"Relevant State"	The meaning given to it on page 4;
"Relevant Time"	The meaning given to it in Condition 5.09 on page 104;
"Replacement Agent"	The meaning given to it in Condition 12 on page 117;
"Requesting Party"	The meaning given to it in Condition 19 on page 132;
"Required Redemption Amount"	The meaning given to it in "*Summary of the Principal Documents*" on page 188;
"Reserve Fund"	The reserve fund that the Guarantor will be required to establish in the GIC Account which may be credited with the proceeds of advances made under the Intercompany Loan and with Cash Capital Contributions (in each case in the Guarantor's discretion), the proceeds of Available Revenue Receipts and Available Principal Receipts, in the aggregate up to an amount equal to the Reserve Fund Required Amount;
"Reserve Fund Required Amount"	Nil, unless the Issuer's ratings fall below the Reserve Fund Required Amount Rating, as applicable, and then an amount equal to the Canadian Dollar Equivalent of Scheduled Interest due on all outstanding Series of Covered Bonds over the next three months together with an amount equal to three-twelfths of the anticipated aggregate annual amount payable in

	respect of the items specified in paragraphs (a) to (d) of the Pre-Acceleration Revenue Priority of Payments;
"Reserve Fund Required Amount Ratings"	The threshold ratings P-1(cr) (in respect of Moody's) and F1 or A (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of, in the case of Moody's, the short term counterparty risk assessment, and in the case of Fitch, the issuer default rating, in each case, of the Issuer by the Rating Agencies;
"Reserve Ledger"	The ledger on the GIC Account of such name maintained by the Cash Manager pursuant to the Cash Management Agreement, to record the crediting of Revenue Receipts to the Reserve Fund and the debiting of such Reserve Fund in accordance with the terms of the Limited Partnership Agreement;
"Reset Date"	The meaning given to it in the ISDA Definitions;
"Reuters Screen Page"	The meaning given to it in Condition 5.09 on page 104;
"Revenue Ledger"	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record credits and debits of Revenue Receipts held by the Cash Manager for and on behalf of the Guarantor and/or in the Guarantor Accounts;
"Revenue Receipts"	Receipts of yield on the Loans including the following (to the extent that such amounts represent yield on the Loans): (a) payments of interest (including Accrued Interest and Arrears of Interest as at the relevant Transfer Date of a Loan) and fees due from time to time under the Loans and other amounts received by the Guarantor in respect of the Loans other than the Principal Receipts including payments pursuant to any insurance policy (that is not a mortgage insurance policy provided by a Prohibited Insurer) in respect of interest amounts; (b) recoveries of interest from defaulting Borrowers under Loans being enforced; and (c) recoveries of interest from defaulting Borrowers under Loans in respect of which enforcement procedures have been completed;
"Rule 144A"	Rule 144A under the Securities Act;
"Rule 144A Global Covered Bond"	The meaning given to it in Condition 2.08 on page 86;
"SARON"	Swiss Average Rate Overnight;
"Scheduled Interest"	An amount equal to the amount in respect of interest which would have been due and payable under the Covered Bonds on each Interest Payment Date as specified in Condition 5.03 (but excluding any additional amounts relating to premiums, default interest or interest upon interest ("**Excluded Scheduled Interest Amounts**") payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Guarantor Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date and, if the Final Terms specified that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date (but taking into account any principal repaid in respect of such Covered Bonds or any Guaranteed Amounts paid in respect of such principal prior to the Extended Due for Payment Date), less any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 8.01;
"Scheduled Payment Date"	In relation to payments under the Covered Bond Guarantee, each Interest Payment Date or the Final Maturity Date as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date;

"Scheduled Principal"	An amount equal to the amount in respect of principal which would have been due and repayable under the Covered Bonds on each Interest Payment Date or the Final Maturity Date (as the case may be) as specified in the applicable Final Terms (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest ("**Excluded Scheduled Principal Amounts**") payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Guarantor Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date and, if the Final Terms specify that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date;
"Screen Rate Determination"	The meaning specified in the applicable Final Terms;
"SEC"	The meaning given to is on page 2;
"Secured Creditors"	The Bond Trustee (in its own capacity and on behalf of the holders of the Covered Bonds), the holders of the Covered Bonds, the Receiptholders, the Couponholders, the Issuer, the Seller, the Servicer, the Account Depository Institution, the GIC Provider, the Standby Account Depository Institution, the Standby GIC Provider, the Cash Manager, the Swap Providers, the Corporate Services Provider, the Paying Agents and any other person which becomes a Secured Creditor pursuant to the Security Agreements except, pursuant to the terms of the Limited Partnership Agreement, to the extent and for so long as such person is a Limited Partner;
"Securities Act"	*U.S. Securities Act* of 1933, as amended;
"Security"	The meaning given to it in "*Summary of the Principal Documents*" on page 219;
"Security Agreements"	Collectively, the Deed of Hypothec, the Debenture, the Debenture Pledge Agreement and the General Security Agreement;
"Security Sharing Agreement"	The security sharing agreement by and among the Issuer, the Originators, the Guarantor, the Bond Trustee and the Custodian dated the Programme Establishment Date (as may be amended and/or restated and/or supplemented from time to time);
"Seller"	The Issuer, as Seller under the Hypothecary Loan Sale Agreement, any New Seller, or other party for whom Rating Agency Confirmation has been received, who may from time to time accede to the Hypothecary Loan Sale Agreement, and sell Loans and their Related Security and New Loans and their Related Security to the Guarantor;
"Seller Arranged Policy"	Any property insurance policy arranged by the Seller for the purposes of the Borrower insuring the Property for an amount equal to the full rebuilding cost of the Property;
"Series"	A Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
"Series Reserved Matter"	The meaning given to it in Condition 13 on page 129;
"Servicer"	The Issuer, in its capacity as servicer under the Servicing Agreement together with any successor servicer appointed from time to time;
"Servicer Deposit Threshold Ratings"	The meaning given to it in "*Summary of the Principal Documents*" on page 193;

"Servicer Event of Default"	The meaning given to it in "*Summary of the Principal Documents*" on page 195;
"Servicer Replacement Threshold Ratings"	The meaning given to it in "*Summary of the Principal Documents*" on page 193;
"Servicer Termination Event"	The meaning given to it in "*Summary of the Principal Documents*" on page 195;
"Servicing Agreement"	The servicing agreement by and among the Issuer, as Seller, Servicer and Cash Manager, the Guarantor and the Bond Trustee dated the Programme Establishment Date, as amended on December 21, 2017 (as may be amended and/or restated and/or supplemented from time to time);
"SFA"	The meaning given to it in "*Subscription and Sale and Transfer and Selling Restrictions*" on page 266;
"SOFR"	Secured Overnight Financing Rate;
"SONIA"	Sterling Overnight Index Average;
"SONIA Compounded Index"	The meaning given to it in Condition 5.03 on page 91;
"Specified Currency"	Subject to any applicable legal or regulatory restrictions, euro, Sterling, U.S. dollars, Canadian dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Issuing and Paying Agent and the Bond Trustee and specified in the applicable Final Terms;
"Specified Denomination"	In respect of a Series of Covered Bonds, the denomination or denominations of such Covered Bonds specified in the applicable Final Terms;
"Specified Interest Payment Date"	The meaning given to it in the applicable Final Terms;
"Standby Account Agreement"	The meaning given to it in "*Summary of the Principal Documents*" on page 217;
"Standby Account Depository Institution"	Royal Bank of Canada, in its capacity as Standby Account Depository Institution under the Standby Account Agreement, together with any successor Standby Account Depository Institution;
"Standby Account Depository Institution Notice"	The meaning given to it in "*Summary of the Principal Documents*" on page 217;
"Standby Account Depository Institution Ratings"	The threshold ratings P-1 (in respect of Moody's) and A or F1 (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of, in the case of Moody's, the short term deposit rating, and in the case of Fitch, the issuer default rating, in each case, of the Standby Account Depository Institution, or the Standby GIC Provider, as applicable, by the Rating Agencies;
"Standby GIC Account"	The meaning given to it in "*Summary of the Principal Documents*" on page 217;
"Standby GIC Provider"	Royal Bank of Canada, in its capacity as Standby GIC Provider under the Standby Guaranteed Investment Contract, together with any successor Standby GIC Provider;
"Standby Guaranteed Investment Contract"	The meaning given to it in "*Summary of the Principal Documents*" on page 218;
"Standby Transaction Account"	The meaning given to it in "*Summary of the Principal Documents*" on page 217;
"Subsequent CBS Downgrade Trigger Event"	The meaning given to it in "*Summary of the Principal Documents*" on page 215;
"Subsequent Downgrade Trigger Event"	Means a Subsequent CBS Downgrade Trigger Event or a Subsequent IRS Downgrade Trigger Event, as applicable;

"Subsequent IRS Downgrade Trigger Event" The meaning given to it in "*Summary of the Principal Documents*" on page 212;

"Subservicing Agreement" The subservicing agreement by and among the Originators, as subservicers, and the Issuer, as Seller, Servicer and Cash Manager, as amended on July 23, 2015 and December 21, 2017 (as the same may be further amended and/or restated and/or supplemented from time to time);

"Subsidiary" Any person which is for the time being a subsidiary (within the meaning of the *Canada Business Corporations Act* or the *Securities Act* (Québec), as applicable);

"Substitute Assets" The classes and types of assets from time to time eligible under the Covered Bond Legislative Framework and the CMHC Guide to collateralise covered bonds which, as of the date of this Base Prospectus, include the following: (a) securities issued by the Government of Canada, and (b) repos of Government of Canada securities having terms acceptable to CMHC; provided that the total exposure to Substitute Assets shall not exceed 10 per cent of the aggregate value of (x) the Loans and the Related Security; (y) any Substitute Assets; and (z) all cash held by the Guarantor (subject to the Prescribed Cash Limitation);

in each case, provided that:

(i) such exposures will have certain minimum long-term and short-term ratings from the Rating Agencies, as specified by such Rating Agencies from time to time;

(ii) the maximum aggregate total exposures in general to classes of assets with certain ratings by the Rating Agencies will, if specified by the Rating Agencies, be limited to the maximum percentages specified by such Rating Agencies; and

(iii) in respect of investments of Available Revenue Receipts in such classes and types of assets, the Interest Rate Swap Provider has given its consent to investments in such classes and types of assets;

"Swap Agreements" The Covered Bond Swap Agreement together with the Interest Rate Swap Agreement, and each a "**Swap Agreement**";

"Swap Collateral" At any time, any asset (including, without limitation, cash and/or securities) which is paid or transferred by a Swap Provider to the Guarantor (and not transferred back to the Swap Provider) as credit support to support the performance by such Swap Provider of its obligations under the relevant Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed; for greater certainty, Contingent Collateral shall at all times be excluded from Swap Collateral;

"Swap Collateral Excluded Amounts" At any time, the amount of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement at that time in satisfaction of the relevant Swap Provider's obligations to the Guarantor including Swap Collateral, which is to be returned to the relevant Swap Provider from time to time in accordance with the terms of the Swap Agreements and ultimately upon termination of the relevant Swap Agreement;

"Swap Provider Default" The occurrence of an Event of Default or Termination Event (each as defined in each of the Swap Agreements) where the relevant Swap Provider is the Defaulting Party or the sole Affected Party (each as defined in relevant Swap Agreement), as applicable, other than a Swap Provider Downgrade Event;

"Swap Provider Downgrade Event" The occurrence of an Additional Termination Event or an Event of Default (each as defined in the relevant Swap Agreement) following a failure by the Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the relevant Swap Agreement;

"Swap Providers"	Covered Bond Swap Provider and Interest Rate Swap Provider, and each a "**Swap Provider**";
"S&P"	S&P Global Ratings, a subsidiary of S&P Global, Inc., and any successors to its rating business;
"T2 Business Day"	The meaning given to it in Condition 5.09 on page 104;
"Talon"	The meaning given to it in Condition 1.06 on page 84;
"TEFRA"	The U.S. Tax Equity and Fiscal Responsibility Act of 1982;
"TEFRA C Rules"	U.S. Treasury regulation § 1.163-5(c)(2)(i)(C) as in effect prior to the repeal of section 163(f)(2)(B) of the Code pursuant to the Pre-HIRE Rules or any U.S. Treasury regulations identical or substantially similar thereto;
"TEFRA D Rules"	U.S. Treasury regulation § 1.163-5(c)(2)(i)(D) as in effect prior to the repeal of section 163(f)(2)(B) of the Code pursuant to the Pre-HIRE Rules or any U.S. Treasury regulations identical or substantially similar thereto;
"Temporary Global Covered Bond"	The meaning given to it in "*Form of the Covered Bonds*" on page 77;
"Terms and Conditions"	Terms and conditions of the Covered Bonds as described under "*Terms and Conditions of the Covered Bonds*" on page 81;
"Third Party Amounts"	Each of: (a) payments of insurance premiums, if any, due to the Seller in respect of any Seller Arranged Policy to the extent not paid or payable by the Seller (or to the extent such insurance premiums have been paid by the Seller in respect of any Further Advance which is not purchased by the Seller to reimburse the Seller); (b) amounts under an unpaid direct debit which are repaid by the Seller to the financial institution making such payment if the financial institution is unable to recoup that amount itself from its customer's account; (c) payments by the Borrower of any fees (including early repayment fees) and other charges which are due to the Seller; and (d) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service (including giving insurance cover) to any of that Borrower, the relevant Originator, the Seller or the Guarantor; which amounts may be paid daily from moneys on deposit in the Guarantor Accounts or the proceeds of the sale of Substitute Assets;
"Title VII"	Title VII of the Dodd-Frank Act;
"TLAC Guideline"	The meaning given to it in "*Fédération des caisses Desjardins du Québec*" on page 155;
"Toronto Business Days"	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;
"Total Credit Commitment"	The combined aggregate amount available to be drawn by the Guarantor under the terms of Intercompany Loan Agreement, subject to increase and decrease in accordance with the terms of the Intercompany Loan Agreement, which amount is initially C$32.5 billion as of the date of this Base Prospectus;
"Trading Value"	The value determined with reference to one of the methods set forth in (a) through (f) below which can reasonably be considered the most accurate indicator of institutional market value in the circumstances: (a) the last selling price; (b) the average of the high and low selling price on the calculation

date;

(c) the average selling price over a given period of days (not exceeding 30) preceding the calculation date;

(d) the close of day bid price on the calculation date (in the case of an asset);

(e) the close of day ask price on the calculation date (in the case of a liability);

(f) such other value as may be indicated by at least two actionable quotes obtained from appropriate market participants instructed to have regard for the nature of the asset or liability, its liquidity and the current interest rate environment,

plus accrued return where applicable (with currency translations undertaken using the average foreign exchange rates posted on the Bank of Canada website for the month in relation to which the calculation is made); provided that, in each case, the methodology selected, the reasons therefor and the determination of value pursuant to such selected methodology shall be duly documented;

"Tranche" or "Tranches" Means all Covered Bonds which are identical in all respects (including as to listing), and shall, where the context so requires, be deemed to refer to a Series of Definitive N Covered Bonds, provided that for greater certainty, Definitive N Covered Bonds are only issuable in Series;

"Transaction Account" The account (to the extent maintained) designated as such in the name of the Guarantor held with the Account Depository Institution and maintained subject to the terms of the Account Agreement and the Security Agreements or such other account as may for the time being be in place with the prior consent of the Bond Trustee and designated as such;

"Transaction Documents" Means collectively:

(a) the Hypothecary Loan Sale Agreement;

(b) each Origination Hypothecary Loan Sale Agreement;

(c) the Servicing Agreement;

(d) the Subservicing Agreement;

(e) the Asset Monitor Agreement;

(f) the Security Sharing Agreement;

(g) the Intercompany Loan Agreement;

(h) the Limited Partnership Agreement;

(i) the Cash Management Agreement;

(j) the Interest Rate Swap Agreement;

(k) the Covered Bond Swap Agreement;

(l) the Guaranteed Investment Contract;

(m) the Standby Guaranteed Investment Contract;

(n) the Account Agreement;

(o) the Standby Account Agreement;

(p) the Corporate Services Agreement;

(q) the Custodial Agreement;

(r) the Security Agreements (and any documents entered into pursuant to or in connection with the Security Agreements);

(s) the Trust Deed;

(t) the Agency Agreement;

(u) the Dealership Agreement;

(v) each set of Final Terms (as applicable in the case of each Tranche of listed Covered Bonds subscribed pursuant to a subscription agreement);

	(w) each subscription agreement (as applicable in the case of each Tranche of listed Covered Bonds subscribed pursuant to a subscription agreement); (x) each Definitive N Covered Bonds Deed; and (y) the Master Definitions and Construction Agreement.
"Transfer Agent"	Collectively, The Bank of New York Mellon, London Branch, The Bank of New York Mellon SA/NV, Luxembourg Branch and The Bank of New York Mellon together with any successors;
"Transfer Certificate"	The meaning given to it in Condition 2.11 on page 86;
"Transfer Date"	Each of the First Transfer Date and the date of transfer of any New Loans and their Related Security to the Guarantor in accordance with the Hypothecary Loan Sale Agreement;
"True Balance"	For any Loan as at any given date, the aggregate (but avoiding double counting) of: (a) the original principal amount advanced to the relevant Borrower and any further amount advanced on or before the given date to the relevant Borrower secured or intended to be secured by the related Hypothec; and (b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been properly capitalized in accordance with the relevant Hypothecary Loan Conditions or with the relevant Borrower's consent and added to the amounts secured or intended to be secured by that Loan and its Related Security; and (c) any other amount (including, for the avoidance of doubt, Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalized in accordance with the relevant Hypothecary Loan Conditions or with the relevant Borrower's consent but which is secured or intended to be secured by that Loan, as at the end of the Montréal Business Day immediately preceding that given date; *minus* (d) any repayment or payment of any of the foregoing made on or before the end of the Montréal Business Day immediately preceding that given date and excluding (i) any retentions made but not released and (ii) any Additional Loan Advances committed to be made but not made by the end of the Montréal Business Day immediately preceding that given date;
"Trust Deed"	The meaning given to it in "*Terms and Conditions of the Covered Bonds*" on page 81;
"UK"	United Kingdom;
"UK CRA Regulation"	The EU CRA Regulation as it forms part of United Kingdom domestic law by virtue of the EUWA;
"U.S. Exchange Agent"	The meaning given to it in "*Terms and Conditions of the Covered Bonds*" on page 81;
"U.S. holder"	The meaning given to it in "*Taxation*" on page 241;
"U.S. Registrar"	The meaning given to it in "*Terms and Conditions of the Covered Bonds*" on page 81;
"USD Benchmark Base Rate Modification Certificate"	The meaning given to it in Condition 13.02 on page 122;
"USD FX Rate"	The meaning given to it in Condition 9.14 on page 116;
"Valuation Calculation"	The meaning given to it in "*Description of the Canadian Registered Covered Bond Programs Regime"* on page 234;

"Variable Rate Bond"	The meaning given to it in "*Taxation – United States Federal Income Taxation – Variable Rate Debt Instruments*" on page 245;
"Versatile Account"	In respect of a Borrower, the Versatile LOCs extended to such Borrower pursuant to a Versatile Agreement and the Versatile Loans made to such Borrower, all of which are secured by the same Versatile Hypothec;
"Versatile Agreement"	With respect to any Borrower, the revolving credit contracts providing for the establishment of a home equity line of credit, together with any amendments, addendums and supplements thereto (including to provide for one or more Versatile Loans, each to be governed by a separate agreement);
"Versatile Hypothec"	A hypothec, collateral mortgage or other security interest, which is security for any Versatile Loan or Versatile LOC;
"Versatile Loan"	Each outstanding amortizing term loan due or owing under the relevant Hypothecary Loan Conditions by a Borrower on the security of a Versatile Hypothec from time to time outstanding, or, as the context may require, the Borrower's obligations in respect of the same;
"Versatile LOC"	Each outstanding home equity line of credit indebtedness created pursuant to a Versatile Agreement and any other indebtedness due or owing under the relevant Hypothecary Loan Conditions by a Borrower, which is not a Versatile Loan, on the security of a Versatile Hypothec from time to time outstanding, or, as the context may require, the Borrower's obligations in respect of the same;
"Versatile Purchaser"	Any owner of any Versatile LOC or Versatile Loan outstanding from time to time or any interest therein, including any person holding and/or having the benefit of a Versatile Hypothec, other than the Seller (or the applicable Originator) and the Guarantor; and
"Voluntary Overcollateralization"	The meaning given to it in "*Credit Structure"* on page 225;
"Zero Coupon Covered Bonds"	Covered Bonds which will be offered and sold at a discount to their nominal amount and which will not bear interest.

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC
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Canada G6V 7N5

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Canada M5K 1E6

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BOND TRUSTEE

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EUROPEAN EXCHANGE AGENT AND TRANSFER AGENT
ISSUING AND PAYING AGENT

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London EC4V 4LA
United Kingdom

EUROPEAN REGISTRAR AND TRANSFER AGENT

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L-2453 Luxembourg
R.C. Luxembourg No. B 67.654

U.S. REGISTRAR, U.S. TRANSFER AGENT, U.S. EXCHANGE AGENT AND PAYING AGENT

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to Desjardins Group

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Canada H3B 4Y1

LISTING AGENT

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Earlsfort Centre, Earlsford Terrace
Dublin 2, Ireland

1st BASE PROSPECTUS SUPPLEMENT DATED 27 FEBRUARY 2024

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

C$26,000,000,000
Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
CCDQ COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP
(*a limited partnership formed under the laws of Ontario*)

This base prospectus supplement dated 27 February 2024 (the "Supplement") to the base prospectus dated 19 December 2023 (the "Base Prospectus"), which comprises a base prospectus under Article 8 of the Prospectus Regulation for the Fédération des caisses Desjardins du Québec (the "Federation" or the "Issuer"), constitutes a supplement for purposes of Article 23 of the Prospectus Regulation and is prepared in connection with the C$26,000,000,000 Global Covered Bond Programme of the Federation, unconditionally and irrevocably guaranteed as to payments by CCDQ Covered Bond (Legislative) Guarantor Limited Partnership (the "Guarantor"), established by the Federation (the "Programme").

Terms defined in the Base Prospectus have the same meaning when used in this Supplement. This Supplement is supplemental to, and shall be read in conjunction with, the Base Prospectus. This Supplement has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation, as a base prospectus supplement for the purposes of Article 23 of the Prospectus Regulation. The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Covered Bonds by the Central Bank of Ireland. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.

The Federation and the Guarantor accept responsibility for the information in this Supplement. To the best of the knowledge of the Federation and the Guarantor, the information contained in this Supplement is in accordance with the facts and this Supplement contains no omission likely to affect its import.

The purpose of this Supplement is to (i) incorporate by reference in the Base Prospectus (a) the Desjardins Group's audited combined financial statements as at and for the year ended 31 December 2023, together with management's discussion and analysis thereof, and (b) the Federation's latest monthly investor reports for the months of December 2023 and January 2024 containing information on the Covered Bond Portfolio and (ii) update the no significant change and no material adverse change statements in relation to the 31 December 2023 results.

Save as disclosed in this Supplement, no significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Programme has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS SUPPLEMENTARY PROSPECTUS. THE COVERED BONDS

ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference in, the Base Prospectus, the statements in (a) above will prevail.

I. DOCUMENTS INCORPORATED BY REFERENCE

The following documents are, by virtue of this Supplement, incorporated in, and form part of, the Base Prospectus:

(a) the Desjardins Group's audited combined financial statements and management's discussion and analysis thereof as at and for the year ended 31 December 2023 (the "**DG 2023 Financial Results**") (https://www.desjardins.com/ressources/pdf/d50-etat-financier-mcd-2023-e.pdf) and (https://www.desjardins.com/ressources/pdf/d50-rapport-gestion-mcd-2023-e.pdf);

(b) the Federation's monthly (unaudited) Investor Report (https://www.desjardins.com/ressources/pdf/fcdq-monthly-investor-report-december-2023.pdf?resVer=1705328224000) containing information on the Covered Bond Portfolio as at the Calculation Date falling on 31 December 2023 (the "**December Investor Report**"); and

(c) the Federation's monthly (unaudited) Investor Report (https://www.desjardins.com/ressources/pdf/fcdq-monthly-investor-report-january-2024.pdf?resVer=1708008901000) containing information on the Covered Bond Portfolio as at the Calculation Date falling on 31 January 2024 (the "**January Investor Report**") (and together with the December Investor Report, the "**Investor Reports**").

A copy of each of the DG 2023 Financial Results and the Investor Reports has been filed with the Central Bank of Ireland.

To the extent that any document or information incorporated by reference in this Supplement, itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Supplement for the purposes of the Prospectus Regulation, except where such information or documents are stated within this Supplement as specifically being incorporated by reference or where this Supplement is specifically defined as including such information.

II. NO SIGNIFICANT CHANGE AND NO MATERIAL ADVERSE CHANGE STATEMENTS

Paragraph 4 under the heading "General Information" shall be updated as follows:

"There has been no significant change in the financial performance or financial position of the Desjardins Group since December 31, 2023 the last day of the financial period in respect of which the most recent audited published annual combined financial statements of Desjardins Group have been prepared, or of the Guarantor since July 3, 2013, being the date of its formation. There has been no material adverse change in the prospects of the Desjardins Group since December 31, 2023, the last day of the financial period in respect of which the most recent audited published annual combined financial statements of Desjardins Group have been prepared, or of the Guarantor since July 3, 2013, being the date of its formation."

Copies of this Supplement, the Base Prospectus and the documents incorporated by reference in either can be (i) viewed on the website of the Desjardins Group at http://www.desjardins.com/ca/about-us/investor-relations/annual-quarterly-reports/desjardins-group/index.jsp, (ii) viewed on the Issuer's website maintained in respect of the Programme in French at (a) https://www.desjardins.com/a-propos/relations-

investisseurs/investisseurs-titres-revenu-fixe/obligations-securisees-ccd-modalites-acces/index.jsp; and (b) in English at https://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/ccd-covered-bonds-terms-access/index.jsp, and (iii) obtained without charge from the Issuer at 1170 Peel Street, Suite 600, Montréal, Québec, Canada H3B 0B1 and the specified office of each Paying Agent set out at the end of the Base Prospectus.

Except as stated within this Supplement, neither the content of any website nor the content of any website accessible from hyperlinks within such website is incorporated by reference into, or forms part of, this Supplement.

2nd BASE PROSPECTUS SUPPLEMENT DATED 21 MARCH 2024

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

C$26,000,000,000
Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
CCDQ COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP
(*a limited partnership formed under the laws of Ontario*)

This base prospectus supplement dated 21 March 2024 (the "Supplement") to the base prospectus dated 19 December 2023, as supplemented by the 1st base prospectus supplement dated 27 February 2024 (collectively, the "Base Prospectus"), which comprises a base prospectus under Article 8 of the Prospectus Regulation for the Fédération des caisses Desjardins du Québec (the "Federation" or the "Issuer"), constitutes a supplement for purposes of Article 23 of the Prospectus Regulation and is prepared in connection with the C$26,000,000,000 Global Covered Bond Programme of the Federation, unconditionally and irrevocably guaranteed as to payments by CCDQ Covered Bond (Legislative) Guarantor Limited Partnership (the "Guarantor"), established by the Federation (the "Programme").

Terms defined in the Base Prospectus have the same meaning when used in this Supplement. This Supplement is supplemental to, and shall be read in conjunction with, the Base Prospectus. This Supplement has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation, as a base prospectus supplement for the purposes of Article 23 of the Prospectus Regulation. The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Covered Bonds by the Central Bank of Ireland. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.

The Federation and the Guarantor accept responsibility for the information in this Supplement. To the best of the knowledge of the Federation and the Guarantor, the information contained in this Supplement is in accordance with the facts and this Supplement contains no omission likely to affect its import.

The purpose of this Supplement is to incorporate by reference in the Base Prospectus (a) the Federation's annual information form for the year ended 31 December 2023 and (b) the Federation's latest monthly investor report for the month of February 2024 containing information on the Covered Bond Portfolio.

Save as disclosed in this Supplement, no significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Programme has arisen or been noted, as the case may be, since the publication of the 1st base prospectus supplement dated 27 February 2024.

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS SUPPLEMENTARY PROSPECTUS. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference in, the Base Prospectus, the statements in (a) above will prevail.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are, by virtue of this Supplement, incorporated in, and form part of, the Base Prospectus:

1. The Issuer's annual information form dated 12 March 2024 (https://www.desjardins.com/ressources/pdf/d50-notice-annuelle-fcdq-2023-t4-e.pdf?resVer=1710272086000) for the year ended 31 December 2023 (the "**2023 Annual Information Form**"); and

2. The Issuer's monthly (unaudited) Investor Report (https://www.desjardins.com/ressources/pdf/fcdq-monthly-investor-report-february-2024.pdf?resVer=1710245551000) containing information on the Covered Bond Portfolio as at the Calculation Date falling on 29 February 2024 (the "**February Investor Report**").

A copy of each of the 2023 Annual Information Form and the February Investor Report has been filed with the Central Bank of Ireland.

To the extent that any document or information incorporated by reference in this Supplement, itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Supplement for the purposes of the Prospectus Regulation, except where such information or documents are stated within this Supplement as specifically being incorporated by reference or where this Supplement is specifically defined as including such information.

Copies of this Supplement, the Base Prospectus and the documents incorporated by reference in either can be (i) viewed on the website of the Desjardins Group at http://www.desjardins.com/ca/about-us/investor-relations/annual-quarterly-reports/desjardins-group/index.jsp, (ii) viewed on the Issuer's website maintained in respect of the Programme in French at (a) https://www.desjardins.com/a-propos/relations-investisseurs/investisseurs-titres-revenu-fixe/obligations-securisees-ccd-modalites-acces/index.jsp; and (b) in English at https://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/ccd-covered-bonds-terms-access/index.jsp, and (iii) obtained without charge from the Issuer at 1170 Peel Street, Suite 600, Montréal, Québec, Canada H3B 0B1 and the specified office of each Paying Agent set out at the end of the Base Prospectus.

Except as stated within this Supplement, neither the content of any website nor the content of any website accessible from hyperlinks within such website is incorporated by reference into, or forms part of, this Supplement.


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