DEED OF HYPOTHEC

ON THIS twelfth (12) day of December, year two thousand and nineteen (2019).

BEFORE Me Melissa Amar, the undersigned Notary practising in the Province of Quebec in the City of Montreal.

APPEARED: **COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company formed under the laws of Canada, having a place of business at 1500 Robert-Bourassa Boulevard, Suite 700, Montréal, Québec, Canada, H3A 3S8, in its capacity as Bond Trustee, herein acting as hypothecary representative under Article 2692 of the *Civil Code of Québec*, for and on behalf of the holders of the Covered Bonds (as such term is hereinafter defined) and of the other Secured Creditors, and represented by Ana Kamami, its Associate Trust Officer and Nathalie Gagnon, its Manager, duly authorized for the purposes hereof as they so declare,

(in its aforesaid capacity, or any successor in such capacity, the "**Collateral Trustee**")

AND **CCDQ COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario, whose registered office is at 66 Wellington Street West, Suite 5300, Toronto, Ontario, M5K 1E6, and herein acting by its managing general partner, **CCDQ CB (LEGISLATIVE) MANAGING GP INC.** itself represented by Yassir Berbiche, its Secretary, duly authorized for the purposes hereof by a resolution of the board of directors duly adopted, a certified copy, extract or duplicate of which is annexed hereto after having been acknowledged as true and signed for the purpose of identification by the said representative in the presence of the undersigned Notary,

(including its successors, the "**Grantor**")

WHEREAS pursuant to the terms of that certain amended and restated trust deed entered into on December 19, 2018 among, *inter alia*, the Issuer, the Grantor and the Bond Trustee (as same may be further amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Trust Deed**"), the Issuer will create, execute and issue the Covered Bonds (as such term is defined in the Trust Deed), which Covered Bonds will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit from time to time, the whole as set forth in the Trust Deed (as amended, restated, renewed, re-issued, supplemented or otherwise modified from time to time, collectively, the "**Covered Bonds**");

WHEREAS an amended and restated master definitions and construction agreement entered into on December 19, 2018, among, *inter alia*, the Issuer, the Grantor and

the Bond Trustee (as same may be further amended, supplemented, restated, replaced or otherwise modified from time to time, the "**Master Definitions and Construction Agreement**"); unless otherwise defined herein, all capitalized terms when used herein (including in the recitals hereto, which form an integral part hereof) shall have the same meanings as ascribed thereto in the Master Definitions and Construction Agreement; and

WHEREAS the Grantor has agreed to execute and deliver the present deed (as amended, supplemented, restated, replaced or otherwise modified from time to time, "**this Deed**") in favour of the Collateral Trustee.

WHEREFORE, the parties hereto have agreed as follows in the presence of the said Notary:

1. SECURED OBLIGATIONS

1.1 Obligations

The Guarantor Hypothec (as hereinbelow defined) constituted by this Deed secures, without duplication, the payment and performance of the following obligations (hereinafter collectively called the "**Obligations**"):

1.1.1 all debts, liabilities and obligations of any and every kind, nature and description, whether, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time due or accruing due, owing by the Grantor to the Bond Trustee and any of the other Secured Creditors under the Transaction Documents to which it is a party, including, without limitation, under the Covered Bond Guarantee however or wherever incurred, and in any currency, and whether incurred by the Grantor alone or with another or others and whether as principal or surety;

1.1.2 the strict performance and observance by the Grantor of all agreements, warranties, representations, covenants, conditions and obligations (whether actual or contingent, whether now existing or hereafter arising, whether or not for the payment of money, and including, without limitation, any obligation or liability to pay damages) pursuant to or in connection with this Deed, as same may be amended, restated, replaced, supplemented or otherwise modified from time to time; and

1.1.3 the payment of all amounts payable hereunder and the legitimate costs (including, without limitation, all reasonable fees, charges and disbursements of counsel) that the Collateral Trustee may incur to recover the Obligations and preserve the Collateral (as such expression is hereinbelow defined).

2. HYPOTHEC

2.1 Amount of Hypothec

To secure the payment and performance of the Obligations, the Grantor hereby hypothecates (the hypothec constituted by this Deed hereinafter called the "**Guarantor Hypothec**"), in favour of the Collateral Trustee, the property described in Section 2.2 hereof for the following amounts:

2.1.1 an amount of SEVENTEEN BILLION FIVE HUNDRED MILLION CANADIAN DOLLARS (Cdn$17,500,000,000);

2.1.2 plus interest on such amount, calculated from the date of this Deed and compounded annually, at the rate of twenty-five percent (25 %) per annum.

2.2 Description of Collateral

The Guarantor Hypothec constituted by this Deed charges the universality of all of the Grantor's movable property, present and future, corporeal and incorporeal, of whatsoever nature and kind and wheresoever situated (hereinafter collectively called the "**Collateral**"), which includes, without limitation, the Covered Bond Portfolio, any other Loans and Related Security, Excess Proceeds received from the Bond Trustee pursuant to the Trust Deed, Substitute Assets and Transaction Documents that the Grantor may acquire from time to time and all funds being held for the account of the Grantor by its service providers and the amounts standing to the credit of the Grantor in the Guarantor Accounts and includes any and all of the Grantor's:

2.2.1 inventory, including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Grantor;

2.2.2 equipment, machinery, furniture, fixtures, plants, vehicles and other goods of every kind and description and all licences and other rights and all records, files, charts, plans, drawings, specifications, manuals and documents relating thereto;

2.2.3 claims or accounts due or accruing and all agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating thereto;

2.2.4 money, documents of title, chattel paper and instruments;

2.2.5 any and all securities (as defined in *An Act Respecting the Transfer of Securities and the Establishment of Security*

Entitlements (Quebec) or other similar legislation (as in effect from time to time, collectively, the "**STA**")), bills of exchange, notes, shares, warrants, bonds, debentures, interests or other equivalents (however designated) of capital stock of corporations, any and all equivalent or similar Equity Interests (including, without limitation, partnership interests and units in a trust or in a Person other than a corporation) and other securities considered or acknowledged as securities, financial assets and security entitlements (as such terms are defined in the STA), now or hereafter acquired or owned by or on behalf of the Grantor or in which the Grantor now or hereafter has an interest (collectively, the "**Pledged Securities**"), together with all renewals, additions, substitutions or exchanges from time to time in respect of any of the foregoing Pledged Securities, and all dividends, distributions, rights and other income (whether in the form of money, securities or any other property) derived in respect of the foregoing Pledged Securities or payable in connection therewith and all monies and property received or receivable in the nature of the return or repayment of capital in respect thereof;

2.2.6 incorporeal (intangible) property, including all hypothecs, security interests, goodwill, choses in action and other contractual benefits and all trademarks, trademark registrations and pending trademark applications, patents and pending patent applications and copyrights and other intellectual property (collectively, the "**Intellectual Property**");

2.2.7 to the fullest extent permitted by applicable law, all authorizations, permits, approvals, grants, licenses, consents, rights, franchises, privileges, orders, certificates, judgments, writs, injunctions, awards, determinations, directions, decrees, demands or the like issued or granted by law or by rule or regulation of any public body now or hereafter issued or granted to it;

2.2.8 substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in paragraphs 2.2.1 to 2.2.7 inclusive; and

2.2.9 proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in paragraphs 2.2.1 to 2.2.8 inclusive or the proceeds of such proceeds.

Until the Guarantor Hypothec shall have become enforceable after the occurrence of an Event of Default (as hereinafter defined) that is continuing, the grant of the Guarantor Hypothec in the Intellectual Property shall not affect in any way the Grantor's rights to commercially exploit the Intellectual Property, defend it, enforce the Grantor's rights in it or with

respect to it against third parties in any court or claim and be entitled to receive any damages with respect to any infringement of it.

2.3 **Interpretation**

The parties hereto acknowledge and confirm that:

2.3.1 the Guarantor Hypothec created on the Collateral pursuant to this Deed is not and shall not be construed as a floating hypothec within the meaning of Articles 2715 et seq. of the *Civil Code of Quebec* (as in effect from time to time, the "**Civil Code**");

2.3.2 the Guarantor Hypothec and rights hereby created in favour of the Collateral Trustee will not be extinguished, reduced, novated or otherwise affected by any payments made to or amounts received by the Collateral Trustee, directly or indirectly, from the Grantor or any other party or as a result of any insurance indemnities arising from loss or damage to any of the Collateral or by reason of the collection of any claims hypothecated hereunder; and

2.3.3 should the Obligations at any time be fully extinguished without an express discharge of the Guarantor Hypothec constituted by this Deed having been granted, and should any new Obligations arise, the security created hereunder will secure such new Obligations in the same manner and to the same extent as if there had never occurred an extinction of any of the Obligations and the Grantor is and shall remain obligated under the provisions hereof. The Grantor shall be deemed to have obligated itself for such new Obligations pursuant to the provisions hereof and the Guarantor Hypothec constituted by this Deed shall secure such new Obligations as contemplated by Article 2797 of the Civil Code.

3. INVESTMENTS IN SUBSTITUTE ASSETS

3.1 Notwithstanding the Guarantor Hypothec created by or pursuant to this Deed (and without prejudice to Section 10.5), the Cash Manager may, on behalf of the Grantor and the Collateral Trustee, invest in the name of the Grantor and the Collateral Trustee, monies standing from time to time to the credit of the Guarantor Accounts in Substitute Assets in accordance with the Cash Management Agreement and the Limited Partnership Agreement provided that:

3.1.1 any costs properly incurred by the Collateral Trustee in making and changing investments will be reimbursed to the Collateral Trustee by the Grantor; and

3.1.2 all income from and proceeds following the disposal or maturity of Substitute Assets shall be credited to the relevant Guarantor Account.

3.2 Notwithstanding the Guarantor Hypothec created by or pursuant to this Deed and Substitute Assets may, on any Montreal Business Day, be sold, redeemed, realized or otherwise disposed of, subject always to the other provisions of this Deed.

4. MANAGEMENT AND APPLICATION OF FUNDS

The Grantor shall take or cause to be taken such action as may from time to time be necessary on its part to ensure that the GIC Account (and/or, as applicable, the Standby GIC Account) shall from time to time be credited with all amounts received by the Grantor and falling within any of the following categories:

4.1 all Revenue Receipts and all Principal Receipts;

4.2 all Cash Capital Contributions;

4.3 amounts received by the Grantor pursuant to the Interest Rate Swap Agreement;

4.4 Excess Proceeds received from the Bond Trustee pursuant to the Trust Deed;

4.5 any other amount whatsoever received by or on behalf of the Grantor after the Programme Establishment Date (including, without limitation, any proceeds advanced to the Grantor under the Intercompany Loan Agreement where such proceeds have not been applied to acquire Loans and their Related Security, to refinance an existing Advance under the Intercompany Loan Agreement or invest in Substitute Assets);

4.6 the proceeds arising from the disposal of any Substitute Assets and any and all income or other distributions received by the Grantor in respect thereof or arising from the proceeds of any Substitute Assets; and

4.7 such other payments received by the Grantor as are, or ought in accordance with this Deed to be, comprised in the Collateral.

5. GRANTOR'S REPRESENTATIONS AND WARRANTIES

5.1 Grantor's Representations and Warranties

The Grantor hereby represents and warrants to the Collateral Trustee, acknowledging and confirming that the Collateral Trustee is relying thereon without independent inquiry, that as of the date hereof:

5.1.1 this Deed creates a valid first-ranking hypothec on the Collateral (subject only to Permitted Security);

5.1.2 the Grantor is in possession of the Collateral of which it is currently the owner and, where applicable, of any negotiable title documents representing the same;

5.1.3 the Grantor is the registered, legal and beneficial owner of the Pledged Securities and is the legal and beneficial owner of all other Collateral;

5.1.4 as of the date hereof, none of the claims forming part of the Collateral is secured by a registered hypothec except for the Loans and the Related Security;

5.1.5 as of the date hereof, the Grantor has no claim that is subject to the *Financial Administration Act* (Canada);

5.1.6 the Collateral is free and clear of all liens, hypothecs, mortgages, charges, security interests, claims, encumbrances or other similar rights or interests of any third parties other than those created in favour of the Collateral Trustee and other Permitted Security;

5.1.7 upon the registration of the hypothec created by this Deed at the RPMRR, registration will have been made in all public offices provided for under the laws of Quebec where such registration is necessary or desirable to render such hypothec opposable to third parties;

5.1.8 the address of the Grantor's domicile and head office is that given in the appearance section of this Deed;

5.1.9 the Collateral Trustee has obtained control (within the meaning of the Civil Code and the STA) of the Pledged Securities;

5.1.10 no Person other than the Collateral Trustee has control or has the right to obtain control (within the meaning of the Civil Code and the STA) of any of the Pledged Securities; and

5.1.11 no authorization, consent or approval from, or notice to, any Governmental Authority or other Person is or was necessary in connection with the execution and delivery of this Deed or the performance or enforcement of the Grantor's obligations hereunder, except as have been obtained, given or are in full force and effect unamended, at the date hereof and other than the registration referred to in Section 5.1.7 hereof.

6. GRANTOR'S UNDERTAKINGS

Subject to the provisions of the Limited Partnership Agreement, the Grantor covenants and agrees with the Collateral Trustee that it shall:

6.1 promptly inform the Collateral Trustee in writing of the acquisition by the Grantor of any movable property which is not adequately described in this Deed, and the Grantor will execute and deliver, at its own expense, from time to time amendments to this Deed or additional deeds or schedules as may be required by the Collateral Trustee in order that such movable property be subject to the Guarantor Hypothec;

6.2 duly and punctually pay and discharge all monies and liabilities whatsoever which now are or at any time hereafter may (whether before or after the Guarantor Hypothec has become enforceable pursuant to this Deed) become due and payable to the Collateral Trustee (whether for its own account or as mandatary and agent for the Secured Creditors) or any of the other Secured Creditors by the Grantor, whether actually or contingently, solely or jointly with one or more Persons and whether as principal or guarantor under or pursuant to this Deed or any other of the Transaction Documents; and

6.3 not do anything inconsistent with the Guarantor Hypothec or knowingly to prejudice the Guarantor Hypothec or the Collateral Trustee's interest therein.

7. PROVISIONS APPLICABLE TO THE HYPOTHEC ON CLAIMS

The following provisions apply to claims owed to the Grantor and hypothecated in favour of the Collateral Trustee.

7.1 Collection

Except for those claims consisting of securities pledged to the Collateral Trustee, the Grantor shall have authority to collect payments of interest and repayments of capital made on the claims included in the Collateral hypothecated in favour of the Collateral Trustee pursuant to this Deed, as they fall due. The Collateral Trustee may withdraw this authorization by written notice at any time upon the occurrence of an Event of Default (as hereinafter defined) and so long as same subsists.

The Collateral Trustee may, after the Guarantor Hypothec shall have become enforceable upon the occurrence of an Event of Default that is continuing, (i) notify any Person obligated on a hypothecated claim or any obligor on an instrument to make payments to the Collateral Trustee, whether or not the Grantor was previously making collections on such claims, chattel paper or instruments, and (ii) assume control of any proceeds arising from the Collateral. In such event, the Grantor undertakes to remit to the

Collateral Trustee, upon request, all titles, documents, registers, invoices and accounts evidencing the claims or relating thereto, whatever the nature of their medium and whatever the form in which they are accessible, whether written, graphic, taped, filmed, computerized, or other.

Any payment received by the Grantor on account of any hypothecated claim other than pursuant to the foregoing authorization shall be received for the Collateral Trustee's account, shall not entitle the Grantor to the amounts collected and shall be kept separate from the Grantor's other property at all times and remitted forthwith by the Grantor to the Collateral Trustee without compensation.

7.2 **Collateral Trustee's Rights**

The Collateral Trustee shall not be obliged to exercise its rights to the hypothecated claims or to ensure their recovery from the debtors, whether by legal proceedings or otherwise. Should the Collateral Trustee decide to collect the hypothecated claims, it shall be at liberty to negotiate such arrangements as it deems appropriate with the debtors or third parties, to enter into agreements with them with respect to the claims and any security securing the claims, and even to waive the claims and such security, the whole without the Grantor's consent or intervention, and the Collateral Trustee shall not thereby incur any liability toward or be accountable to the Grantor. Unless the Grantor so requests in writing, the Collateral Trustee shall not be obliged to inform the Grantor of any irregularity in the payment of any amounts due on the claims. Apart from its obligation to remit to the Grantor any sums collected over and above the amount of the Obligations in principal, interest and costs, the Collateral Trustee shall not be accountable to the Grantor with respect to the status of the collections made or any transactions and arrangements entered into.

7.3 ***Financial Administration Act*** **(Canada)**

Where any of the claims are subject to the provisions of the *Financial Administration Act* (Canada), the Grantor hereby sells, assigns and transfers the same absolutely to the Collateral Trustee so that, upon a withdrawal of authorization as referred to in paragraph 7.1 hereof, the Collateral Trustee shall be free to complete the formalities required to make such assignment fully enforceable.

8. PROVISIONS APPLICABLE TO THE HYPOTHEC ON THE PLEDGED SECURITIES

The following provisions apply to the Pledged Securities of the Grantor included in the Collateral.

8.1 **Interpretation**

No provision of this Section 8 shall limit the Collateral Trustee's rights and remedies under Section 7 hereof with respect to any claim that may also constitute a Pledged Security.

8.2 **Delivery**

With respect to any Pledged Security that is a certificated security, until further notice by the Collateral Trustee, any certificate representing such Pledged Security may remain registered in the name of the Grantor, provided that the Grantor shall promptly at the request and pursuant to the direction of the Collateral Trustee (in the Collateral Trustee's sole discretion) either duly endorse such certificate in blank for transfer or execute a stock transfer power of attorney in respect thereof; in either case with signatures guaranteed and with all documentation being in form and substance satisfactory to the Collateral Trustee and any transfer agent appointed from time to time in respect of such Pledged Security.

With respect to any Pledged Security that is an uncertificated security, the Grantor shall enter into, and cause the issuer thereof to enter into, such custodial, control or other agreements as the Collateral Trustee requires, including the taking of any steps to provide the Collateral Trustee with control (within the meaning of the Civil Code and the STA) over such Pledged Security. Notwithstanding the foregoing, at any time and from time to time upon request by the Collateral Trustee (in the Collateral Trustee's sole discretion), the Grantor shall cause any or all of the Pledged Securities to be issued and registered in the name of the Collateral Trustee or its nominee, and the Collateral Trustee is hereby appointed the irrevocable attorney (coupled with an interest) of the Grantor with full power of substitution to cause any or all of the Pledged Securities to be issued and registered in the name of the Collateral Trustee or its nominee.

The Grantor shall hold its security entitlements (as defined in the STA) in a securities account that (i) is maintained in the name of the Grantor at an office of a securities intermediary located in the Province of Quebec, and (ii) together with all financial assets (as defined in the STA) credited thereto and all related security entitlements, is subject to a Securities Account Control Agreement (as defined below) among the Grantor, the Collateral Trustee and such securities intermediary (a "**Controlled Securities Account**"). The Grantor shall, at the request of the Collateral Trustee (in the Collateral Trustee's sole discretion), (i) enter into and cause any securities intermediary holding a securities account in respect of Pledged Securities to enter into a securities account control agreement in form and substance satisfactory to the Collateral Trustee acting reasonably (a "**Securities Account Control Agreement**") in respect of all Pledged Securities constituting security entitlements of the Grantor, and (ii) deliver each such

Securities Account Control Agreement to the Collateral Trustee. The Grantor shall cause all Pledged Securities underlying any security entitlements acquired by the Grantor after the date hereof to be credited to a Controlled Securities Account.

8.3 **Voting, Dividends, etc.**

Until the Guarantor Hypothec has become enforceable after the occurrence of an Event of Default that is continuing, the Grantor shall be entitled to vote the Pledged Securities and to give consents, ratifications or waivers and to receive all cash dividends in respect of the Pledged Securities. Upon a Guarantor Acceleration Notice being served, all rights of the Grantor to vote the Pledged Securities and to give consents, ratifications or waivers and to receive dividends in respect of the Pledged Securities shall cease and all such rights shall become vested solely and absolutely in the Collateral Trustee.

Any dividends received by the Grantor contrary to this Section 8.3 or any other money or property which may be received by the Grantor at any time for, or in respect of, the Pledged Securities shall be received as mandatary for the Collateral Trustee and shall be immediately paid over to the Collateral Trustee.

8.4 **Standard of Care**

Prior to the service of a Guarantor Acceleration Notice, the Collateral Trustee shall be bound to exercise in the physical keeping of any of the Pledged Securities only the same degree of care as it would exercise in respect of its own securities, negotiable collateral or other investment property kept at the same place.

Unless a Guarantor Acceleration Notice has been served, the Collateral Trustee shall not have any right to the collection of dividends on, or exercise any option or right (including any right to vote, give consents, ratifications or waivers) in connection with, any Pledged Securities. The Collateral Trustee need not protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

9. DEFAULT

9.1 **Enforcement**

The Guarantor Hypothec shall be and become enforceable against the Grantor upon the occurrence and during the continuance of any of the following events (each, an "**Event of Default**"):

9.1.1 upon a Guarantor Acceleration Notice being served on the Grantor; or

9.1.2 if there are no Covered Bonds outstanding following:

9.1.2.1 the non-payment when due, whether by acceleration or otherwise, of any Obligations or the failure of the Grantor to observe or perform any obligation, covenant, term, provision or condition contained in this Deed or any other Transaction Document to which it is a party which is not remedied within thirty (30) days after notice has been given by the Collateral Trustee to the Grantor specifying such default and requiring the Grantor to remedy same;

9.1.2.2 the occurrence of a bankruptcy or insolvency of the Grantor or if the Grantor is insolvent within the meaning of the *Bankruptcy and Insolvency Act* (Canada);

9.1.2.3 the filing against the Grantor of an application for a bankruptcy order, the making of a compromise, arrangement or an assignment for the benefit of creditors by the Grantor, the appointment of a receiver, interim receiver, trustee or similar official for the Grantor or for any assets of the Grantor or the institution by or against the Grantor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), or similar statute in Canada or any other applicable law, and if involuntary, which is not contested in good faith and vacated, discharged or stayed within thirty (30) days, provided that no order is made granting relief;

9.1.2.4 the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Grantor and if involuntary, which is not contested in good faith and vacated, discharged or stayed within thirty (30) days, provided that no order is made granting relief;

9.1.2.5 any Security, ownership interest, right of compensation or other right of claim of any Person affecting the Collateral becomes enforceable against the Collateral; or

9.1.3 the Grantor ceasing or threatening to cease to carry on business or committing or threatening to commit an act of bankruptcy.

9.2 **Notice to Enforce**

The Collateral Trustee shall, if reasonably practicable, give prior notification to the Seller of the Collateral Trustee's intention to enforce the Guarantor Hypothec, provided always that the failure of the Collateral Trustee to provide such notification shall not prejudice the ability of the Collateral Trustee to enforce the Guarantor Hypothec.

9.3 **Guarantor Acceleration Notice**

Without prejudice to the effectiveness of any service of the Guarantor Acceleration Notice, as soon as is reasonable thereafter, the Collateral Trustee shall serve a copy of any Guarantor Acceleration Notice on each of the Secured Creditors, the Grantor, the Rating Agencies and the Asset Monitor.

9.4 **Knowledge of Collateral Trustee of a Guarantor Event of Default**

The Collateral Trustee will be deemed not to have knowledge of the occurrence of a Guarantor Event of Default or Potential Guarantor Event of Default unless the Collateral Trustee has received written notice from the Grantor (or on its behalf) or a Secured Creditor stating that a Guarantor Event of Default or Potential Guarantor Event of Default has occurred and describing that Guarantor Event of Default.

9.5 **Discretionary Enforcement**

Subject to the provisions of this Deed, the Collateral Trustee may at any time, at its discretion and without notice, take such proceedings and/or other action as it may think fit against, or in relation to, the Grantor or any other Person to enforce their respective obligations under or pursuant to this Deed or any other Transaction Document. Subject to the provisions of this Deed, at any time after the Guarantor Hypothec has become enforceable, the Collateral Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce such Guarantor Hypothec.

9.6 **Mandatory Enforcement**

The Collateral Trustee shall not be bound to take any steps to enforce any provision of this Deed or to institute any proceedings or to enforce the Guarantor Hypothec unless the Collateral Trustee:

9.6.1 shall have been directed to do so 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 provided in Condition 7.03) or requested to do so in writing by the holders of not less than 25% in aggregate Principal Amount Outstanding of the Covered Bonds of all Series (taken together and converted into euros at the rate specified in the applicable Final Terms in accordance with Condition 7.03) then outstanding; and

9.6.2 shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable and all Liabilities which it may incur by so doing and the terms of such indemnity may include the provision of a fighting fund, non-recourse loan or other similar arrangement.

9.7 **Mandatory Other Action**

The Collateral Trustee shall not be bound to take any other steps (other than the steps referred to in Section 9.6 above) under or pursuant to this Deed or any of the other Transaction Documents unless the Collateral Trustee shall have been directed to do so by an Extraordinary Resolution of the Holders of Covered Bonds of the relevant one or more Series (with Covered Bonds of such Series taken together as a single Series (if more than one Series) and converted, if applicable, into euros at the rate specified in the applicable Final Terms) or requested to do so in writing by the holders of not less than 25% in aggregate Principal Amount Outstanding of the Covered Bonds then outstanding of the relevant one or more Series (taken together and converted in to Euros as aforesaid); and shall have been indemnified and/or secured to its satisfaction as aforesaid.

9.8 **Disposal of Collateral**

Notwithstanding the other provisions of this Section 9, if the Guarantor Hypothec has become enforceable otherwise than by reason of a default in payment of any amount due on the Covered Bonds, the Collateral Trustee will not be entitled to dispose of any of the Collateral unless either a sufficient amount would be realised to allow discharge in full of all amounts owing to the Holders of Covered Bonds or the Collateral Trustee is of the sole opinion, which shall be binding on the Collateral Trustee, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers reasonably selected by the Collateral Trustee for the purpose of giving such advice), that the cash flow prospectively receivable by the Grantor will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Grantor, to discharge in full in due course all amounts owing to the Holders of Covered Bonds. The fees and expenses of the aforementioned financial adviser or other

professional adviser selected by the Collateral Trustee shall be paid by the Grantor.

9.9 **Payment of Monies After Service of a Guarantor Acceleration Notice**

From and including the time when the Collateral Trustee serves a Guarantor Acceleration Notice on the Grantor, no amount may be withdrawn from the Guarantor Accounts without the prior written consent of the Collateral Trustee.

Any and all moneys received or recovered (excluding all amounts due or to become due in respect of any Third Party Amounts) by the Collateral Trustee (or a receiver appointed on its behalf in accordance with this Deed) following the service of a Guarantor Acceleration Notice and enforcement of the Guarantor Hypothec, shall be held by it as mandatary and agent in the Guarantor Accounts to be applied by the Collateral Trustee (or a receiver appointed on its behalf in accordance with this Deed) in accordance with 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).

10. REMEDIES

10.1 **Remedies**

The Collateral Trustee may, upon the occurrence of an Event of Default that is continuing, exercise, at its discretion, without restriction and without any prior notice other than such notices as are required by law, any rights and remedies which it has pursuant to this Deed, at law or under any other Transaction Document, including, in particular, the following hypothecary rights:

- taking of possession for purposes of administration;
- taking in payment;
- sale by the creditor;
- sale by judicial authority.

10.2 **Collateral Trustee's Additional Rights**

Irrespective of the particular remedy exercised by the Collateral Trustee upon the occurrence of an Event of Default that is continuing, the following provisions shall apply in addition to any provisions that may by law apply in the circumstances, the Grantor expressly agreeing thereto:

10.2.1 the Grantor undertakes to voluntarily surrender the Collateral to the Collateral Trustee upon request, and agrees not to put any impediment in the way of, but rather to facilitate by all legal means, the exercise of the powers

hereby granted to the Collateral Trustee and not to interfere therewith; in addition, the Collateral Trustee may, but shall not be obliged to, conduct a verification of the Collateral, assemble or move any of such property or take proceedings or do or take any act or action in relation to the Collateral that it may deem advisable, the whole at the Grantor's expense;

10.2.2 the Collateral Trustee may, in addition, at its discretion and at the Grantor's expense, whether after the Grantor has surrendered the Collateral and until the Collateral Trustee has exercised the hypothecary right which it intends to exercise, or whether after the Collateral Trustee has chosen to take possession of the Collateral for purposes of administration, use or operate all or any part of the Collateral (without being obliged to make such property productive), change the destination of or alienate such property by onerous title (except for Collateral of little value) or charge such property with a hypothec or other real right, enter into or renew any leases for such amounts and on such terms and conditions as the Collateral Trustee deems appropriate, make any repairs or renovations or undertake or complete any work;

10.2.3 the Collateral Trustee may, in the exercise of its rights, renounce any right relating to the Collateral belonging to the Grantor, even where no valuable consideration is received;

10.2.4 the Collateral Trustee shall not be bound to make an inventory or furnish other security to secure the performance of its obligations;

10.2.5 the Collateral Trustee may, at its discretion, take possession, through its officers, agents or mandataries, of all or any part of the Collateral, with full power to carry on, manage and conduct the Grantor's business relating to the Collateral; the Collateral Trustee may use the Collateral or any information that it obtains by reason of its administration for its own benefit;

10.2.6 the Grantor, through its representatives, shall forthwith execute such documents and transfers as may be necessary to place the Collateral Trustee in legal possession of the Collateral and the business of the Grantor in connection therewith;

10.2.7 the Collateral Trustee shall not be obliged to render an account with respect to its actions in the exercise of its hypothecary rights, except as stipulated by law. Should the Collateral Trustee see fit to render an account, it may do so in summary fashion;

10.2.8 for the purpose of exercising any of its rights, the Collateral Trustee may make use of any premises on which the Collateral is located, the whole at the Grantor's expense;

10.2.9 the Collateral Trustee may, at its discretion, decide to sell and dispose of the Collateral as a whole or in separate parcels, by tender, public auction or private contract, on such date and on such terms and conditions as the Collateral Trustee may stipulate, after giving such prior notices as are required by Articles 2784 and following of the Civil Code, and the Collateral Trustee may make such sale for cash or credit upon such reasonable conditions as to upset or reserve bid or price and as to terms of payment as it may deem proper, and may rescind or vary any contract of sale that may have been entered into and resell such property under any of the powers conferred by this Deed, adjourn any such sale from time to time and execute and deliver to the purchaser or purchasers of the said property or any part thereof good and sufficient deed or deeds for the same, the Grantor hereby giving the Collateral Trustee an irrevocable power of attorney for the purpose of making such sale and executing such deeds, and any such sale made as aforesaid shall be a perpetual bar in law and in equity against the Grantor and its assigns and against any other Persons who may claim the said property or any part thereof from the Grantor or its assigns;

10.2.10 the Collateral Trustee, or its mandataries, agents or representatives, may become purchasers at any sale of the Collateral, whether made under the power of sale herein contained or pursuant to foreclosure or other legal proceedings;

10.2.11 if the Collateral Trustee elects to exercise its right to take in payment the Collateral and the Grantor requires that the Collateral Trustee instead sell, by itself or under judicial authority, the Collateral on which such right is exercised, the Grantor hereby acknowledges that the Collateral Trustee shall not be bound to abandon its recourse of taking in payment unless, prior to the expiry of the time period allocated for surrender, the Collateral Trustee (i) has been granted a security satisfactory to it, to ensure that the proceeds of the sale of the Collateral will be sufficient to pay the Obligations in full, (ii) has been reimbursed for all reasonable costs and expenses incurred in connection with this Deed and (iii) has been advanced the necessary sums for the sale of said Collateral; the Grantor further acknowledges that the Collateral Trustee alone is entitled to select the type of sale it may wish to conduct or have conducted;

10.2.12 the Collateral Trustee may exercise all voting rights attached to the Pledged Securities (whether or not registered in the name of the Collateral Trustee or its nominee) and give or withhold all consents, waivers and ratifications in respect thereof, collect and receive dividends and other distributions relating thereto and otherwise act with respect thereto as though it were the absolute owner thereof;

10.2.13 the Collateral Trustee may deal with any security entitlements, securities accounts and securities intermediaries holding security entitlements as if it were the entitlement holder thereof, including making such entitlement orders as it deems appropriate and instructing any such securities intermediary to transfer the securities accounts held in any Controlled Securities Accounts into an account in the name of the Collateral Trustee or as it may direct;

10.2.14 the Collateral Trustee may exercise any and all rights of redemption, conversion, exchange, sale, subscription or any other rights, privileges or options pertaining to any of the Pledged Securities as if it were the absolute owner thereof, including, without limitation, the right to exchange at its discretion any and all of the Pledged Securities upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any of the Pledged Securities, and in connection therewith, to deposit and deliver or direct the sale or other disposition of any of the Pledged Securities with any committee, depositary, securities intermediary, clearing house, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine, all without liability except to account for property actually received by it;

10.2.15 the Collateral Trustee may appoint by instrument in writing a receiver or receiver and manager (both of which are herein called a "Receiver") of all or any part of the Collateral or may institute proceedings in any court of competent jurisdiction for the appointment of such a Receiver. Any such Receiver is hereby given and shall have the same powers and rights and exclusions and limitations of liability as the Collateral Trustee has under this Deed or at law. In exercising any such powers, any such Receiver shall, to the extent permitted by law, act as and for all purposes shall be deemed to be the mandatary and agent of the Grantor and the Collateral Trustee shall not be responsible for any act or default of any such Receiver. The Collateral Trustee may appoint one or more

Receivers hereunder and may remove any such Receiver or Receivers and appoint another or others in his or their stead from time to time. Any Receiver so appointed may be an officer or employee of the Collateral Trustee. A court need not appoint, ratify the appointment by the Collateral Trustee of or otherwise supervise in any manner the actions of any Receiver; and

10.2.16 for the purposes of enabling the Collateral Trustee to exercise rights and remedies under Section 10.2 hereof (including, without limiting the terms of Section 10.2 hereof, in order to take possession of, hold, preserve, process, assemble, prepare for sale, market for sale, sell or otherwise dispose of the Collateral) at such time as the Collateral Trustee shall be lawfully entitled to exercise such rights and remedies, the Grantor hereby grants to the Collateral Trustee an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantor) to use, license or sublicense any Intellectual Property now owned or hereafter acquired by the Grantor, and wherever the same may be located, and including such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

10.3 **Power to Insure**

The Collateral Trustee shall have the power to insure against any liabilities or obligations arising:

10.3.1 as a result of the Collateral Trustee acting or failing to act in a certain way (other than which may arise from its negligence or gross or intentional fault or that of its officers or employees);

10.3.2 as a result of any act or failure to act by any Person or Persons to whom the Collateral Trustee has delegated any of its trusts, rights, powers, duties, authorities or discretions, or appointed as its mandatary and agent (other than which may arise from such Person's negligence or gross or intentional fault);

10.3.3 in connection with the Collateral; or

10.3.4 in connection with or arising from the enforcement of the Guarantor Hypothec created by or pursuant to this Deed.

The Collateral Trustee shall not be under any obligation to insure in respect of such liabilities and/or obligations or to require any other Person to maintain insurance, but to the extent that it does so, the Grantor shall quarterly and on written request pay all insurance

premiums and expenses which the Collateral Trustee may properly incur in relation to such insurance. If the Grantor fails to pay such premiums or expenses or to reimburse the Collateral Trustee therefor, the Collateral Trustee shall be entitled to be indemnified out of the Collateral in respect thereof and, where a Guarantor Acceleration Notice has been served, the indemnification of the Collateral Trustee in respect of all such insurance premiums and expenses shall be payable in priority to payments to the Holders of the Covered Bonds and all other Secured Creditors and otherwise in accordance with this Deed.

10.4 **Enforcement When Not All Amounts Due and Payable**

If the Collateral Trustee enforces the Guarantor Hypothec at a time when either no amounts or not all amounts owing in respect of the Obligations have become due and payable, the Collateral Trustee (or a receiver appointed by it in accordance with this Deed) may, for so long as no such amounts or not all such amounts have become due and payable, pay any monies referred to in Section 9.9 into, and retain such monies in, an interest-bearing account (a "**Retention Account**") to be held by it as security and applied by it in accordance with Section 9.9 as and when any of the amounts referred to therein become due and payable.

10.5 **Standards of Sale**

Without prejudice to the ability of the Collateral Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Grantor acknowledges that a disposition of Collateral by the Collateral Trustee which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

10.5.1 the Collateral may be disposed of in whole or in part;

10.5.2 the Collateral may be disposed of by public auction, public tender, private contract or any other means, with or without advertising and without any other formality;

10.5.3 any assignee of such Collateral may be the Collateral Trustee or a customer of the Collateral Trustee;

10.5.4 any sale conducted by the Collateral Trustee shall be at such time and place, on such notice and in accordance with such procedures as the Collateral Trustee, in its sole discretion, may deem advantageous;

10.5.5 any of the Pledged Securities may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including, without limitation, compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the

prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Pledged Securities) or in order to obtain any required approval of the disposition (or of the resulting purchase) of any Governmental Authority;

10.5.6 a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Collateral Trustee, in its sole discretion, may deem advantageous; and

10.5.7 the Collateral Trustee may establish an upset or reserve bid or price in respect of any Collateral.

11. THE COLLATERAL TRUSTEE

11.1 Hypothecary Representative

The Collateral Trustee shall hold the Guarantor Hypothec constituted by this Deed for the benefit of the holders from time to time of the Covered Bonds and of the other Secured Creditors and shall act as their agent in the exercise of the rights conferred hereunder. The Collateral Trustee shall be considered a hypothecary representative of the holders of the Covered Bonds and of the other Secured Parties within the meaning of Article 2692 of the Civil Code. The Collateral Trustee may perform any act necessary to the fulfillment of its duties.

11.2 Habendum

The Collateral Trustee shall have and hold the Guarantor Hypothec constituted by this Deed and all rights hereby conferred unto the Collateral Trustee for the benefit and security of all the holders of the Covered Bonds and of the other Secured Creditors.

11.3 Liability of Collateral Trustee

The Collateral Trustee shall not be liable for material injuries resulting from its fault, unless such fault is gross or intentional. The Collateral Trustee shall not be responsible for any loss occasioned by its taking possession of the Collateral or enforcing the terms of this Deed, nor for any neglect, failure or delay in exercising or enforcing any of its rights and recourses, nor for any act, default or misconduct of any mandatary, agent, broker, officer, employee or other party acting for or on behalf of the Collateral Trustee. The Collateral Trustee shall be accountable only for such monies as it shall actually receive.

11.4 **Dealings by Third Parties**

No Person dealing with the Collateral Trustee or a mandatary, agent or receiver shall be required to determine (i) whether the Guarantor Hypothec has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Collateral Trustee by the Grantor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Collateral Trustee with the Collateral, or (vi) how any money paid to the Collateral Trustee has been applied.

Any purchaser of any of the Pledged Securities from the Collateral Trustee shall hold the Pledged Securities absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Grantor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser, all rights of redemption, stay or appraisal which the Grantor has or may have under any rule of law or statute now existing or hereafter adopted.

11.5 **Possession or Production of the Covered Bonds Not Required**

All rights of action under this Deed may be enforced by the Collateral Trustee without the possession of any of the Covered Bonds or the production thereof at trial or in other proceedings relevant thereto.

11.6 **Exclusive Right to Act**

No holder of the Covered Bonds or any other Secured Creditor may exercise individually any rights conferred on the Collateral Trustee (unless the Collateral Trustee is also the sole holder of all of the Covered Bonds or as permitted by this Deed or any other Transaction Document).

11.7 **Delegation by Collateral Trustee**

The Collateral Trustee may delegate the exercise of its rights or the performance of its obligations hereunder, to another Person, including a holder of the Covered Bonds. In that event, after obtaining such written assurances regarding the confidentiality thereof as the Collateral Trustee considers reasonably satisfactory, the Collateral Trustee may furnish that Person with any information it may have concerning the Grantor or the Collateral. The Collateral Trustee shall not be responsible for damages resulting from such delegation from any fault committed by such delegate.

11.8 **Collateral Trustee to Exercise Reasonable Diligence**

The Collateral Trustee shall only be accountable for reasonable diligence in the exercise of its functions under this Deed and shall only be liable for its own intentional or gross fault.

11.9 **Absolute Discretion of Collateral Trustee**

The Collateral Trustee, except as otherwise provided in this Deed, shall, as regards all the powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode and time for the exercise thereof, and in the absence of gross or intentional fault, it shall be in no way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non exercise thereof.

11.10 **No Liability for Title Defects**

The Collateral Trustee shall not be liable for or by reason of any failure or defect of title to or any priority, prior claim, hypothec, servitude, or other charge upon the Collateral, or for or by reason of the statements of facts or recitals contained in this Deed, in the Covered Bonds, or in any other Transaction Document, or be required to verify the same; but all such statements and recitals are and shall be deemed to have been made by the Grantor only, and it shall not be the duty of the Collateral Trustee, and nothing contained in this Deed shall in any way impose any obligation upon the Collateral Trustee to insure or keep insured, against loss or damage by fire or otherwise, the Collateral or any part thereof or to keep itself informed or advised as to the payment by the Grantor of any taxes or assessments or premiums of insurance or other payments which the Grantor should make.

11.11 **Investment of Collateral**

The Collateral Trustee shall be free to invest any monies or instruments received or held by it pursuant hereto or to deposit same in a non interest bearing account without having to comply with any provisions of the Civil Code concerning the investment of the property of others to the extent permitted under, and subject to the terms of, this Deed and the other Transaction Documents.

11.12 **Compensation and Set Off**

The Collateral Trustee may at any time after the Guarantor Hypothec shall have become enforceable upon the occurrence of an Event of Default that is continuing (without notice and notwithstanding any settlement of account or other matter whatsoever) combine or consolidate all or any existing accounts of the Grantor whether in its own name or jointly with others and held by it or any Secured Creditor and may set-off, compensate or

transfer all or any part of any credit balance or any sum standing to the credit of any such account (whether or not the same is due to the Grantor from the Collateral Trustee or relevant Secured Creditor and whether or not the credit balance and the account in debit or the Obligations are expressed in the same currency in which case the Collateral Trustee is hereby authorized to effect any necessary conversions at its prevailing rates of exchange) in or towards satisfaction of any of the Obligations and may in its absolute discretion estimate the amount of any liability of the Grantor which is contingent or unascertained and thereafter set-off or compensate such estimated amount and no amount shall be payable by the Collateral Trustee to the Grantor unless and until all Obligations have been ascertained and fully repaid or discharged.

11.13 **Extensions**

The Collateral Trustee may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Grantor, with other parties and with the Collateral transferred hereby as the Collateral Trustee may see fit without prejudice to the liability of the Grantor or to the Collateral Trustee's rights pursuant to this Deed.

11.14 **Recourses Cumulative**

The rights and recourses of the Collateral Trustee pursuant to this Deed are cumulative and do not exclude any other rights and recourses which the Collateral Trustee might have. No omission or delay on the part of the Collateral Trustee in the exercise of any right shall have the effect of operating as waiver of such right. The partial or sole exercise of a right or power will not prevent the Collateral Trustee from exercising thereafter any other right or power.

11.15 **Benefit of Deed**

The rights hereby conferred upon the Collateral Trustee shall benefit all of its successors, including any entity resulting from the merger of the Collateral Trustee with any other Person or Persons, and any entity that succeeds the Collateral Trustee as Collateral Trustee.

11.16 **Risk of Funds**

None of the provisions contained in this Deed shall require the Collateral Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it believes that repayment of such funds or adequate indemnity against such risk or liability is not assured to it, provided that the Collateral Trustee shall, forthwith upon making such a determination, deliver notice

of the same to the Secured Creditors and the Grantor, which notice shall include the grounds for such belief.

11.17 **Clerical Errors**

The Collateral Trustee may correct any clerical error in this Deed and shall promptly provide the Grantor with a written notice advising of such correction

12. SUPPLEMENTAL PROVISIONS REGARDING THE COLLATERAL TRUSTEE

12.1 **Consent of Collateral Trustee**

If a request in writing is made to the Collateral Trustee by the Grantor or any other Person to give its consent to any event, matter or thing, then:

12.1.1 if a Transaction Document specifies that the Collateral Trustee is required to give its consent to that event, matter or thing if certain specified conditions are satisfied in relation to that event, matter or thing, then the Collateral Trustee shall give its consent to that event, matter or thing upon being satisfied acting reasonably that those specified conditions have been satisfied; and

12.1.2 in any other case, the Collateral Trustee may give its consent if to do so would not, based on an opinion of counsel, be materially prejudicial to the interests of any of the Holders of the Covered Bonds.

12.2 **Interests of Secured Creditors**

Where the Collateral Trustee is required to have regard to the interests of any Secured Creditor (other than the Holders of the Covered Bonds), the Collateral Trustee may consult with such Secured Creditor and may rely on the written opinion of such Secured Creditor as to whether any act, matter or thing is or is not materially prejudicial to the interests of such Secured Creditor.

12.3 **Modification to Transaction Documents**

12.3.1 Subject to Section 12.3.2 and Section 12.3.3 below, the Collateral Trustee may from time to time and at any time without any consent or sanction of the Secured Creditors (other than any Secured Creditor who is a party to the relevant document) concur with any Person in making or sanctioning any modification (subject to any modification relating to a Series Reserved Matter):

12.3.1.1 to the Covered Bonds of any one or more Series, the related Receipts and/or Coupons

or any of the Transaction Documents, provided that the Collateral Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Holders of Covered Bonds of any Series and notice of such modification is given to the Rating Agencies prior to such modification becoming effective; or

12.3.1.2 to the Covered Bonds of any one or more Series, the related Receipts and/or Coupons or any of the Transaction Documents which in the Collateral Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or an error established as such to the satisfaction of the Collateral Trustee, or to comply with mandatory provisions of law. In establishing whether an error is established as such, the Collateral Trustee may have regard to any evidence which the Collateral Trustee considers reasonable to rely upon and may, but shall not be obliged to, have regard to all or any of the following:

(1) a certificate from any of the Arrangers: (a) stating the intention of the parties to the relevant Transaction Document; (b) confirming nothing has been said to or by investors or any other parties which is in any way inconsistent with the stated intention; and (c) stating the modification to the relevant Transaction Document is required to reflect such intention; or

(2) Rating Agency Confirmation in respect of such modification.

12.3.2 The prior consent of the Collateral Trustee and the other Secured Creditors (other than the Collateral Trustee) will not be required or obtained in relation to the accession of any New Seller to the Programme provided that the relevant conditions precedent set out in the Dealership Agreement and the Hypothecary Loan Sale Agreement are satisfied at the time of the intended accession.

12.3.3 The Collateral Trustee shall be obliged to concur in and to effect any modifications to the Transaction Documents that are requested by the Grantor or the Cash Manager to accommodate the accession of a New Seller to the Programme subject to the provisions of Section 12.3.1

being satisfied and, provided that (i) the Interest Rate Swap Provider and each of the Covered Bond Swap Providers provide written confirmation to the Collateral Trustee consenting to such modification of those documents to which they are a party (such consent not to be unreasonably withheld) (which consent shall be deemed to be given by the Interest Rate Swap Provider and each of the Covered Bond Swap Providers (as the case may be) if no written response is received by the Collateral Trustee from each party, respectively, by the tenth Montreal Business Day after the Collateral Trustee's request for such consent) and (ii) the Grantor or the Cash Manager, as the case may be, has certified to the Collateral Trustee in writing that such modifications are required in order to accommodate the addition of New Sellers to the Programme and (iii) all other conditions precedent to the accession of a New Seller to the Programme set out in the Dealership Agreement, the Hypothecary Loan Sale Agreement, the Servicing Agreement, the Limited Partnership Agreement and any other Transaction Documents have been satisfied at the time of the accession.

12.3.4 Unless the Collateral Trustee otherwise agrees, notice of any modifications effected pursuant to Section 12.3 shall be given by the Grantor to the Secured Creditors as soon as practicable after the modifications have been made.

13. APPOINTMENT OF NEW COLLATERAL TRUSTEE AND REMOVAL OF COLLATERAL TRUSTEE

13.1 Power of Grantor

The power of appointing a new Collateral Trustee and removing the Collateral Trustee or any new Collateral Trustee shall be vested in the Issuer and the Grantor jointly, provided that such appointment or removal must be approved by an Extraordinary Resolution of the Holders of the Covered Bonds of all Series taken together as a single Series (with the nominal amount of Covered Bonds not denominated in euros converted into euros at the rate specified in the applicable Final Terms). Any appointment of a new Collateral Trustee and any retirement or removal of an existing Collateral Trustee hereof shall as soon as practicable thereafter be notified by the Grantor to the Secured Creditors.

13.2 Power of Collateral Trustee

13.2.1 Notwithstanding the provisions of Section 13.1, the Collateral Trustee may (as attorney for the Grantor) upon giving prior written notice to the Grantor but without the consent of the Grantor or the Secured Creditors appoint any Person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a

separate collateral trustee or as a co-trustee jointly with the Collateral Trustee:

13.2.1.1 if the Collateral Trustee considers such appointment to be in the interests of the Secured Creditors (or any of them);

13.2.1.2 for the purposes of conforming to any legal requirement, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed or any Collateral is or is to be located; or

13.2.1.3 for the purposes of obtaining a judgment or decree in any jurisdiction or the enforcement in any jurisdiction of either a judgment or decree already obtained or any of the provisions of this Deed or any of the other Transaction Documents to which the Collateral Trustee is a party or obligations arising pursuant thereto or any of the Guarantor Hypothec constituted by or pursuant to this Deed.

13.2.2 The Grantor hereby irrevocably appoints the Collateral Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a Person shall (subject always to the provisions of this Deed or any of the other Transaction Documents to which the Collateral Trustee is a party) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Collateral Trustee by this Deed or any of the other Transaction Documents to which the Collateral Trustee is a party) and such duties and obligations as shall be conferred or imposed on it by the instrument of appointment. The Collateral Trustee shall have power in like manner to remove any such Person. Such proper remuneration as the Collateral Trustee may pay to any such Person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Deed be treated as costs, charges and expenses incurred by the Collateral Trustee.

13.3 **Multiple Collateral Trustees**

Whenever there shall be more than two collateral trustees hereof, the majority of such collateral trustees shall be competent to execute and exercise all the trusts, powers, authorities and discretions vested by this Deed and any of the other Transaction Documents in the Collateral Trustee generally.

14. RETIREMENT OF COLLATERAL TRUSTEE

A collateral trustee hereof may retire at any time on giving not less than three months' prior written notice to the Issuer and the Grantor without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. Each of the Issuer and the Grantor undertakes that in the event of the only collateral trustee which is a Trust Corporation giving notice under this Article or being removed by Extraordinary Resolution it will use all reasonable endeavours to procure that a new collateral trustee hereof being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such collateral trustee shall not become effective until a successor collateral trustee being a Trust Corporation is appointed and notice thereof has been provided to the Rating Agencies prior to such effective date. If, in such circumstances, no appointment of such new collateral trustee has become effective within 60 days of the date of such notice or Extraordinary Resolution, the Collateral Trustee shall be entitled to appoint a Trust Corporation as collateral trustee hereof, but no such appointment shall take effect unless previously approved by an Extraordinary Resolution.

15. RELEASE

15.1 Discharge

The Guarantor Hypothec shall be discharged upon, but only upon, full payment and performance of the Obligations and at the request and expense of the Grantor, and thereafter the Collateral Trustee shall execute and deliver to the Grantor such other releases and discharges as the Grantor may reasonably require.

15.2 Sale of the Covered Bond Portfolio

15.2.1 In the event of any sale of Loans and their Related Security by or on behalf of the Grantor pursuant to and in accordance with the Transaction Documents, such Loans and their Related Security shall no longer form part of the Covered Bond Portfolio and the Collateral Trustee shall, while any Covered Bonds are outstanding and if so requested in writing by the Grantor, release, reassign or discharge those Loans and their Related Security from the Guarantor Hypothec on or prior to the date of any such sale provided that:

15.2.1.1 the Collateral Trustee provides its prior written consent to the terms of such sale in accordance with the Limited Partnership Agreement; and

15.2.1.2 in the case of the sale of Loans and their Related Security, the Grantor provides to the Collateral Trustee a certificate confirming that the Loans being sold are Randomly Selected Loans.

15.2.2 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 Collateral Trustee shall release the Loan and its Related Security from the Guarantor Hypothec on the date of the repurchase.

15.3 **Disposal of Substitute Assets**

Upon the Cash Manager, on behalf of the Grantor, making a disposal of any Substitute Asset secured pursuant to the Guarantor Hypothec, the Collateral Trustee shall, if so requested in writing by the Cash Manager (but at the sole cost and expense (on an indemnity basis) of the Grantor), but without being responsible for any loss, costs, claims or liabilities whatsoever occasioned and howsoever arising by so acting upon such request, release, reassign or discharge from the Guarantor Hypothec constituted by this Deed the relevant Substitute Assets, provided that the proceeds of such disposal are paid into the Guarantor Accounts from which the monies to make such Substitute Assets were originally drawn, subject to and in accordance with the provisions of the Guaranteed Investment Contract, the Standby Guaranteed Investment Contract (if applicable), the Cash Management Agreement and this Deed.

15.4 **Withdrawals from Guarantor Accounts**

From time to time, and for greater certainty, there shall be deemed to be released from the Guarantor Hypothec all amounts which the Cash Manager, on behalf of the Grantor and the Collateral Trustee, is permitted to withdraw from the Guarantor Accounts pursuant to the relevant Priorities of Payments and otherwise in accordance with the Cash Management Agreement and this Deed, any such release to take effect immediately upon the relevant withdrawal being made, provided that where the relevant amount is transferred to another Guarantor Account, it shall thereupon become subject to the Guarantor Hypothec constituted by this Deed in respect of such other Guarantor Account.

16. NON-PETITION

The Issuer and the Collateral Trustee agree that they shall not institute or join any other Person or entity in instituting against, or with respect to, the Grantor, or any of the General Partners of the Grantor, any bankruptcy or insolvency event so long as any Covered Bonds issued by the Issuer shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any such Covered Bonds shall have been outstanding. The foregoing provision shall survive the termination of this Deed by any of the parties hereto.

17. MISCELLANEOUS PROVISIONS

17.1 **Nature of the Obligations**

Each of the Obligations of the Grantor is indivisible.

17.2 **Rights Cumulative and Exercise of Remedies**

The rights hereby created are in addition to and not in substitution for any other right or security held by the Collateral Trustee, the holders of the Covered Bonds or the other Secured Creditors. The exercise by the Collateral Trustee of any of its rights and remedies shall not prevent it, any of the holders of the Covered Bonds or the other Secured Creditors from exercising any other right or remedy conferred upon them by this Deed or any other security, by the Trust Deed or any Transaction Document or by law.

The Collateral Trustee may exercise the rights conferred upon it by this Deed on any part of the Collateral, without being obliged to do so on the entire Collateral and without prejudice to its rights and remedies with respect to the remaining Collateral, and it shall not be in any way obliged to exercise its rights and remedies against any other Person liable for the Obligations or to realize any other security securing the Obligations.

17.3 **Notice of Default**

The mere expiry of the time limit for performing any of the Obligations shall serve to put the Grantor in default, without any notice or demand being required for that purpose except as required by applicable law, the Trust Deed or any Transaction Document.

17.4 **Waivers**

The Grantor may not claim that an act or omission by the Collateral Trustee constitutes or implies a waiver of its right to invoke a default by the Grantor or to assert a right arising out of such default, unless the Collateral Trustee has expressly so stated after the occurrence of the default.

17.5 **Power of Attorney**

The Grantor irrevocably appoints the Collateral Trustee (and any of its officers) as attorney of the Grantor (with full power of substitution) to do, make and execute, in the name of and on behalf of the Grantor, all such further acts, documents, matters and things which the Collateral Trustee may deem necessary or advisable to accomplish the purposes of this Deed, including the execution, endorsement and delivery of documents and any notices, receipts, assignments or verifications of the accounts and the delivery and transfer of any Collateral to the Collateral Trustee or to its nominees or transferees. Whenever the Guarantor Hypothec has become enforceable upon the occurrence of an Event of Default that is continuing, the Collateral Trustee or its nominees and transferees are empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral that constitutes Pledged Securities to the same extent as the Grantor might do. The power of attorney herein granted is in addition to,

and not in substitution for any transfer power of attorney delivered by the Grantor and such power of attorney may be relied upon by the Collateral Trustee severally or in combination. All acts of the attorney are ratified and approved, and the attorney shall not be liable for any act, failure to act or any other matter or thing, except for its own gross negligence or gross or intentional fault. This power of attorney is coupled with an interest and is irrevocable.

17.6 **Indemnification**

The Grantor agrees to indemnify in full the Collateral Trustee and any receiver appointed in accordance with this Deed from and against all losses, actions, claims, costs (including legal costs and travel expenses), charges and expenses (including insurance premiums), demands and liabilities whether in contract, tort or otherwise now or hereafter properly sustained or incurred by the Collateral Trustee or such receiver and its respective officers and employees or by any Person for whose liability, act or omission the Collateral Trustee or such receiver may be answerable, in connection with anything done or omitted to be done under or pursuant to this Deed or any other Transaction Document to which such entity is a party, or in the exercise or purported exercise of the powers herein contained, or occasioned by any breach by the Grantor of any of its covenants or other obligations to the Collateral Trustee, or in consequence of any payment in respect of the Obligations (whether made by the Grantor or a third Person) being declared void or impeached for any reason whatsoever.

17.7 **Notices, etc.**

17.7.1 Any notice, direction or other communication given under this Deed shall be in writing and given by delivering it or sending it by prepaid first class mail to, in the case of the Grantor and the Collateral Trustee, the address provided below, or by facsimile transmission to the facsimile number set forth below, as applicable:

in the case of the Grantor to:

CCDQ Covered Bond (Legislative) Guarantor Limited Partnership
66 Wellington Street West
Suite 5300
Toronto, Ontario
M5K 1E6

Attention: Jean Blouin
Facsimile number: (514) 281-7329

in the case of the Collateral Trustee to:

Computershare Trust Company of Canada
1500 Robert-Bourassa Boulevard
Suite 700
Montréal, Québec
Canada H3A 3S8

Attention: General Manager, Corporate Trust Services
Facsimile number: (514) 982-7677

17.7.2 Any such communication will be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Montreal Business Day and such delivery was made prior to 4:00 p.m. (Montreal time) and otherwise on the next Montreal Business Day, (ii) in the case of first class post, when it would be received in the ordinary course of the post, or (iii) if transmitted by facsimile transmission on the Montreal Business Day following the date of transmission provided the transmitter receives a confirmation of successful transmission.

17.7.3 Any party may change its address for notice, or facsimile contact information for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such party at its changed address, or facsimile contact information, as applicable.

17.8 **GST and QST**

If any sums which are payable by the Grantor under Section 9.9 of this Deed are subject to GST or QST, the Grantor shall make payment of the amount in respect of GST or QST, as applicable, where the payment is not already inclusive of GST or QST to the relevant Person in accordance with the order of priorities set out in Section 9.9 of this Deed.

17.9 **Further Assurances**

17.9.1 The Grantor shall from time to time, whether before or after the Guarantor Hypothec shall have become enforceable (i) do, or cause to be done, all acts and things and execute and deliver, or cause to be executed and delivered, all transfers, assignments and instruments, (ii) give, or cause to be given, any notices to any Governmental Authority or Person, and (iii) obtain, or cause to be obtained, any approvals from any Governmental Authority or Person, in each case, as the Collateral Trustee may reasonably require:

17.9.1.1 for protecting the Collateral;

17.9.1.2 for perfecting or rendering opposable the Guarantor Hypothec;

17.9.1.3 to obtain control, as determined pursuant to the Civil Code and the STA, of any Collateral that consists of Pledged Securities;

17.9.1.4 for exercising all powers, authorities and discretions conferred upon the Collateral Trustee; and

17.9.1.5 for otherwise enabling the Collateral Trustee to obtain a first-ranking perfected or opposable Security in the Collateral (subject only to Permitted Security) and to exercise the rights and powers herein granted.

17.9.2 The Grantor shall, from time to time after the Guarantor Hypothec has become enforceable upon the occurrence of an Event of Default that is continuing (i) give, or cause to be given, any notices to any Governmental Authority or Person, (ii) obtain, or cause to be obtained, any approvals from any Governmental Authority or Person, and (iii) do, or cause to be done, all other acts and things and execute and deliver, or cause to be executed and delivered, all such transfers, assignments and instruments, in each case, as the Collateral Trustee may require to effect the sale, transfer or other disposition of the Collateral in connection with its realization.

17.10 **Amendments**

Subject to Clause 22.2 of the Trust Deed, and except as otherwise expressly provided in this Deed, the provisions in this Deed may be amended or modified only by written agreement of all of the parties hereto, and each proposed amendment or waiver of this Deed that is considered by the Grantor to be a material amendment or waiver shall be subject to Rating Agency Confirmation. The Grantor (or the Cash Manager on its behalf) shall deliver notice to the Rating Agencies of any amendment or waiver which does not require Rating Agency Confirmation provided that failure to deliver such notice shall not constitute a breach of the obligations of the Grantor under this Deed.

17.11 **Successors and Assigns**

None of the parties hereto may assign or transfer any of their rights or obligations under this Deed without the prior written consent of the other party.

17.12 **Severability**

If any provision of this Deed shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

17.13 **Binding Effect**

All rights of the Collateral Trustee hereunder shall inure to the benefit of its successors and assigns and all obligations of the Grantor hereunder shall bind the Grantor and its successors and assigns.

17.14 **Interpretation**

References herein to gender shall include all genders and the singular shall include the plural and vice versa, as required by the context.

17.15 **Divisions and Titles**

The division of this Deed into Sections, paragraphs and subparagraphs and the insertion of titles are for ease of reference only and shall not influence its meaning or construction.

17.16 **Applicable Law**

17.16.1 This Deed shall be governed by and interpreted and enforced in accordance with the laws in force in the Province of Quebec. It must also be interpreted so that any Collateral located in another jurisdiction be affected by a valid security under the applicable law of such other jurisdiction.

17.16.2 The Grantor hereby (i) irrevocably submits to the non-exclusive jurisdiction of any court sitting in the Province of Quebec over any suit, action or proceeding arising out of or relating to this Deed; (ii) irrevocably agrees that all claims in respect of any suit, action or proceeding may be heard and determined in such court; and (iii) irrevocably waives, to the fullest extent permitted by law, any objection which it may have or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. The Grantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other manner provided by law. Nothing in this section shall affect the right of the Collateral Trustee to serve process in any manner permitted by law or limit the rights of the

Collateral Trustee to bring proceedings against the Grantor in the courts of any other jurisdiction.

17.16.3 The Grantor hereby consents generally in respect of any legal action or proceedings arising out of or in connection with this Deed to the giving of any relief or the issue of any process in connection with such action or proceedings, including, without limitation, the making, enforcement or execution against the Grantor of any order or judgment which may be made or given in such action or proceedings.

17.16.4 To the extent that the Grantor has or hereafter may acquire any immunity from the jurisdiction of any court or from any legal process (whether service of notice, attachment prior to judgment, attachment in the aid of execution, execution or otherwise) with respect to itself or its assets, the Grantor hereby irrevocably waives, to the fullest extent permitted by law, such immunity in respect of its obligations under this Deed.

17.17 **Explanation of Contract**

The Grantor confirms that it has had an opportunity to consult a lawyer, notary or other adviser in connection with the nature and scope of this Deed.

17.18 **Acknowledgement**

The Grantor hereby acknowledges that it has received and taken cognizance of the Trust Deed and is familiar with all the provisions thereof.

17.19 **Paramountcy**

If there is any conflict or inconsistency between any of the provisions hereof and of Trust Deed, the provisions of the Trust Deed shall prevail except that the provisions hereof shall prevail insofar as they relate to the creation and enforcement of the Guarantor Hypothec created hereby.

17.20 **Language**

The parties hereto confirm that it is their wish that this Deed and all documents relating thereto, including notices, be drawn up in the English language. *Les parties aux présentes confirment leur volonté que cet acte de même que tous documents, y compris tous avis, s'y rapportant soient rédigés en langue anglaise.*

WHEREOF ACTE

DONE AND PASSED at Montreal, Province of Quebec, on the day, month and year first mentioned above and entered in the minutes of the undersigned Notary under number one thousand two hundred and seventy (-1270).

AND AFTER the parties had declared to the said Notary that they had taken cognizance of these presents and had exempted the said Notary from reading them or causing them to be read, the parties hereto have signed with and in the presence of the Notary.

COMPUTERSHARE TRUST COMPANY OF CANADA

By: _____
Nathalie Gagnon, Manager

By: _____
Ana Kamami, Associate Trust Officer

CCDQ COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP, by its managing general partner, **CCDQ CB (LEGISLATIVE) MANAGING GP INC.**

By: _____
Yassir Berbiche, Secretary

_____
Melissa Amar, Notary