

DATED as of October 1, 1991

HONGKONG BANK OF CANADA

and

CENTRAL GUARANTY TRUST COMPANY

TRUST INDENTURE

Providing for the Issuance of Debentures

FRASER & BEATTY
TORONTO

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This table of contents forms no part of the annexed trust indenture but is inserted here for convenience of reference only.

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THIS INDENTURE made as of the 1st day of October,
1991.

B E T W E E N:

HONGKONG BANK OF CANADA, a
Canadian chartered bank

(the "Bank"),

OF THE FIRST PART

- and -

CENTRAL GUARANTY TRUST COMPANY, a
trust company amalgamated under
the laws of Canada

(the "Trustee"),

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS the Bank is desirous of raising money for its corporate and lawful purposes and with a view to so doing is desirous of creating and issuing from time to time Debentures to be constituted in the manner hereinafter set out;

AND WHEREAS under the provisions of the Bank Act the Bank may borrow money by the issue of bank debentures issued in accordance with the provisions of the Bank Act relating to bank debentures;

AND WHEREAS all necessary by-laws and resolutions of the directors of the Bank have been duly enacted and passed and other proceedings taken and conditions complied with to make the authorization and issue of the Debentures proposed to be issued hereunder and this indenture and the execution thereof legal and valid and binding on the Bank in accordance with the laws relating to the Bank and with all other laws and regulations in that behalf;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Bank and not by the Trustee;

NOW THEREFORE THIS INDENTURE WITNESSETH AND IT IS
HEREBY COVENANTED, AGREED AND DECLARED as follows:

ARTICLE ONE
INTERPRETATION
DEFINITIONS

Section 1.01. In this indenture (except as herein otherwise expressly provided):

(a) "Additional Debentures" means any Debentures, in addition to the 2083 Debentures, issued under the provisions of Section 2.04;

(b) "Affiliate" has the meaning ascribed thereto in the Securities Act (Ontario);

(c) "Bank" means Hongkong Bank of Canada and, subject to the provisions of Article Nine, its successors and assigns;

(d) "Bank Act" means the Bank Act, R.S.C., 1985, c. B-1 and any statute hereafter enacted in substitution therefor each as amended from time to time;

(e) "certified resolution" means a copy of a resolution of the directors of the Bank certified by the President or a Vice-President or the Chief General Manager or the Corporate Secretary or any officer designated by the Chief General Manager, under its corporate seal, to have been duly passed by the directors of the Bank and to be in full force and effect without amendment on the date of such certification;

(f) "Common Share Interest Issue" has the meaning set forth in Section 6.01;

(g) "Counsel" means any barrister or solicitor or firm of barristers or solicitors retained by the Trustee or retained by the Bank and approved by the Trustee;

(h) "Debentures" means bank debentures under the Bank Act of the Bank issued or to be issued hereunder for the time being outstanding and entitled to the benefits hereof; "coupon Debentures" means such debentures that are issued with interest coupons attached; "coupons" means the interest coupons attached or pertaining to such coupon debentures; "fully registered Debentures" means such debentures without coupons that are registered as to principal and interest as hereinafter provided; "registered Debentures", where not qualified by other words, means and includes fully registered such debentures and such coupon debentures registered as to

principal only; and "unregistered Debentures" means such debentures that are not so registered;

(i) "debentureholders" or "holders" means, as regards registered Debentures, the several persons for the time being entered in the register or registers hereinafter mentioned as holders of any of the Debentures and, as regards unregistered Debentures, the bearers thereof for the time being;

(j) "directors" means the board of directors of the Bank or, whenever duly empowered, the executive committee, if any, of the board of directors of the Bank, for the time being, and reference without more to action by the directors or by the board of directors shall mean action by the directors as a board or by the executive committee as such;

(k) "Floating Rate" means, in respect of any Interest Period, the rate per annum (for a 365 day year) equal to the sum of (i) the 30-day Bankers' Acceptance Rate for such Interest Period and (ii) 0.50%;

(l) "Indebtedness" means, at any time:

- (i) all deposit liabilities of the Bank at such time; and
- (ii) all other liabilities and obligations (other than any fines or penalties as referred to in the Bank Act) of the Bank to third parties (other than shareholders of the Bank as such) that would entitle such third parties to participate in a distribution of the Bank's assets in the event of the insolvency or winding up of the Bank;

(m) "Interest Determination Date" means, in respect of any Interest Period:

- (i) the last Wednesday of the month immediately preceding such Interest Period;

provided that:

- (ii) where the 30-day bankers' acceptance rate is not reported by the Bank of Canada in its weekly financial statistics for such Wednesday but such rate is so reported for one or more other days, "Interest Determination Date" means, in respect of any Interest Period, the last day of the month immediately preceding such Interest Period for which the Bank of Canada so reports such rate; and

(iii) where (A) the 30-day bankers' acceptance rate is not reported by the Bank of Canada in its weekly financial statistics or (B) such rate is so reported but in the reasonable judgment of the Bank, 30-day bankers' acceptances are no longer traded in Canada in material amounts or in a material number of trades, and in either case such Wednesday is not a day on which 30-day bankers' acceptances, or Government of Canada Treasury Bills, as the case may be, are quoted for purchase and sale, "Interest Determination Date" means, in respect of any Interest Period, the last day of the month immediately preceding such Interest Period on which 30-day bankers' acceptances, or Government of Canada Treasury Bills, as the case may be, are quoted for purchase and sale.

(n) "Interest Payment Date" means, in respect of any Interest Period, the first day of the month immediately following such Interest Period;

(o) "Interest Period" means a calendar month;

(p) "Market Price" means, in respect of any Interest Payment Date, the average of the closing price per common share for a board lot of the common shares of the Bank on The Toronto Stock Exchange (or, if no board lot of common shares of the Bank is traded on The Toronto Stock Exchange, the average of the closing bid and ask prices for a board lot, or, if the common shares of the Bank are not listed on The Toronto Stock Exchange, on a stock exchange on which the common shares of the Bank are listed as may be selected for such purpose by the Board of Directors of the Bank and approved by the Trustee or, if not listed on any stock exchange, in the over-the-counter market) for each of the tenth through the sixth Trading Days preceding such Interest Payment Date;

(q) "Money Market Dealer" means a financial institution, other than the Bank or any Affiliate thereof, designated by the Bank of Canada to enter into purchase and resale agreements of Government of Canada debt obligations with the Bank of Canada;

(r) "Officers' Certificate" means a certificate of the Bank, under its corporate seal, signed in their capacities as officers of the Bank and not in their personal capacities by the President or a Vice-President or the Chief General Manager or any General Manager designated by the Chief General Manager and by the Corporate Secretary or the Controller or other

officer of the Bank designated by the Chief General Manager or by any of the foregoing and a director of the Bank or by any two directors of the Bank;

(s) "Prime Rate" means, at any time, the prime lending rate of interest expressed as a rate per annum which the Bank has established as its reference rate of interest in order to determine interest rates it will charge at such time for loans in Canadian dollars to its customers in Canada;

(t) "Reference Dividend" has the meaning set forth in Section 6.09;

(u) "Subordinated Indebtedness" means:

- (i) the liability of the Bank in respect of the principal of and premium, if any, and interest on the Debentures; and
- (ii) any Indebtedness that ranks equally with and not prior to the Debentures in right of payment upon the insolvency or winding up of the Bank and that, pursuant to the terms of the instrument evidencing or creating the same, is expressed to be subordinate in right of payment to all other Indebtedness to which the Debentures are subordinate in right of payment to at least the same extent as the Debentures are made subordinate thereto by the provisions of Article Four; and
- (iii) any Indebtedness that ranks subordinate to and not equally with or prior to the Debentures in right of payment upon the insolvency or winding up of the Bank and that, pursuant to the terms of the instrument evidencing or creating the same, is expressed to be subordinate in right of payment to all other Indebtedness to which the Debentures are subordinate in right of payment to at least the same extent as the Debentures are made subordinate thereto by the provisions of Article Four;

(v) "30-day Bankers' Acceptance Rate" means, in respect of any Interest Period:

- (i) the 30-day bankers' acceptance rate reported by the Bank of Canada in its weekly financial statistics for the Interest Determination Date for such Interest Period;

or, if such 30-day bankers' acceptance rate is not reported by the Bank of Canada in its weekly financial statistics,

- (ii) the average of mid-market quotations of rates for 30-day bankers' acceptances accepted by three major chartered banks named in Schedule I to the Bank Act, obtained at 11:00 a.m. (Toronto time) for the Interest Determination Date of such Interest Period from at least three Money Market Dealers chosen by the Bank;

provided that, if, in the reasonable judgment of the Bank, 30-day bankers' acceptances are no longer traded in Canada in material amounts or in a material number of trades, "30-day Bankers' Acceptance Rate" means, in respect of any Interest Period:

- (iii) the rate per annum equal to the sum of (A) the average of mid-market quotations for Government of Canada Treasury Bills maturing in or about 30 days from the date of quotation obtained at 11:00 a.m. (Toronto time) on the Interest Determination Date for such Interest Period from at least three Money Market Dealers, chosen by the Bank and (B) 0.25%;

provided that if, during the month immediately preceding any Interest Period, either (A) rates for 30-day bankers' acceptances are neither so reported nor so quoted or (B) the Bank has made such judgment and (C) rates for Government of Canada Treasury Bills are not so quoted,

- (iv) the "30-day Bankers' Acceptance Rate" shall mean the 30-day Bankers' Acceptance Rate last determined hereunder;

(w) "this indenture", "this deed", "this trust indenture", "hereto", "herein", "hereof", "hereby", "hereunder", and similar expressions refer to this indenture and not to any particular Article, Section or other portion hereof, and include any and every instrument supplemental or ancillary hereto or in implement hereof;

- (x) "Trading Day" means, at any time:

- (i) any day on which common shares of the Bank may be traded on such of The Toronto Stock Exchange or

other stock exchange to which reference is made at such time for purposes of the calculation of the Market Price of the common shares of the Bank; or

- (ii) if at any time such calculation is not made with reference to any stock exchange, any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario;

(y) "Trustee" means Central Guaranty Trust Company or any permitted successor trustee under Article Twelve;

(z) "2083 Debentures" means the \$39,525,000 aggregate principal amount of Floating Rate Bank Debentures Due 2083 referred to in Section 2.02; and

(aa) "Written order", "written request", "written consent" and "written notice" of or by the Bank means, respectively a written order, request, consent or notice signed in the name of the Bank by the President or a Vice-President or the Chief General Manager or any General Manager designated by the Chief General Manager and by the Secretary or the Chief Accountant or other officer of the Bank designated by the Chief General Manager or by any one of the foregoing and a director of the Bank or by any two directors of the Bank.

Words importing number shall include the singular and the plural and words importing gender shall include the masculine, feminine and neuter genders and words importing any person shall include all persons.

MEANING OF "OUTSTANDING" FOR CERTAIN PURPOSES

Section 1.02. Every Debenture certified and delivered by the Trustee hereunder shall be deemed to be outstanding until it shall be cancelled or delivered to the Trustee for cancellation or moneys for the payment thereof shall be set aside under Article Thirteen, provided, however, that:

(a) where a new Debenture or Debentures have been issued in substitution for a Debenture that has been lost, stolen or destroyed, the latter Debenture shall not be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and

(b) for the purposes of any provision of this indenture entitling holders of outstanding Debentures to vote, sign consents, requests or other instruments or take other action

under this Indenture, Debentures owned legally or equitably by the Bank of any Affiliate thereof shall be disregarded, except that:

- (i) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, request or other instrument or other action, only the Debentures of which the Trustee has notice that they are so owned shall be so disregarded; and
- (ii) Debentures so owned that have been pledged in good faith other than to the Bank or any Affiliate thereof shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Debentures in his discretion free from the control of the Bank or any Affiliate thereof, respectively.

INTERPRETATION NOT AFFECTED BY HEADINGS

Section 1.03. The headings of all the Articles and Sections hereof and the Table of Contents, if any, are inserted for convenience of reference only and shall not affect the construction or interpretation of this indenture.

REFERENCES TO SUBDIVISIONS

Section 1.04. All references herein to Articles, Sections and other subdivisions refer to the corresponding Articles, Sections and other subdivisions of this indenture.

GOVERNING LAW

Section 1.05. This indenture and the Debentures and the coupons, if any, appertaining thereto shall be construed in accordance with the laws of the Province of Ontario and shall be treated in all respects as Ontario contracts.

ARTICLE TWO

ISSUE OF DEBENTURES

NO FIXED LIMITATION

Section 2.01. The aggregate principal amount of Debentures which may be issued and certified hereunder is unlimited but Debentures may be issued and certified only upon and subject to the conditions and limitations hereinafter set forth. The Debentures may be issued from time to time in one or more series as hereinafter provided.

FLOATING RATE DEBENTURES DUE 2083

Section 2.02. The first series of Debentures to be issued hereunder shall consist of and be limited to Debentures in the aggregate principal amount of \$39,525,000 in lawful money of Canada, which are hereby designated "Floating Rate Bank Debentures due 2083".

FORM AND TERMS OF 2083 DEBENTURES

Section 2.03. (1) The 2083 Debentures shall be issued in fully registered form only in denominations of \$25,000 and any integral multiple thereof. The places to be specified in the 2083 Debentures at which registers shall be kept and transfers and exchanges may be effected in accordance with Article Three shall be the principal office of the Trustee in the Cities of Halifax, Montreal, Toronto, Winnipeg, Calgary and Vancouver.

(2) The 2083 Debentures shall be dated the date of their issue, shall mature on November 1, 2083 and shall bear interest from the date of their issue at the rate per annum for each Interest Period equal to the Floating Rate for such Interest Period (as well after as before maturity, default and judgment, with interest on overdue interest at the same rate), payable in respect of each Interest Period on the Interest Payment Date for such Interest Period. Interest shall accrue from day to day, shall be calculated on the basis of the actual number of days elapsed and a 365 day year and shall be payable in the amount calculated hereunder rounded to the nearest cent (with half a cent being rounded upwards). In the case of any leap year, for purposes of the Interest Act (Canada), the yearly rate of interest to which the Floating Rate is equivalent is the Floating Rate multiplied by 366 and divided by 365. The Bank shall make or obtain all determinations, calculations, decisions and quotations required hereunder for purposes of determining any Floating Rate in accordance with the terms

hereof and shall give notice to the Trustee of the Floating Rate determined for each Interest Period not later than the first day thereof. Such determination shall, in the absence of any error objected to by the Trustee not later than thirty business days after the receipt thereof, be conclusive and binding upon the Bank, the Trustee and all holders of 2083 Debentures.

(3) Interest (less any tax required to be deducted) on each 2083 Debenture will be payable in lawful money of Canada by cheque drawn on the Bank and sent by prepaid mail to the registered holder, at his address appearing on the appropriate register hereinbefore referred to, or, in the case of joint holders, to the one whose name appears first on such register, at his address appearing on such register, at least three days prior to the applicable Interest Payment Date, except in the case of payment at maturity, in which case payment of interest may, at the Bank's option, be made upon surrender of such 2083 Debenture. Upon due notice to the Trustee, a registered holder will be entitled to have interest payments (less any tax required to be deducted) made to an account maintained in Canada by such holder at any financial institution that is a member of the Canadian Payments Association. Payment of the principal of each 2083 Debenture will be payable in lawful money of Canada against surrender of such 2083 Debenture at any branch of the Bank in Canada. Notwithstanding the foregoing provisions of this Section 2.03, in the event of any election by the Bank to effect a Common Share Interest Issue, interest on each 2083 Debenture shall be payable in the manner and on the terms provided in Article Six.

(4) The 2083 Debentures and the certificate of the Trustee endorsed on the 2083 Debentures shall be in or substantially in the form set out in Schedule I hereto, with such appropriate insertions, omissions, substitutions and variations as the Trustee may approve and may, if the Bank so determines, be in bilingual form. The 2083 Debentures shall bear such distinguishing letters and numbers as the Trustee shall approve.

(5) 2083 Debentures shall only be issuable, and shall be issued, for purposes of and in connection with the redemption of the notes due 2083 of Hongkong Bank Mortgage Corporation (the "Company") in accordance with the provisions of Article IV of the trust indenture dated as of November 15, 1984 and made among Continental Bank Mortgage Corporation, a predecessor of the Company, Continental Bank of Canada, a predecessor of the Bank and Central Trust Company, a predecessor of the Trustee (the "Company Trust Indenture"). 2083 Debentures to the

aggregate principal amount of \$39,525,000 in definitive form shall be executed by the Bank and certified by or on behalf of the Trustee and shall be delivered by the Trustee to or upon the written order of the Bank without the Trustee receiving any consideration therefor upon receipt by the Trustee of such certificates or other documents as shall establish, to the reasonable satisfaction of the Trustee, that all requirements of the Company Trust Indenture in respect of such redemption have been met and upon receipt by the Trustee of an opinion of Counsel that all legal requirements in connection with the issue of the 2083 Debentures have been met.

ISSUE OF ADDITIONAL DEBENTURES

Section 2.04. (1) Subject to compliance with such provisions of the Bank Act, if any, as from time to time may be applicable and to the provisions of this Section and Section 2.05 hereof, the directors may from time to time create and authorize the issue of one or more series of Additional Debentures hereunder. The Additional Debentures of any series may be limited to such aggregate principal amount, bear such date or dates, mature on such date or dates, bear such rate or rates of interest, be redeemable at such prices, be entitled to the benefit of such sinking fund provisions, conversion rights and stock purchase rights, be payable at such place or places and in Canadian or such other currencies as may be permitted from time to time under the Bank Act, and contain such other terms and provisions not inconsistent herewith as the directors may determine at or prior to the issue thereof and as shall be expressed in an indenture supplemental hereto providing for the issue of the Additional Debentures of such series and (to the extent the directors deem appropriate) in the Additional Debentures of such series.

(2) Additional Debentures of any series created and authorized to be issued hereunder shall be executed by the Bank and shall be certified by or on behalf of the Trustee and shall be delivered by the Trustee to or upon the written order of the Bank upon receipt by the Trustee of:

- (a) an indenture supplemental hereto providing for the issue of the Additional Debentures of such series and establishing the terms thereof and the forms and denominations in which they may be issued, together with a certified resolution authorizing the creation and issue of the Additional Debentures of such series and requesting the certification thereof by the Trustee;

- (b) an Officers' Certificate stating that insofar as known to the signers (i) the Bank is not, and after the certification and issue of the Additional Debentures of such series the Bank will not be, in default under any of the provisions of this indenture and (ii) the issue of the Additional Debentures of such series is in compliance with and not in breach of any of the provisions of the Bank Act; and
- (c) an opinion of Counsel that all legal requirements in connection with the issue of the Additional Debentures of such series have been met.

NO ADDITIONAL DEBENTURES TO BE ISSUED DURING DEFAULT

Section 2.05. No Additional Debentures shall be certified or delivered if the Bank to the knowledge of the Trustee at the time is in default under any of the provisions of this indenture. Any certification and delivery of Additional Debentures shall be conclusive evidence of the absence of knowledge on the part of the Trustee of any such default at the time of such certification and delivery.

EXECUTION OF DEBENTURES AND COUPONS

Section 2.06. The Debentures shall be under the corporate seal of the Bank and shall be signed by the President or a Vice-President or the Chief General Manager and by the Corporate Secretary or the Chief Accountant or another officer of the Bank designated by the Chief General Manager and the coupons attached to coupon Debentures shall be signed by any one of the said officers. The signatures of such officers may be mechanically reproduced in facsimile and Debentures and coupons bearing such facsimile signature shall be binding upon the Bank as if they had been manually signed by such officers. Notwithstanding that any of the persons whose manual or facsimile signature appears on any Debenture or coupon as one of such officers may no longer hold office at the date of this indenture or at the date of such Debenture or coupon or at the date of certification and delivery thereof, any Debenture or coupon signed as aforesaid shall be valid and binding upon the Bank.

CERTIFICATION

Section 2.07. (1) No Debenture shall be issued or, if issued, shall be obligatory until it has been certified by or on behalf of the Trustee in or substantially in the form set out in Schedule I hereto or such other form approved by the

Trustee. Such certificate on any Debenture shall be conclusive evidence that such Debenture is duly issued, is a valid obligation of the Bank and is entitled to the benefits of this indenture.

(2) The certificate of the Trustee on Debentures issued hereunder shall not be construed as a representation or warranty by the Trustee as to the validity of this indenture or of the Debentures and the Trustee shall in no respect be liable or answerable for the use made of the Debentures or any of them or of the proceeds thereof.

INTERIM DEBENTURES

Section 2.08. Pending the delivery of definitive Debentures of any series to the Trustee, the Bank may issue and the Trustee certify in lieu thereof interim Debentures, either registered or payable to bearer, with or without coupons, in such form and in such denominations and signed in such manner and with such appropriate omissions, insertions and variations as may be approved by the Trustee and the Secretary or another officer of the Bank designated by the Chief General Manager (whose certification or signature either manual or in facsimile, as the case may be, on any such interim Debentures shall be conclusive evidence of such approval) entitling the holders thereof to definitive Debentures of the said series in any authorized denominations and forms when the same are ready for delivery. Any such interim Debentures when so issued and certified shall, until exchanged for definitive Debentures, entitle the holders thereof to rank for all purposes as debentureholders and otherwise in respect of this indenture to the same extent and in the same manner as though the said exchange had actually been made. Forthwith after the Bank shall have executed and delivered definitive Debentures of any series to the Trustee, the Trustee shall call in for exchange all interim Debentures of the said series that shall have been issued and forthwith after such exchange shall cancel interim Debentures together with all unmatured coupons, if any, pertaining thereto. No charge shall be made by the Bank or the Trustee to the holders of such interim Debentures for the exchange thereof. All interest paid upon such interim Debentures without coupons shall be noted thereon as a condition precedent to such payment unless paid by cheque to the registered holders thereof.

ISSUE IN SUBSTITUTION FOR LOST DEBENTURES

Section 2.09. (1) In case any of the Debentures issued and certified hereunder or coupons pertaining thereto shall become mutilated or be lost, destroyed or stolen, the

Trustee, with the approval of the Bank, shall certify and deliver a new Debenture or coupon of like date and tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Debenture or coupon or in lieu of and in substitution for such lost, destroyed or stolen Debenture or coupon and the substituted Debenture or coupon shall be in a form approved by the Trustee and shall be entitled to the benefit hereof and rank equally in accordance with its terms with all other Debentures or coupons issued or to be issued hereunder.

(2) The applicant for a new Debenture or coupon shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Bank and to the Trustee such evidence of ownership and of the loss, destruction or theft of the Debenture or coupon so lost, destroyed or stolen as shall be satisfactory to the Bank and to the Trustee in their discretion and such applicant may also be required to furnish indemnity in amount and form satisfactory to them in their discretion, and shall pay the reasonable charges of the Bank and the Trustee in connection therewith.

COMMENCEMENT OF INTEREST

Section 2.10. (1) The coupons (if any) matured at the date of delivery by the Trustee of any coupon Debenture shall be detached therefrom and cancelled before delivery, unless such Debenture is being issued in exchange or in substitution for another Debenture (whether in interim or definitive form) and such matured coupons represent unpaid interest to which the holder of such exchanged or substituted Debenture is entitled.

(2) All fully registered Debentures issued hereunder, if issued originally, shall bear interest from their date and, if issued upon exchange or in substitution for previously issued Debentures, shall bear interest from the last interest payment date to which interest shall have been paid or made available for payment on the outstanding Debentures of the same series.

CONVERSION INTO CANADIAN FUNDS

Section 2.11. For the purposes of determining the aggregate principal amount of Debentures outstanding or proposed to be issued by the Bank, or the aggregate principal amount of one or more series of Debentures outstanding hereunder, as the case may be, the principal amount of any Debentures payable or to be payable in other than lawful money of Canada shall be converted into lawful money of Canada at the

quoted exchange rate, as specified by the Trustee, prevailing at the close of business on the business day immediately preceding the date on which the determination is made.

For the purpose of any provision of this indenture entitling holders of outstanding Debentures to vote, to sign consents, requests, requisitions or other instruments or to take any other action under this indenture, the principal amount of any Debenture payable in United States currency shall be treated as if One Dollar U.S. were the equivalent in value of One Dollar Canadian.

ARTICLE THREE

REGISTRATION, TRANSFER AND EXCHANGE OF DEBENTURES; OWNERSHIP OF DEBENTURES AND NOTICE TO DEBENTUREHOLDERS

NEGOTIABILITY OF DEBENTURES AND COUPONS

Section 3.01. Coupon Debentures issued hereunder shall be negotiable and shall pass by delivery unless registered for the time being as hereinafter provided. Notwithstanding registration of coupon Debentures as to principal, the coupons when detached shall continue to be payable to bearer and pass by delivery.

REGISTRATION OF COUPON DEBENTURES

Section 3.02. (1) With respect to each series of Debentures issuable as coupon Debentures registrable as to principal only, the Bank shall cause to be kept by and at the principal office of the Trustee in the City of Toronto and by the Trustee or such other registrar as the Bank may appoint at such other place or places (if any) as may be specified in the Debentures of such series or as the Bank may designate with the approval of the Trustee, registers in which holders of coupon Debentures of such series may register the same as to principal only and in which shall be entered the names and addresses of the holders of the Debentures so registered and particulars of the Debentures held by them respectively. Such registration shall be noted on the Debentures by the Trustee or other registrar.

(2) After such registration of a coupon Debenture no transfer thereof shall be valid unless made on one of such registers by the registered holder or his executors, administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustee or other registrar upon compliance with such reasonable requirements as the Trustee or other registrar may prescribe, nor unless the transfer shall have been noted on such Debenture by the Trustee or other registrar; but any such Debenture may be discharged from registry by being transferred to bearer after which it shall again be transferable by delivery but may again from time to time be registered and discharged from registry.

FULLY REGISTERED DEBENTURES

Section 3.03. (1) With respect to each series of Debentures issuable as fully registered Debentures, the Bank

shall cause to be kept by and at the principal office of the Trustee in the City of Toronto and by the Trustee or such other registrar as the Bank may appoint at such other place or places (if any) as may be specified herein or in the Debentures of such series or as the Bank may designate with the approval of the Trustee, registers in which shall be entered the names and addresses of the holders of fully registered Debentures and particulars of the Debentures held by them respectively. Such registration shall be noted on the Debentures by the Trustee or other registrar.

(2) No transfer of any fully registered Debenture shall be valid unless made on one of such registers by the registered holder or his executors, administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustee or other registrar upon compliance with such reasonable requirements as the Trustee or other registrar may prescribe, nor unless the transfer shall have been noted on such Debenture by the Trustee or other registrar.

TRANSFeree ENTITLED TO REGISTRATION

Section 3.04. The transferee of a registered Debenture shall, after the appropriate form of transfer is lodged with the Trustee or other registrar and upon compliance with all other conditions in that behalf required by this indenture or by law, be entitled to be entered on the appropriate register or on any one of the appropriate registers designated by such holder as the owner of such Debenture free from all equities or rights of set-off or counterclaim between the Bank and his transferor or any previous holder of such Debenture, save in respect of equities of which the Bank is required to take notice by statute or by order of a court of competent jurisdiction.

NO NOTICE OF TRUSTS

Section 3.05. Neither the Bank nor the Trustee nor any registrar shall be bound to take notice of or see to the execution of any trust, whether express, implied or constructive, in respect of any Debenture, and may transfer the same on the direction of the person registered as the holder thereof, whether named as trustee or otherwise, as though that person were the beneficial owner thereof.

REGISTERS OPEN FOR INSPECTION

Section 3.06. The registers hereinbefore referred to shall at all reasonable times be open for inspection by the

Bank, the Trustee or any debentureholder. Every registrar shall from time to time when requested so to do by the Bank or by the Trustee furnish the Bank or the Trustee with a list of the names and addresses of holders of registered Debentures entered on the register kept by such registrar and showing the principal amounts and serial numbers of the Debentures held by each such holder.

EXCHANGE OF DEBENTURES

Section 3.07. (1) Debentures in any authorized form or denomination may be exchanged for Debentures in any other authorized form or denomination, of the same series and date of maturity, bearing the same interest rate and of the same aggregate principal amount as the Debentures so exchanged.

(2) Debentures of any series may be exchanged only at the principal office of the Trustee in the City of Toronto or at such other place or places (if any) as may be specified in the Debentures of such series or as may from time to time be designated by the Bank with the approval of the Trustee. Any Debenture tendered for exchange shall be surrendered to the Trustee together with all unmatured coupons (if any) and all matured coupons (if any) in default pertaining thereto. The Bank shall execute and the Trustee shall certify all Debentures necessary to carry out exchanges as aforesaid. All Debentures and coupons surrendered for exchange shall be cancelled.

(3) Debentures issued in exchange for Debentures which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect; provided that (a) Debentures which have been selected or called for redemption may not be exchanged for Debentures of larger denomination, and (b) if a Debenture that has been selected or called for redemption in part is presented for exchange into Debentures of smaller denominations, the Trustee shall designate, according to such method as the Trustee shall deem equitable, particular Debentures of those issued in exchange, which shall be deemed to have been selected or called for redemption, and the Trustee shall note thereon a statement to that effect.

CLOSING OF REGISTERS .

Section 3.08. (1) The Bank, with the approval of the Trustee, may at any time close any register, other than that kept at the principal office of the Trustee in the City of Toronto and at any other place specified in the Debentures of

any series, and transfer the registration of any Debentures registered thereon to another register and thereafter such Debentures shall be deemed to be registered on such other register.

(2) Neither the Bank nor the Trustee nor any registrar shall be required (i) to make transfers or exchanges of fully registered Debentures for a period of five business days next preceding any interest payment date; (ii) to make transfers of any registered Debentures or to make exchanges of any Debentures on the day of any selection by the Trustee of Debentures to be redeemed or during the five preceding business days; or (iii) to make transfers of any registered Debentures or to make exchanges of any Debentures which have been selected or called for redemption, unless upon the due presentation thereof for redemption such Debentures shall not be redeemed.

CHARGES FOR REGISTRATION, TRANSFER AND EXCHANGE

Section 3.09. Except as herein otherwise provided, for each Debenture exchanged, registered, transferred or discharged from registration, the Trustee or other registrar may make a reasonable charge for its services and in addition may make a reasonable charge for each new Debenture issued (if any); and payment of such charges and reimbursement of the Trustee or other registrar or the Bank for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto.

OWNERSHIP OF DEBENTURES AND COUPONS

Section 3.10. The person in whose name any registered Debenture is registered shall for all purposes of this indenture be and be deemed to be the holder and owner thereof and payment of or on account of the principal of and premium (if any) on such Debenture and, in the case of a fully registered Debenture, interest thereon shall be made only to or upon the order in writing of such registered holder. The Bank and the Trustee and any registrar may deem and treat the bearer of any unregistered Debenture and the bearer of any coupon, whether or not the Debenture from which it has been detached shall be registered as to principal, as the holder and absolute owner of such Debenture or coupon, as the case may be, for all purposes and the Bank and the Trustee shall not be affected by any notice to the contrary.

PAYMENT FREE FROM EQUITIES

Section 3.11. The registered holder for the time being of any registered Debenture and the bearer of any unregistered Debenture and the bearer of any coupon shall be entitled to the principal, premium (if any) and/or interest evidenced by such instruments respectively free from all equities or rights of set-off or counterclaim between the Bank and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such registered holder or bearer, as the case may be, for any such principal, premium or interest shall be a good discharge to the Bank and/or the Trustee for the same and neither the Bank nor the Trustee shall be bound to inquire into the title of any such registered holder or bearer.

EVIDENCE OF OWNERSHIP

Section 3.12. Upon receipt of a certificate of any bank, trust company or other depository satisfactory to the Trustee stating that the unregistered Debentures and coupons specified therein have been deposited by a named person with such bank, trust company or other depository and will remain as deposited until the expiry of the period specified therein, the Bank and the Trustee may treat the person so named as the owner, and such certificate as sufficient evidence of the ownership by such person during such period, of such Debentures and coupons, for the purpose of any requisition, direction, consent, instrument or other document to be made, signed or given by the holder of the Debentures so deposited. The Bank and the Trustee may treat the registered holder of any Debenture as the holder and owner thereof without actual production of such Debenture for the purpose of any requisition, direction, consent, instrument or other document as aforesaid.

NOTICE TO DEBENTUREHOLDERS

Section 3.13. Unless herein otherwise expressly provided, any notice to be given hereunder to debentureholders shall be given in the following manner:

- (a) to the holders of registered Debentures if such notice is delivered to, or sent by first class surface or air mail, prepaid, addressed to, such holders at their respective addresses appearing on any of the registers above mentioned; and if in the case of joint holders of any Debenture more than one address appears in the register in respect of such joint holding, such notice shall be addressed only to the first address so appearing; and

- (b) to the holders of unregistered Debentures if such notice is published once in each of the cities at which registers in respect of such Debentures are required to be kept, each publication to be made in a newspaper of general circulation published in the designated cities; provided that in the case of notice convening a meeting of debentureholders, the Trustee may require such additional publications of such notice, in the same or in other cities or both, as it may deem necessary for the reasonable protection of the debentureholders.

Any notice so given by delivery shall be deemed to have been given on the date of delivery and any notice so given by mail shall be deemed to have been given on the third business day after which it was mailed. Any notice so given by publication shall be deemed to have been given on the day on which the first publication was completed in all of the cities in which publication was required, publication having been effected contemporaneously, or not more than one week previously in all others of such cities. In determining under any provisions hereof the date when notice of any meeting, redemption or other event must be given, the date of giving the notice shall be included and the date of the meeting, redemption or other event shall be excluded. Accidental error or omission in giving notice or accidental failure to mail notice to any debentureholder shall not invalidate any action or proceedings founded thereon.

ARTICLE FOUR

SUBORDINATION OF DEBENTURES

DEBENTURES SUBORDINATED TO DEPOSIT LIABILITIES AND OTHER INDEBTEDNESS

Section 4.01. The Bank covenants and agrees and each holder of any Debenture or coupon, by his acceptance thereof, also covenants and agrees and shall be deemed conclusively to have covenanted and agreed, for the benefit of the present and future holders of Indebtedness, other than Subordinated Indebtedness, anything herein contained to the contrary notwithstanding, that, in the event of the insolvency or winding up of the Bank, the indebtedness evidenced by the Debentures is subordinate in right of payment to the prior payment in full of the deposit liabilities of the Bank and all other Indebtedness of the Bank, other than Subordinated Indebtedness, whether now outstanding or hereafter incurred, and each holder of any Debenture or coupon by his acceptance thereof agrees to and shall be bound by the provisions of this Article Four.

FURTHER ASSURANCES OF SUBORDINATION

Section 4.02. Each holder of Debentures or coupons by his acceptance thereof authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate further to assure the subordination as provided in this Article Four and appoints the Trustee his agent for any and all such purposes.

ARTICLE FIVE

REDEMPTION AND PURCHASE OF DEBENTURES

GENERAL

Section 5.01. The Bank shall have the right at its option to redeem either in whole at any time or in part from time to time prior to maturity Debentures issued hereunder of any series which by their terms are made so redeemable (subject, however, to any applicable law restricting the redemption of Debentures of such series) at such rates of premium, if any, and at such date or dates as shall have been determined at the time of the issue of such Debentures and as shall be expressed in this indenture and/or in the Debentures and/or in the resolution and/or supplemental indenture authorizing or providing for the issue thereof.

RESTRICTION ON REDEMPTION AND PAYMENT OF 2083 DEBENTURES

Section 5.02. The 2083 Debentures will not be redeemable in whole or in part at any time before the day (the "Redemption Commencement Date") following the fifth anniversary date of the issue of the 2083 Debentures in accordance with the provisions of Section 2.03(5). The indebtedness evidenced by the 2083 Debentures shall not be paid by the Bank at any time before the Redemption Commencement Date except as provided in Section 8.02 hereof.

REDEMPTION OF 2083 DEBENTURES

Section 5.03. The 2083 Debentures shall be redeemable by the Bank at the option of the Bank on and after the Redemption Commencement Date and prior to maturity in whole at any time or in part from time to time on any Interest Payment Date at the principal amount thereof together in each case with interest on such principal amount accrued and unpaid to the date fixed for redemption (the price, including accrued interest, at which 2083 Debentures may be redeemed at any given time pursuant to this Article Five being hereinafter referred to as the "redemption price").

PARTIAL REDEMPTION OF 2083 DEBENTURES

Section 5.04. In the event that less than all the 2083 Debentures for the time being outstanding are at any time to be redeemed, the 2083 Debentures so to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee may deem equitable. For this purpose, the Trustee may make

regulations with respect to the manner in which such 2083 Debentures may be drawn for redemption and regulations so made shall be valid and binding upon all holders of such Debentures notwithstanding the fact that as a result thereof one or more of such Debentures becomes subject to such redemption in part only. In the event that one or more of such 2083 Debentures becomes subject to redemption in part only, upon surrender of any such Debenture for payment of the redemption price, the Bank shall execute and the Trustee shall certify and deliver without charge to the holder thereof or upon his order one or more new 2083 Debentures for the unredeemed part of the principal amount of the 2083 Debenture or 2083 Debentures so surrendered. Unless the context otherwise requires, the terms "2083 Debenture" or "2083 Debentures" as used in this Article Five shall be deemed to mean or include any part of the principal amount of any 2083 Debenture which in accordance with the foregoing provisions has become subject to redemption.

NOTICE OF REDEMPTION

Section 5.05. Notice of redemption of any 2083 Debentures shall be given to the holders of the 2083 Debentures so to be redeemed not more than sixty days nor less than thirty days prior to the date fixed for redemption, in the manner provided in Section 3.13 provided, however, that publication shall not be required. Every such notice shall specify the aggregate principal amount of 2083 Debentures called for redemption, the redemption date, the redemption price and the place of payment and shall state that interest upon the principal amount of 2083 Debentures called for redemption shall cease to be payable from and after the redemption date. In addition, unless all the outstanding 2083 Debentures are to be redeemed, the notice of redemption shall specify the distinguishing letters and numbers of the 2083 Debentures that are to be redeemed (or of such thereof as are registered in the name of such debentureholder) and the principal amounts of such 2083 Debentures or, if any such 2083 Debenture is to be redeemed in part only, the principal amount of such part.

DEBENTURES DUE ON REDEMPTION DATES

Section 5.06. (1) Notice having been given as aforesaid, all the 2083 Debentures so called for redemption shall thereupon be and become due and payable at the redemption price applicable on the redemption date specified in such notice, on such redemption date, in all other respects in the same manner and with the same effect as if it were the date of maturity specified in such 2083 Debentures, and from and after such redemption date, if the moneys necessary to redeem such 2083 Debentures shall have been deposited as provided in

Section 5.07 and affidavits or other proof satisfactory to the Trustee as to the giving of such notices shall have been lodged with it, interest upon the said 2083 Debentures shall cease to accrue.

(2) In case any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

DEPOSIT OF REDEMPTION MONEYS

Section 5.07. Such redemption shall be provided for by the Bank depositing with the Trustee or any paying agent to the order of the Trustee, at least one business day prior to the redemption date specified in such notice, such sums as may be sufficient to pay the redemption price of the 2083 Debentures so called for redemption, including accrued interest thereon to the date of redemption. The Bank shall also deposit with the Trustee a sum sufficient to pay any charges or expenses that may be incurred by the Trustee in connection with such redemption. From the sums so deposited the Trustee shall pay or cause to be paid to the holders of such 2083 Debentures so called for redemption, upon surrender of such 2083 Debentures, the principal and interest to which they are respectively entitled on redemption.

FAILURE TO SURRENDER 2083 DEBENTURES CALLED FOR REDEMPTION

Section 5.08. (1) In case the holder of any 2083 Debenture so called for redemption shall fail on or before the date specified for redemption so to surrender his 2083 Debenture or shall not within such time accept payment of the redemption moneys payable in respect thereof or give such receipt therefor, if any, as the Trustee may require such redemption moneys may be set aside in trust at such rate of interest as the depository may allow, either in the deposit department of the Trustee or in the Bank, and such setting aside shall for all purposes be deemed a payment to the debentureholder of the sum so set aside and, to that extent, said 2083 Debenture shall thereafter not be outstanding hereunder and the debentureholder shall have no other right except to receive payment out of the moneys so paid and deposited upon surrender and delivery up of his 2083 Debenture of the redemption price of such 2083 Debenture plus such interest thereon, if any, as the depository may allow.

(2) In the event that any money required to be deposited hereunder with the Trustee or any depository or paying agent on

account of principal or interest on 2083 Debentures issued hereunder shall remain so deposited for a period of six years, then such moneys, together with any accumulated interest thereon, shall at the end of such period be paid over by the Trustee or such depository or paying agent to the Bank on its demand and the holders of 2083 Debentures shall have no rights in respect thereof except to obtain payment of such moneys (without interest thereon) from the Bank.

CANCELLATION OF 2083 DEBENTURES REDEEMED

Section 5.09. All 2083 Debentures redeemed and paid under this Article Five shall forthwith be delivered to the Trustee and cancelled and no Debentures shall be issued in substitution therefor.

PURCHASE OF 2083 DEBENTURES

Section 5.10. At any time on and after the Redemption Commencement Date the Bank if not in default hereunder may purchase 2083 Debentures in the market, by tender or by private contract at prices not exceeding the redemption price applicable at the date of purchase, together, in all cases, with accrued and unpaid interest to the date of purchase and costs of purchase.

ARTICLE SIX

COMMON SHARE INTEREST ISSUE FOR 2083 DEBENTURES

RIGHT TO ELECT COMMON SHARE INTEREST ISSUE

Section 6.01. Notwithstanding Article Two, if in any fiscal quarter of the Bank the Bank does not declare dividends on its common shares in an aggregate amount per common share equal to or greater than the Reference Dividend, the Bank shall have the right, at its option, to elect that the amount of interest that would otherwise be payable to the holders of the 2083 Debentures in respect of any Interest Period in the immediately following fiscal quarter of the Bank be paid to the Trustee and be applied by the Trustee to the purchase of common shares of the Bank for distribution to such holders, all in the manner and on the terms hereinafter provided in this Article Six. In this Article Six, "Common Share Interest Issue" means an issue of common shares of the Bank made in accordance with this Article Six.

LIMITATIONS ON RIGHT

Section 6.02. The Bank shall not have the right to effect a Common Share Interest Issue in respect of any Interest Period unless:

- (a) the Bank shall have given notice of such Common Share Interest Issue to the registered holders of the 2083 Debentures and to the Trustee in accordance with this Article Six; and
- (b) the Bank shall have delivered to the Trustee an opinion of Counsel dated as of the Interest Payment Date for such Interest Period to the effect that:
 - (i) the allotment and issue of common shares of the Bank in respect of such Common Share Interest Issue have been duly authorized by all necessary corporate action of the Bank and, assuming the payment of the subscription price therefor in accordance with this Article Six, such common shares will be issued as fully paid and non-assessable shares; and
 - (ii) there are no requirements or restrictions under applicable securities legislation of any of the provinces of Canada in which any holder of 2083 Debentures has an address appearing on any

register for the 2083 Debentures and under the Bank Act (Canada) relating to the sale in the open market by the Trustee or the holders of 2083 Debentures of the common shares of the Bank received by the Trustee or such holders, respectively, in respect of such Common Share Interest Issue except requirements or restrictions that have been complied with, are not material or arise by reason of the circumstances of a particular holder of 2083 Debentures, including, without limitation, the holding by such holder of 2083 Debentures of securities of the Bank or any Affiliate thereof but not including the circumstances of the transfer to such holder of 2083 Debentures (and for purposes of any such opinion, Counsel may rely as to the question of materiality on an opinion or certificate of any Money Market Dealer chosen by the Company and acceptable to the Trustee); and

- (iii) the listing of the common shares of the Bank issued in respect of such Common Share Interest Issue on The Toronto Stock Exchange (or, if the common shares of the Bank are not listed on The Toronto Stock Exchange at the time of such Common Share Interest Issue, on such stock exchanges in Canada as such common shares are listed at such time) has been approved, subject to the filing of any required documents and compliance with any requirements of The Toronto Stock Exchange (or such stock exchanges) at such time.

RIGHT TO PURCHASE COMMON SHARES

Section 6.03. The Bank hereby grants to the Trustee, for the benefit and on behalf of the holders of the 2083 Debentures, the right to subscribe for and to purchase as agent for such holders from the Bank the common shares of the Bank from time to time to be issued by the Bank hereunder in respect of any Common Share Interest Issue upon payment in cash of an amount per common share equal to 90% of the Market Price thereof on the Interest Payment Date for the Interest Period in respect of which the particular Common Share Interest Issue is to be effected and in the manner and on the terms provided in this Article Six provided that at the time of any Common Share Interest Issue there shall exist no legal impediment thereto under the Bank Act.

NOTICE OF COMMON SHARE INTEREST ISSUE

Section 6.04. Notice of the election of the Bank to effect any Common Share Interest Issue shall be given by or on behalf of the Bank to the Trustee and to the registered holders of the 2083 Debentures, not less than 20 days prior to the Interest Payment Date for the Interest Period in respect of which such Common Share Interest Issue is to be effected, in the manner provided in Section 14.02 and Section 3.13, respectively. Each such notice to the holders of 2083 Debentures shall specify such Interest Payment Date, shall state that such common shares will be mailed to the holders of 2083 Debentures entitled thereto on such Interest Payment Date unless such holders elect, by notice received by the Trustee not later than two business days prior to such Interest Payment Date, to pick up such common shares at an office of the Trustee specified in such notice and shall state that no interest shall be paid in cash to such holders in respect of such Interest Period.

CALCULATION OF COMMON SHARES TO BE ISSUED

Section 6.05. Not less than five days prior to the Interest Payment Date for any Interest Period in respect of which notice of a Common Share Interest Issue has been given in accordance with this Article Six, the Trustee shall give notice to the Bank of:

- (a) its calculation of the number (the "Aggregate Number") of whole common shares of the Bank that can be purchased at a price per common share equal to 90% of the Market Price thereof on such Interest Payment Date with cash in an amount equal to the aggregate amount of interest payable on the 2083 Debentures on such Interest Payment Date; and
- (b) the name of each registered holder of 2083 Debentures as it appears in the register kept by the Trustee and the calculation of the Trustee of the number (the "Whole Number") of whole common shares of the Bank and the fraction (the "Fractional Number") of an additional common share of the Bank, if any, that can be purchased at a price per common share equal to 90% of the Market Price thereof on such Interest Payment Date by such holder with cash in an amount equal to the amount of interest payable to such holder on the 2083 Debentures thereof on such Interest Payment Date.

PAYMENT OF INTEREST TO TRUSTEE
AND PURCHASE OF COMMON SHARES

Section 6.06. (1) Not later than 9:00 a.m. (Toronto time) on any Interest Payment Date for any Interest Period in respect of which notice of a Common Share Interest Issue has been given in accordance with this Article Six, the Bank shall pay to the Trustee, for the benefit and on behalf of the holders of the 2083 Debentures, in lawful money of Canada by cheque drawn on the Bank deposited to an account of the Trustee at the main branch in Toronto of the Bank the amount of interest payable on the 2083 Debentures on such Interest Payment Date. Such payment shall be made to the Trustee, for the benefit of and on behalf of the holders of 2083 Debentures, subject to the condition that the funds so paid be applied by the Trustee in subscription for and purchase of common shares of the Bank in the manner and on the terms provided in this Article Six. Such payment by the Bank shall, as of the time of the making thereof, satisfy and discharge the obligation and liability of the Bank to pay interest on each 2083 Debenture on such Interest Payment Date.

(2) Forthwith after receipt of a payment of interest by the Bank made pursuant to Section 6.06(1) in respect of any Common Share Interest Issue, the Trustee shall subscribe for and purchase the Aggregate Number of common shares of the Bank to be issued in respect of such Common Share Interest Issue at a price per common share equal to 90% of the Market Value thereof on the Interest Payment Date for the Interest Period in respect of which such Common Share Interest Issue is being effected and shall pay to the Bank the subscription price therefor in lawful money of Canada by cheque drawn on the Bank. Forthwith upon the receipt of such subscription price, the Bank shall issue, and shall deliver to the Trustee a share certificate or share certificates representing:

- (a) in respect of each holder of 2083 Debentures, the Whole Number of common shares of the Bank to which such holder is entitled in respect of such Common Share Interest Issue, duly registered in the name of such holder; and
- (b) in respect of the Trustee, the sum of the Fractional Numbers of common shares of the Bank to which the holders of 2083 Debentures are in the aggregate entitled in respect of such Common Share Interest Issue, duly registered in the name of the Trustee.

(3) If, on any Interest Payment Date for any Interest Period in respect of which the Trustee has subscribed for

common shares of the Bank in effecting any Common Share Interest Issue, the Bank fails to issue the common shares required to be issued in respect of such Common Share Interest Issue in accordance with Section 6.06(2), the Trustee shall forthwith thereafter disburse the funds received by it under Section 6.06(1) to the holders of the 2083 Debentures in payment of the interest that would have been payable to them if the Bank had not elected to effect such Common Share Interest Issue.

(4) Prior to the Interest Payment Date for any Interest Period in respect of which notice of a Common Share Interest Issue has been given in accordance with this Article Six, the Trustee shall sell in the open market in Canada (or by private contract at prices not less than those prevailing in the open market) the common shares of the Bank received by it in accordance with Section 6.06(2)(b) and shall deposit the proceeds of sale in an account of the Trustee at the main branch of the Bank in Toronto.

DISTRIBUTION OF COMMON SHARES

Section 6.07. (1) Subject to Section 6.07(2), the Trustee shall, on any Interest Payment Date for any Interest Period in respect of which the Trustee has subscribed for and purchased common shares of the Bank in effecting any Common Share Interest Issue, send to each holder of 2083 Debentures a share certificate registered in the name of such holder representing the Whole Number of common shares of the Bank to which such holder is entitled in respect of such Common Share Interest Issue, together with a cheque drawn on the Bank in respect of the Fractional Number of a common share of the Bank, if any, to which such holder is entitled in respect of such Common Share Interest Issue in an amount in lawful money of Canada (less any tax required to be deducted) corresponding to the appropriate proportion of the proceeds of the sale of common shares of the Bank by the Trustee provided for in Section 6.06(4) (less any costs of such sale), by prepaid mail at his address appearing on the appropriate register for the 2083 Debentures or, in the case of joint holders, to the one whose name appears first on such register at his address appearing on such register.

(2) If any holder of 2083 Debentures gives notice to the Trustee, not later than two business days prior to any Interest Payment Date for any Interest Period in respect of which notice of a Common Share Interest Issue has been given in accordance with this Article Six requesting the Trustee to do so, the Trustee shall, at its principal office in Toronto, make available to such holder of 2083 Debentures who attends

personally at such offices the share certificate and the cheque, if any, that would otherwise be mailed to such holder of 2083 Debentures in accordance with Section 6.07(1).

SALE OF COMMON SHARES NOT PERMITTED
TO BE ISSUED TO HOLDER

Section 6.08. (1) Notwithstanding Section 6.06 and Section 6.07, if:

- (a) the provisions of the Bank Act or any other applicable legislation (other than securities legislation in Canada) would prohibit the issue of common shares of the Bank in respect of any Common Share Interest Issue to, or registration of such shares in the name of, any holder of 2083 Debentures; or
- (b) if provisions of applicable securities legislation of jurisdictions outside Canada would require registration, or the filing of a prospectus, registration statement or other similar disclosure document, in respect of the delivery of common shares of the Bank in connection with any Common Share Interest Issue to any holder of 2083 Debentures;

the Whole Number of common shares of the Bank to which such holder is entitled in respect of such Common Share Interest Issue shall be registered in the name of the Trustee upon the issue thereof and shall be sold by the Trustee in the open market (or by private contract at prices not less than those prevailing in the open market) not later than four Trading Days after such issue. If the Trustee so sells any such common shares of the Bank, it shall, so soon as is reasonably practicable after such sale, send to such holder of 2083 Debentures by prepaid mail a cheque drawn on the Bank in the amount in lawful money of Canada (less any tax required to be deducted) equal to the sum of the proceeds of such sale (less any costs thereof) plus the amount to which such holder is entitled in respect of a Fractional Number of common shares of the Bank, if any, under Section 6.07(1).

(2) The Trustee shall, at the request of the Bank, require any holder of 2083 Debentures to submit a declaration in the form prescribed by the Bank to establish whether the issue of common shares of the Bank to, or registration of such shares in the name of, such holder is prohibited. In the event of such request, any holder of 2083 Debentures who has not furnished a duly completed declaration to the Trustee within 10 days of such request shall, until five days after such time as he furnishes such a declaration, be deemed to be so prohibited for purposes of Section 6.08(1).

REFERENCE DIVIDEND

Section 6.09. (1) The Reference Dividend shall be \$0.10 per common share of the Bank as constituted on the date hereof, subject to adjustment from time to time as provided in this Section 6.09.

(2) In case the Bank shall (i) issue additional common shares as a dividend or a distribution of its common shares, other than a stock dividend to holders of common shares who exercise an option to receive equivalent dividends in common shares in lieu of receiving cash dividends paid in the ordinary course, (ii) subdivide its outstanding common shares into a greater number of shares, or (iii) consolidate its outstanding common shares into a smaller number of shares, the Reference Dividend shall be proportionately decreased in the case of (i) and (ii) above and increased in the case of (iii) above. Such adjustments shall be made successively whenever any event listed above shall occur.

(3) If the Bank shall issue rights, warrants or options to all or substantially all of the holders of common shares under which such holders are entitled, during a period expiring not more than 60 days after the record date for such issue (the "Rights Period"), to subscribe for or purchase common shares or securities ("Convertible Securities") convertible or exchangeable into common shares at a price per common share to the holder (or at an exchange or conversion price per common share at the date of issue of such securities to the holder in the case of Convertible Securities) of less than 90% of the Market Price in respect of the fifth day after such record date (as if such day were an Interest Payment Date) (any of such events being herein called a "Rights Offering"), then the Reference Dividend shall be adjusted effective immediately after the end of the Rights Period to a price determined by multiplying the Reference Dividend in effect immediately prior to the end of the Rights Period by a fraction:

(i) the numerator of which shall be the total of:

- (A) the aggregate number of common shares outstanding as of the record date for the Rights Offering; and
- (B) a number determined by dividing (1) either
 - (a) the product of the aggregate number of common shares issued or subscribed for during the Rights Period upon exercise of the rights, warrants, or options under the

Rights Offering and the price at which such common shares are offered, or, as the case may be, (b) the product of the exchange or conversion price of such Convertible Securities offered (including the price paid for such Convertible Securities) and the number of common shares for or into which the Convertible Securities so offered pursuant to the Rights Offering have been exchanged or converted before or during the relevant Interest Period, by (2) the Market Price in respect of the fifth day after such record date for the Rights Offering (as if such day were an Interest Payment Date); and

- (ii) the denominator of which shall be the aggregate number of common shares outstanding after giving effect to the Rights Offering (including the number of common shares actually issued or subscribed for during the Rights Period upon exercise of the rights, warrants or options under the Rights Offering or before or during the relevant Interest Period upon the exchange or conversion of Convertible Securities).

(4) The Bank shall from time to time immediately after the occurrence of any event that requires an adjustment in the Reference Dividend as above provided, lodge an Officers' Certificate with the Trustee specifying the nature of the event requiring the adjustment and the amount of the adjustment thereby necessitated and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment therein specified, when approved by the Trustee, shall be conclusive and binding on all parties in interest. The Bank shall forthwith give notice, in the manner specified in Section 3.13, of such adjustment to each holder of 2083 Debentures, which notice shall specify the Reference Dividend after such adjustment and the event requiring such adjustment.

(5) In case of any reclassification or change of the common shares (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or consolidation) or in case of any amalgamation of the Bank with, or merger of the Bank into any other corporation (other than an amalgamation or merger in which the Bank is the continuing corporation and which does not result in any reclassification or change, other than as aforesaid, of the common shares), or in case of any sale,

transfer or other disposition of all or substantially all of the assets of the Bank, the Bank or the corporation formed by such amalgamation or the corporation into which the Bank shall have been merged or the corporation which shall have acquired such assets, as the case may be, shall execute and deliver to the Trustee a supplemental indenture providing for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article Six. The above provisions of this Section 6.09 shall similarly apply to successive reclassifications, changes, amalgamation, mergers, sales, transfers or other dispositions.

DETERMINATIONS BY THE TRUSTEE

Section 6.10. In case any question shall arise as to whether any notice has been duly given, or any calculation, payment or adjustment of the Reference Dividend as contemplated by Section 6.09 has been duly made, in accordance with the provisions of this Article Six, such question shall be decided by the Trustee, whose decision shall be final and binding upon all parties in interest.

TRUSTEE AS AGENT FOR HOLDERS

Section 6.11. Each holder of 2083 Debentures, by his acceptance thereof, assents to any Common Share Interest Issue effected on the terms of this Article Six and irrevocably appoints the Trustee his agent for all purposes of any such Common Share Interest Issue.

REPRESENTATION AND WARRANTY

Section 6.12. The Bank represents and warrants to the Trustee, for the benefit of the holders of the 2083 Debentures, that the execution and delivery of this indenture and the acceptance by such holders of the provisions hereof do not give rise to any liability of such holders under the provisions of Part XI of the Income Tax Act (Canada) as in force on the date hereof.

WITHDRAWAL OF RIGHT

Section 6.13. Notwithstanding the foregoing provisions of this Article Six and having regard to the fact that the common shares of the Bank are not listed on any stock exchange and the Bank does not currently pay any dividends on its common shares with the result that the provisions of Section 6.02(b)(iii) could not now be complied with and the provisions of Sections 6.01 and 6.09 relating to the Reference Dividend appear to be inappropriate, the Bank shall not have the right to effect a Common Share Interest Issue in respect of any Interest Period pursuant to this Article Six.

ARTICLE SEVEN

CERTAIN COVENANTS OF THE BANK

The Bank hereby covenants and agrees with the Trustee as follows:

TO PAY PRINCIPAL, PREMIUM AND INTEREST

Section 7.01. The Bank will duly and punctually pay or cause to be paid to each holder of Debentures issued hereunder the principal thereof, premium, if any, and interest accrued thereon in accordance with the terms and subject to the conditions mentioned herein and in the Debentures and coupons, if any, appertaining thereto. Interest, as the same becomes due, on fully registered Debentures (except interest payable at maturity or on redemption which shall be paid upon presentation and surrender of such Debentures) shall be payable as specified herein or in any supplemental indenture hereto, or, failing such specification, by cheque drawn on the Bank representing such interest (less any tax required to be deducted) mailed by the Bank, at least three days prior to each date on which interest on the Debentures becomes due, by prepaid post, to the holder for the time being, or in the case of joint holders, to one of such joint holders, at his registered address, payable to the order of such holder or holders and negotiable at par at each of the places at which interest upon the Debentures is payable. The payment in accordance with such specifications or the mailing of such cheque, as the case may be, shall satisfy and discharge the liability for interest upon the Debentures to the extent of the sums represented thereby (plus the amount of any tax deducted as aforesaid) unless such cheque be not paid on presentation, provided that in the event of the non-receipt, loss or destruction of such cheque, and upon being furnished with reasonable evidence of such non-receipt, loss or destruction, and indemnity reasonably satisfactory to it, the Bank shall issue to such person a replacement cheque in the amount of such cheque.

TO CARRY ON BUSINESS

Section 7.02. So long as any of the Debentures shall be outstanding, the Bank will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and its right to carry on the business of banking and will comply with all laws applicable to the Bank; and the Bank will carry on and conduct the business of banking in a proper and efficient manner; provided, however, that nothing herein contained shall prevent any consolidation or merger of the Bank or any sale or transfer of all or

substantially all of its property and assets upon compliance with the provisions of Article Nine.

TO PAY TRUSTEE'S REMUNERATION

Section 7.03. The Bank will pay to the Trustee reasonable remuneration for its services as Trustee hereunder as may be agreed upon by the Trustee and the Bank and will also pay all costs, charges and expenses properly incurred by the Trustee in connection with the trusts hereof and also (in addition to any right of indemnity by law given to the Trustee) will at all times keep indemnified the Trustee against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted by it in any way relating to this indenture. The said remuneration will be payable notwithstanding that a curator under the Bank Act or a liquidator under the Winding-Up Act of Canada shall have been appointed or the trusts of this indenture shall be in course of administration by or under the direction of the Court.

AUDIT

Section 7.04. The Bank will annually after the end of its fiscal year have an examination and audit of the accounts, affairs and conditions of the Bank and its subsidiaries made by the auditors of the Bank and it will furnish to the Trustee within one hundred and twenty days (or such longer period as the Trustee in its discretion may consent to) a copy of the consolidated financial statements and of the report of the auditors of the Bank thereon that are furnished to the shareholders of the Bank.

CERTIFICATES OF NO DEFAULT

Section 7.05. The Bank will, contemporaneously with the delivery of the financial statements pursuant to Section 7.04 and at any other time if requested by the Trustee, deliver to the Trustee an Officers' Certificate stating that the Bank has complied with all covenants, conditions or other requirements contained in this indenture non-compliance with which would, with the giving of notice or the lapse of time, or both, or otherwise, constitute an event of default under this indenture, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance.

NOTICE OF DEFAULT

Section 7.06. The Bank will give notice to the Trustee of any event that constitutes, or which, with the

giving of notice or lapse of time or both, would constitute, an event of default under this indenture, within 10 business days after it becomes aware of such event.

TRUSTEE MAY PERFORM COVENANTS

Section 7.07. If the Bank shall fail to perform any covenant on its part herein contained, the Trustee may in its discretion, but (subject to Section 8.03) need not, notify the debentureholders of such failure or itself may perform any of the said covenants capable of being performed by it and, if any such covenant requires the payment or expenditure of money, it may make such payment or expenditure with its own funds, or with money borrowed by or advanced to it for such purpose, but shall be under no obligation so to do; and all sums so expended or advanced shall be repayable by the Bank in the manner provided in Section 7.03, but no such performance or payment shall be deemed to relieve the Bank from any default hereunder.

RESTRICTIONS ON OTHER INDEBTEDNESS

Section 7.08. The Bank will not, so long as any of the 2083 Debentures shall be outstanding, create, incur or suffer to exist any Indebtedness subordinate in right of payment to the deposit liabilities of the Bank, other than (i) Subordinated Indebtedness, (ii) Indebtedness that is subordinate in right of payment to the deposit liabilities of the Bank by virtue of any statute or law now or hereafter in force and (iii) any Indebtedness of the Bank outstanding on the date of this indenture.

ARTICLE EIGHT

REMEDIES IN CASE OF DEFAULT

ACCELERATION OF MATURITY ON DEFAULT

Section 8.01. Upon the happening of any one or more of the following events (herein sometimes called "events of default") namely:

- (a) if the Bank fails to pay any interest due on the Debentures or any of them, or to make any sinking fund payment prescribed herein or in any Debentures, and any such default shall have continued for a period of 30 days;
- (b) if the Bank fails to pay any part of the principal of or premium, if any, on any Debenture when the same becomes due and payable;
- (c) if the Bank shall become insolvent or bankrupt or subject to the provisions of the Winding-Up Act of Canada, or go into liquidation, either voluntary or under an order of a court of competent jurisdiction, or otherwise acknowledge its insolvency (provided that a resolution or order for winding-up the Bank, with a view to its reconstruction or its consolidation, amalgamation or merger with another bank or the transfer of its assets as an entirety to such other bank, as provided in Article Nine hereof, shall not constitute an event of default, under this section 8.01 if such last-mentioned bank shall, as a part of such reconstruction, consolidation, amalgamation, merger or transfer, and, within 90 days from the passing of the resolution or the date of the order for the winding-up or liquidation of the Bank or within such further period of time as may be allowed by the Trustee, comply with the conditions to that end stated in Article Nine hereof);
- (d) if a curator, liquidator, receiver, receiver and manager, or trustee in bankruptcy of the Bank be appointed;
- (e) if the Bank shall make default in observing or performing any other covenant or condition (but not, for greater certainty, any representation or warranty made hereunder) of this indenture on its part to be observed or performed and if such default shall continue for a period of 60 days after a notice in

writing has been given by the Trustee to the Bank, specifying such default and requiring the Bank to put an end to the same, which notice the Trustee may give on its own initiative and shall give when required to do so by the holders of 10% in principal amount of the Debentures then outstanding; or

- (f) so long as any of the 2083 Debentures are outstanding, if the Bank shall make default, which is not cured or waived, in observing or performing any covenant, undertaking, term or condition contained in any instrument under which bank debentures, or similar subordinated obligations for borrowed money, of the Bank, other than the Debentures, are issued and such indebtedness shall have been accelerated so that an aggregate amount in excess of \$1,000,000 shall be or become due and payable prior to the date on which the same would otherwise have become due and payable, and the Bank is not actively and diligently attempting to make good such default or such acceleration shall not be rescinded or annulled, or such event of default shall not be remedied or cured, whether by payment or otherwise, by the Bank or waived by the holders of such indebtedness, within 60 days after such acceleration shall have occurred;

then in each and every such event, subject to the provisions of Section 8.04, the Trustee may in its discretion and shall upon the request in writing of the holders of 25% in principal amount of the Debentures then outstanding, declare the principal of and interest on the Debentures, together with the premium, if any, which would have been payable thereon if the Bank had redeemed the Debentures (otherwise than for sinking fund purposes) on the date of such declaration or on the interest payment date next following any such date in the case of Debentures redeemable only on an interest payment date or, if such debentures are not then redeemable, on the earliest date thereafter on which such Debentures may be redeemed by the Bank, to be due and payable and the same shall forthwith become immediately due and payable to the Trustee on demand, anything therein or herein contained to the contrary notwithstanding, and the Bank shall (subject to the provisions of Article Four) pay forthwith to the Trustee on demand for the benefit of the holders of the Debentures the amount of the principal, premium, if any, as aforesaid, and interest then accrued on all the Debentures and all other moneys payable under the provisions hereof together with interest at the respective rates of interest borne by the Debentures on such principal, premium, if any, and interest from the date of the said declaration until payment is received by the Trustee, and such payment when made

shall be deemed to have been made on the Debentures and any moneys so received by the Trustee shall be applied in the manner hereinafter provided in Section 8.06.

BANK ACT AND OTHER LIMITATIONS ON PAYMENT

Section 8.02. If any provisions (the "Early Payment Restrictions") contained in the Bank Act or in the terms of any series of Debentures shall limit the right of the Bank to pay such Debentures on or before a date prescribed by Early Payment Restrictions, Sections 8.01, 8.05 and 8.06 shall be subject to such Early Payment Restrictions; provided that so long as any Early Payment Restriction shall be applicable to any Debentures, the Trustee shall (subject to its receipt of indemnity as provided in Section 8.05) take such action as shall not be precluded by the Early Payment Restrictions and as it shall deem appropriate, or as it shall be directed to take by the holders of 25% in principal amount of the Debentures then outstanding to which the Early Payment Restrictions are applicable, to preserve and to protect the interests of the holders of Debentures then outstanding to which the Early Payment Restrictions are applicable and to obtain or to collect all amounts to which they may be entitled and to distribute the same to them at the earliest time permitted by the Early Payment Restrictions, such action to include, without limitation, the filing and proving of claims with respect to the Debentures then outstanding to which the Early Payment Restrictions are applicable in any insolvency or winding-up proceedings relating to the Bank and the enforcement of such claims on behalf of the holders of such Debentures; and provided, further, that the provisions of this Section 8.02 shall not in any way reduce or impair the obligation of the Bank to provide for payment to the Trustee in respect of the Debentures as provided in Section 8.01 nor shall such provisions be deemed to prevent the holder of any Debenture or the Trustee on behalf of any such holder from proving claims in any insolvency or winding-up proceedings for such amounts in respect of the Debentures as they may be permitted to claim under the laws applicable to such insolvency or winding-up proceedings or to receive payment of any such amounts.

NOTICE OF DEFAULT BY TRUSTEE

Section 8.03. If an event of default shall occur and be continuing the Trustee shall, within 30 days after it becomes aware of the occurrence of such event of default, give notice of such event of default to the debentureholders provided that, notwithstanding the foregoing, the Trustee shall not be required to give such notice if the Trustee in good faith determines that the withholding of such notice is in the

best interests of the debentureholders and gives notice of such determination to the Bank.

WAIVER OF DEFAULT

Section 8.04. Upon the happening of any event of default hereunder, except default in payment of principal moneys at maturity, and in addition to the powers exercisable by the debentureholders by extraordinary resolution, the holders of not less than 51% in principal amount of the Debentures which shall then be outstanding shall have power by an instrument or instruments in writing or by the affirmative vote of such holders at a meeting duly convened and held as hereinafter provided to require the Trustee to waive the default and the Trustee shall thereupon waive the default upon such terms and conditions as such holders shall prescribe. So long as it has not become bound as provided in this Article to declare the principal of and premium, if any, as aforesaid and interest on all the Debentures then outstanding to be due and payable, or to obtain and enforce payment of the same, the Trustee shall have power to waive any default arising hereunder, except default in payment of principal moneys at maturity, if in the opinion of the Trustee the same shall have been cured, or adequate satisfaction made therefor, upon such terms and conditions as the Trustee may deem advisable. Provided always that no act or omission either of the Trustee or of the debentureholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

RIGHT OF TRUSTEE TO ENFORCE PAYMENT

Section 8.05. Subject to the provisions of Section 8.04, in case the Bank shall fail to pay to the Trustee, on demand following a declaration made by the Trustee pursuant to Section 8.01, the principal of and premium, if any, as aforesaid and interest on all the Debentures then outstanding, together with any other amounts due hereunder, the Trustee may in its discretion and, upon the request in writing of the holders of not less than 25% in principal amount of the Debentures then outstanding and upon being indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, shall proceed in its name as Trustee hereunder to obtain or enforce payment of the said principal of and premium, if any, and interest on all the Debentures then outstanding together with any other amounts due hereunder, by any remedy provided by law either by legal proceedings or otherwise.

APPLICATION OF MONEYS BY TRUSTEE

Section 8.06. Except as elsewhere herein otherwise expressly provided, any moneys received by the Trustee from the Bank pursuant to the foregoing provisions of this Article Eight, or as a result of legal or other proceedings or from any trustee in bankruptcy or curator or liquidator of the Bank, shall be applied, together with any other moneys in the hands of the Trustee available for such purposes, in the first place to pay or to reimburse to the Trustee the costs, charges, expenses, advances and compensation to the Trustee in or about the execution of its trust, or otherwise in relation hereto, with interest thereon as herein provided, and the residue of the said moneys shall be applied as follows:

- (a) firstly, the said moneys shall be applied in or towards payment of the principal of all of the Debentures for the time being outstanding and thereafter in or towards payment of the premium, if any, on such Debentures and lastly in or towards payment of the accrued and unpaid interest and interest on overdue interest and premium, if any, on such Debentures (or if the debentureholders by instrument in writing signed by the holders of not less than 51% in principal amount of the Debentures for the time being outstanding or by extraordinary resolution passed at a meeting of debentureholders shall have directed payments to be made in accordance with any other order of priority, or without priority as between principal, premium, if any, and interest, then such moneys shall be applied in accordance with such direction) provided that no payment shall be made on any interest or coupon the time of payment of which has been extended, whether by purchase or funding or otherwise, except in accordance with the provisions of Section 8.07; and
- (b) the surplus, if any, of such moneys shall be paid to the Bank or its assigns;

provided that if at the time of the application of any such moneys by the Trustee as aforesaid there shall be outstanding any Debentures the indebtedness evidenced by which cannot be paid by the Bank by reason of the provisions of Section 8.02, the Trustee shall retain the moneys which would otherwise have been applied to the payment of such indebtedness until such moneys may be so applied without violation of the provisions of Section 8.02. Pending such application such moneys shall be placed by the Trustee on deposit in some chartered bank in Canada at such rate of interest as is then current on deposits

of similar principal amount and similar term. The Trustee shall give notice as provided in Section 8.09 to the holders of such Debentures of the earliest date on which the moneys so retained may be so applied without violation of the provisions of Section 8.02 and on the said date the holders of such Debentures shall be entitled to receive payment of the moneys so retained together with such interest thereon, if any, as the depositary may allow.

BANK NOT TO EXTEND TIME FOR PAYMENT OF INTEREST

Section 8.07. In order to prevent any accumulation after maturity of interest or coupons, the Bank agrees and covenants that it will not, directly or indirectly, extend or assent to the extension of time for payment of any coupons or interest upon any Debenture, and that it will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding said coupons or interest or in any other manner. In case the time for payment of any such coupons or interest shall be so extended, whether or not such extension be by or with the consent of the Bank, such coupons or interest shall not be entitled, in case of default hereunder, to the benefit of the indenture, except subject to the prior payment in full of the principal of and premium, if any, on all Debentures and of all matured coupons and interest on such Debentures, the payment of which has not been so extended. All coupons shall, when paid, be forthwith cancelled and handed to the Trustee as evidence of such payment and cancellation.

TRUSTEE MAY DEFER DISTRIBUTION

Section 8.08. The Trustee shall not be bound to apply or make any partial or interim payment of any moneys coming into its hands if the amount so received by it is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Debentures, but it may retain the money so received by it and deal with the same as provided in Article Ten hereof until the money or the investments representing the same, with the income derived therefrom, together with any other moneys for the time being under its control, shall be sufficient and available for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth.

NOTICE OF PAYMENT BY TRUSTEE

Section 8.09. Not less than 15 days' notice shall be given by the Trustee of any payment to be made under this Article Eight to the debentureholders. Such notice shall state the time when and the place where such payment is to be made,

the amount of the payment and the application thereof as between principal, premium and interest. After the day so fixed, unless payment shall have been duly demanded and have been refused, the debentureholders will be entitled to interest only on the remainder, if any, of the principal moneys, premium, if any, and interest due to them, respectively, on the Debentures, after credit for the respective amounts of the payments in respect thereof on the day so fixed.

RECEIPT OF DEBENTUREHOLDER GOOD DISCHARGE

Section 8.10. The receipt of the bearer, if payable to bearer, or, if registered as to principal only, of the registered holder, of each of the Debentures for moneys paid on account of the principal thereof, and premium, if any, thereon and of the registered holder of fully registered Debentures for moneys paid on account of the principal thereof, premium, if any, and interest due thereon, and of the bearer of a coupon for moneys paid on account of interest shall be a good discharge to the Trustee and to the Bank. Delivery by the bearer of a Debenture payable to bearer or of a coupon and delivery by the registered holder thereof of a Debenture registered as to principal or of a fully registered Debenture shall, moreover, be a good discharge for the principal moneys, premium, if any, and interest evidenced by such instruments respectively.

TRUSTEE MAY DEMAND PRODUCTION OF DEBENTURES

Section 8.11. The Trustee shall have the right at the time it makes any payment of principal, premium or interest required by this Article Eight to demand of the person claiming such payment the production of the actual Debenture or coupon under which he claims such payment be made, and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement in any special case, upon such indemnity being given as it shall deem sufficient.

REMEDIES CUMULATIVE

Section 8.12. No remedy herein conferred upon or reserved to the Trustee, or upon or to the holders of Debentures, is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

JUDGMENT AGAINST THE BANK

Section 8.13. The Bank covenants and agrees with the Trustee that, in case of any judicial or other proceedings to obtain judgment for the principal of or interest or premium on the Debentures, judgment may be rendered against it in favour of the debentureholders or in favour of the Trustee, as trustee for the debentureholders, for any amount that may remain due in respect of the Debentures and the premium, if any, and interest thereon and any other moneys payable hereunder by the Bank.

ARTICLE NINE

CONSOLIDATION AND AMALGAMATION

SUCCESSOR BANK

Section 9.01. Nothing in this indenture shall prevent the reorganization or reconstruction of the Bank or the consolidation, amalgamation or merger of the Bank with any other bank or shall prevent the transfer by the Bank of its undertaking and assets as a whole or substantially as a whole to another bank, lawfully entitled to acquire and operate the same, provided that the conditions of this Article Nine be observed, and provided also that every such successor or assign shall, as part of such reorganization, reconstruction, consolidation, amalgamation, merger or transfer, and in consideration thereof, enter into and execute an indenture or indentures supplemental hereto in favour of the Trustee whereby such successor or assign covenants:

- (a) to pay punctually when due the principal moneys, premium, if any, interest and other moneys due or which may become due hereunder;
- (b) to perform and to observe punctually all the obligations of the Bank hereunder and under and in respect of all outstanding Debentures; and
- (c) to observe and to perform every covenant, stipulation, promise, undertaking, condition and agreement of the Bank herein contained as fully and completely as if it had itself executed this indenture as party of the First Part hereto and had expressly agreed herein to observe and to perform the same;

and shall sign and execute all such other deeds and documents as the Trustee may be advised by Counsel are necessary or advisable in the premises.

Provided that every such reorganization, reconstruction, consolidation, amalgamation, merger or transfer shall be made on such terms and at such times and otherwise in such manner as shall be approved by the Bank and by the Trustee as not being prejudicial to the interests of the debentureholders and as preserving and not impairing the rights and powers of the Trustee and the debentureholders hereunder, and upon such approval the Trustee shall facilitate the same in all respects, and may give such consents and sign, execute or join in such documents and do such acts as in its discretion may be thought advisable in order that such reorganization,

reconstructions, consolidation, amalgamation, merger or transfer may be carried out. The Bank shall furnish to the Trustee an opinion of Counsel to the effect that such reorganization, reconstruction, consolidation, amalgamation, merger or transfer is on such terms as will substantially preserve and not impair the rights and powers of the Trustee and the debentureholders hereunder and that all the provisions of this Article have been complied with, and the Trustee shall incur no liability by reason of reliance thereon.

SUCCESSOR TO POSSESS POWERS OF THE BANK

Section 9.02. In case of any reorganization, reconstruction, consolidation, amalgamation or merger as aforesaid, or in case of such transfer of the undertaking and assets of the Bank as a whole or substantially as a whole, the corporation formed by such consolidation or with which the Bank shall have been amalgamated or merged or to which such transfer shall have been made, upon executing an indenture or indentures as provided in Section 9.01, shall succeed to and be substituted for the Bank with the same effect as if it had been named herein as the party of the First Part hereto, and shall possess and may exercise each and every right of the Bank hereunder.

ARTICLE TEN

INVESTMENT OF TRUST FUNDS

Section 10.01. Unless otherwise expressly provided herein, any moneys held by the Trustee, which under the trusts of this indenture may be invested, shall be invested and reinvested by the Trustee in its name or under its control in any securities in which trustees are, by the laws of the Province of Ontario, authorized to invest. Pending such investment such moneys shall be placed by the Trustee on deposit in the Bank or in some other chartered bank in Canada at the rate of interest then current on deposits having a similar principal amount and a similar term.

ARTICLE ELEVEN

SUITS BY DEBENTUREHOLDERS AND TRUSTEE

DEBENTUREHOLDERS MAY NOT SUE

Section 11.01. No holder of any Debenture or coupon shall have any right to institute any suit, action or proceeding for payment of any principal, premium or interest owing on any Debenture or coupon, or for the execution of any trust or power hereunder, or for the appointment of a liquidator, receiver or receiver and manager or to have the Bank wound up, or for any other remedy hereunder, unless such holder shall previously have given to the Trustee written notice of the happening of an event of default hereunder and the continuance thereof for 30 days; unless the holders of at least 25% in principal amount of the Debentures then outstanding shall have made written request to the Trustee and shall have afforded to it a reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action or proceeding in its own name for such purpose; unless such debentureholders shall have offered to the Trustee, when so requested by the Trustee within a reasonable time, sufficient funds and security and indemnity satisfactory to it against the costs expenses and liabilities to be incurred thereon or thereby; and unless the Trustee shall have failed to act within a reasonable time after such notification, request and offer of indemnity; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Debentures or coupons.

TRUSTEE NOT REQUIRED TO POSSESS DEBENTURES

Section 11.02. All rights of action under this indenture may be enforced by the Trustee without the possession of any of the Debentures or coupons or the production thereof on any trial or other proceedings relative thereto.

TRUSTEE MAY INSTITUTE ALL PROCEEDINGS

Section 11.03. The Trustee shall have the power to institute and maintain all and any such suits and proceedings as it may decide shall be necessary or expedient to protect its interest and the interests of the holders of the Debentures.

DEBENTUREHOLDERS MAY WAIVE DEFAULT

Section 11.04. In the case any action, suit or other proceeding shall have been brought by the Trustee or by the holder of any Debenture or coupon after failure of the Trustee to act, the debentureholders may, by extraordinary resolution as hereinafter defined, direct the Trustee or the holder of the Debenture or coupon bringing any such action, suit or other proceeding to waive the default in respect of which any such action, suit or other proceeding shall have been brought upon payment of the costs, charges and expenses incurred by the Trustee or the holder of the Debenture or coupon, as the case may be, in connection therewith, and to stay or discontinue or otherwise deal with any such action, suit or other proceeding, and such direction shall be binding upon and shall be observed by the Trustee or by the holder of such Debenture or coupon, as the case may be.

IMMUNITY OF OFFICERS, SHAREHOLDERS AND DIRECTORS

Section 11.05. The obligations on the part of the Bank expressed herein and in the Debentures and coupons are solely corporate obligations and no action, suit or proceeding shall be instituted or maintained in respect thereof against any officer, director or shareholder (past, present or future) of the Bank, either directly or through the Bank or otherwise. Nothing contained herein or in the Debentures shall be taken, however, to prevent recourse to and the enforcement of the liability of any shareholder of the Bank for uncalled capital or the liability of any such shareholder upon unsatisfied calls.

ARTICLE TWELVE

NEW TRUSTEE

APPOINTMENT OF NEW TRUSTEE

Section 12.01. The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder after giving three months' notice in writing to the Bank; provided, however, that such shorter notice may be given as the Bank shall accept as sufficient. In case of the resignation of the Trustee or its removal from office or incapacity to act, its successor shall be appointed at once by the Bank and the Trustee, jointly, provided that such successor so appointed shall be a trust company qualified to carry on business in the Province of Ontario; but should the Bank and the Trustee fail to agree on such appointment then such successor shall be appointed by a Judge of the Supreme Court of Ontario upon the application of the Bank upon such notice to the debentureholders and given in such manner as the said Judge may direct, or upon the application of debentureholders upon notice to the Bank. On any such appointment the new Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Trustee, without any further assurance, conveyance, act or deed, but there shall be immediately executed, at the expense of the Bank, all such instruments, if any, as the new Trustee may be advised by Counsel are necessary or advisable.

TRANSFER OF POWERS TO NEW TRUSTEE

Section 12.02. Any such new or successor Trustee shall, forthwith upon appointment, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trusts hereunder, with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of the successor Trustee or of the Bank, the Trustee ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver all property and money held by such Trustee to the successor Trustee so appointed in its place. Should any instrument in writing from the bank be required by any new Trustee for more fully and certainly vesting in and conforming to it such estates, properties, rights, powers and trusts, then any and all instruments in writing shall, on request of said new Trustee be made, executed, acknowledged and delivered by the Bank.

AMALGAMATION ETC. OF TRUSTEE

Section 12.03. Any company into which the Trustee may be merged or with which it may be consolidated or amalgamated, or any company resulting from any merger, consolidation or amalgamation to which the Trustee shall be a party, provided the same is a trust company qualified to carry on business in the Province of Ontario, shall be the successor Trustee under this indenture without the execution of any instrument or any further act.

ARTICLE THIRTEEN

PAYMENT OF DEBENTURES

CANCELLATION AND DESTRUCTION

Section 13.01. All matured coupons and Debentures shall forthwith after payment thereof be cancelled. All Debentures and coupons cancelled or required to be cancelled under this or any other provision of this indenture may be destroyed by or under the direction of the Trustee by cremation or otherwise (in the presence of a representative of the Bank if the Bank shall so require) and the Trustee shall prepare or cause to be prepared and retain a certificate of such destruction and deliver a duplicate thereof to the Bank at its request.

NON-PRESENTATION OF DEBENTURES AND COUPONS

Section 13.02. In case the holder of any Debenture or coupon shall fail to present the same for payment on the date on which the principal thereof and premium, if any, thereon or the interest thereon or represented thereby becomes payable either at maturity or otherwise or shall not accept payment on account thereof and give such receipt therefor if any, as the Trustee may require:

- (a) the Bank shall be entitled to pay to the Trustee and direct it to set aside, or
- (b) in respect of moneys in the hands of the Trustee which may or should be applied to the payment of the Debentures, the Bank shall be entitled to direct the Trustee to set aside, or
- (c) if the redemption was pursuant to notice given by the Trustee, the Trustee may itself set aside,

the principal moneys and the premium, if any or the interest, as the case may be, in trust to be paid to the holder of such Debenture or coupon upon due presentation or surrender thereof in accordance with the provisions of this indenture; and thereupon the principal moneys and premium, if any, or the interest payable on or represented by each Debenture and each coupon in respect whereof such moneys have been set aside shall be deemed to have been paid and the holder thereof shall thereafter have no right in respect thereof except that of receiving payment of the moneys so set aside by the Trustee upon due presentation and surrender thereof, subject always to the provisions of Section 13.03.

REPAYMENT OF UNCLAIMED MONEYS

Section 13.03. Any moneys set aside under Section 13.02 and not claimed by and paid to holders of Debentures or coupons as provided in Section 13.02 within six years after the date of such setting aside shall be repaid to the Bank by the Trustee on demand and thereupon the Trustee shall be released from all further liability with respect to such moneys and thereafter the holders of the Debentures or coupons in respect of which such moneys were so repaid to the Bank shall have no rights in respect thereof except to obtain payment of such moneys (without interest thereon) from the Bank.

ARTICLE FOURTEEN

NOTICES

NOTICE TO THE BANK

Section 14.01. Any notice to the Bank under the provisions hereof shall be valid and effective if delivered to, or given by registered letter postage prepaid addressed to Hongkong Bank of Canada, 70 York Street, Toronto, Ontario M5J 1S9 Attention: Senior Vice-President and Treasurer and shall be deemed to have been effectively given, if delivered, on the day of delivery or, if mailed, on the third business day after the day of mailing. The Bank may from time to time notify the Trustee of a change in address which thereafter, until changed by like notice, shall be the address of the Bank for all purposes of this indenture.

NOTICE TO THE TRUSTEE

Section 14.02. Any notice to the Trustee under the provisions hereof shall be valid and effective if delivered to, or given by registered letter postage prepaid addressed to, the Trustee at 85 Richmond Street West, Suite 800, Toronto, Ontario, M5H 4A3 Attention: Fiduciary Department, Corporate Trust Services, and shall be deemed to have been effectively given, if delivered, on the day of delivery or, if mailed, on the third business day after the day of mailing. The Trustee may from time to time notify the Bank of a change in address which thereafter, until changed by like notice, shall be the address of the Trustee for all purposes of this indenture.

ARTICLE FIFTEEN

DEBENTUREHOLDERS' MEETINGS

Section 15.01. Meetings of debentureholders shall be convened, held and conducted in the manner following:

CALLING OF MEETINGS

- (a) At any time and from time to time the Trustee or the Bank may, and the Trustee shall on being served with a requisition signed by debentureholders representing at least 10% of the aggregate principal amount of the Debentures then outstanding, convene a meeting of the debentureholders. In the event of the Trustee failing to convene a meeting after being thereunto required by the debentureholders as hereinbefore set forth, such debentureholders representing the requisite percentage of Debentures as aforesaid may themselves convene such meeting and the notice calling such meeting may be signed by such person as such debentureholders may specify. Every such meeting shall be held at the City of Toronto or at such other place as the Trustee may in any case determine or approve.

SERIAL MEETINGS

- (b) (1) If, in the opinion of the Trustee, the business to be transacted at any meeting by resolution, extraordinary or otherwise, especially affects the rights of the holders of any series or part of a series of Debentures in a manner or to an extent substantially differing from that in or to which the rights of the holders of any other series or part thereof are affected (as to which an opinion of Counsel shall be binding on all debentureholders, the Trustee and the Bank for all purposes hereof), then:
 - (A) reference to such fact, indicating each series or part of a series so especially affected, shall be made in the notice of the meeting and the meeting shall be and is herein called a "serial meeting"; and
 - (B) the holders of Debentures of a series or part of a series so especially affected shall not be bound by any action taken at a serial meeting or by instrument in writing under Section 15.06 unless in addition to

compliance with the other provisions of this Article:

(i) at such serial meeting:

(I) there are present in person or by proxy holders of at least a majority in principal amount of the outstanding Debentures of such series or part of a series, subject to the provisions of this Article as to adjourned meetings; and

(II) the resolution is passed by the favourable votes of the holders of more than 50% (or in the case of an extraordinary resolution not less than 66-2/3%) in principal amount of Debentures of such series or part of a series voted on the resolution; or

(ii) in the case of action taken or power exercised by instrument in writing under Section 15.06, such instrument is signed in one or more counterparts by the holders of not less than 66-2/3% in principal amount of the outstanding Debentures of such series or part of a series.

(2) If in the opinion of Counsel any business to be transacted at any meeting, or any action to be taken or power to be exercised by instrument in writing under Section 15.06, does not adversely affect the rights of the holders of Debentures of one or more particular series or part of a series, the provisions of this Article Fifteen shall apply as if the Debentures of such series or part of a series were not outstanding and no notice of any such meeting need be given to the holders of Debentures of such series or part of a series. Without limiting the generality of the foregoing, a proposal to modify or terminate any covenant or agreement which by its terms is effective only so long as Debentures of a particular series or part of a series are outstanding shall be deemed not to adversely affect the rights of the holders of Debentures of any other series or part of a series.

- (3) A proposal (i) to extend the maturity of Debentures of any particular series or part of a series or reduce the principal amount thereof or the rate of interest or redemption premium thereon, (ii) to modify or terminate any covenant or agreement which by its terms is effective only so long as Debentures of a particular series are outstanding, (iii) to reduce with respect to holders of Debentures of any particular series any percentage stated in Section 8.04, in this Section 15.01, in Section 15.03 or 15.06, or (iv) to change the currency in which the principal of, premium, if any, or interest on Debentures of a particular series is payable to another currency or a unit of account defined in terms of the currency of two or more countries, shall be deemed to especially affect the rights of the holders of Debentures of such series or part of a series, as the case may be, in a manner substantially differing from that in which it affects the rights of holders of Debentures of any other series or part of a series, whether or not a similar extension, reduction, modification or termination is proposed with respect to Debentures of any or all other series and part of a series.

NOTICE OF MEETINGS

- (c) Not more than 50 nor less than 21 days' notice of such meeting shall be given to the debentureholders and such notice shall state the time when, and the place where, said meeting is to be held and shall specify in general terms the nature of the business to be transacted thereat, but it shall not be necessary to specify in the notice the text of the resolutions to be passed. Notices shall be given in the manner set forth in Article Three hereof and a copy thereof shall be sent by post or delivered to the Trustee unless the meeting has been called by it. It shall not be necessary to specify in the notice of any adjournment of a meeting the nature of the business to be transacted at the adjourned meeting. The accidental omission to give such notice to or non-receipt of any such notice by a debentureholder shall not invalidate any resolution passed at such meeting.

QUORUM

- (d) At any meeting of the debentureholders, subject as hereinafter provided, a quorum shall consist of two or more persons present in person holding either personally or as proxies for holders not less than a majority in principal amount of the Debentures then outstanding. If, however, the meeting is a serial meeting, a quorum shall consist of two or more persons present in person holding either personally or as proxies for holders not less than a majority in principal amount of the Debentures then outstanding and also not less than a majority in principal amount of the outstanding Debentures of each series or part thereof especially affected as aforesaid. In the event of such quorum not being present on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting shall be adjourned to be held at a place and upon a date and at an hour to be fixed by the Trustee who shall give not less than 14 days' notice of the date and time to which such meeting is adjourned and of the place where such adjourned meeting is to be held and at such adjourned meeting a quorum shall consist of the debentureholders then and there represented in person or by proxy and voting.

CHAIRMAN

- (e) Some person, who need not be a debentureholder, nominated in writing by the Trustee, shall be Chairman of the meeting but, if no person is so nominated or if the person so nominated is not present within 25 minutes after the time fixed for the holding of the meeting, the debentureholders and proxies for debentureholders present shall choose one of their number to be Chairman.

VOTE ON ORDINARY RESOLUTION

- (f) Every question submitted to a meeting, except an extraordinary resolution, shall be decided in the first place by a majority of the votes given on a show of hands and shall be binding on all debentureholders. In the case of an equality of votes on a show of hands the Chairman shall have a casting vote.

POLL TO BE TAKEN ON EXTRAORDINARY RESOLUTION

- (g) A poll shall be taken on every extraordinary resolution and, when requested by a debentureholder or by a proxy representing a debentureholder holding at least \$10,000 principal amount of the Debentures, on any other question or resolution.

TAKING OF POLL

- (h) If at any meeting a poll is so demanded as aforesaid on the election of a Chairman or on a question of adjournment, it shall be taken forthwith. If at any meeting a poll is so demanded on any other question, or an extraordinary resolution is to be voted upon, a poll shall be taken in such manner and either at once or after an adjournment as the Chairman directs. The result of a poll shall be deemed to be the decision of the meeting at which the poll was demanded and shall be binding on all debentureholders.

VOTES ON A POLL

- (i) At any meeting of the debentureholders each debentureholder shall on a poll have one vote for every \$1,000 principal amount of Debentures of which he shall be the holder. Votes may be given in person or by proxy and a proxy need not be a debentureholder.

VOTES AT A SERIAL MEETING

- (j) At a serial meeting no ordinary resolution shall be deemed to have been validly passed or adopted unless there shall have been given in favour thereof not less than a majority of the votes given respectively by the holders of each series of Debentures or part thereof especially affected as aforesaid as well as a majority of all the votes given thereon.

TRUSTEE MAY MAKE REGULATIONS

- (k) The Trustee may (for the purpose of enabling the holders of unregistered Debentures to be present and vote at any meeting without producing their Debentures and of enabling them and the holders of registered Debentures to be represented and vote at any such meeting by proxy and of lodging such proxies at some place or places other than the place where the meeting is to be held) from time to time make and from time to time vary such regulations as it shall think fit providing for and governing:

- (i) the deposit of unregistered Debentures with any bank, banker, trust company or other depositary satisfactory to the Trustee (which depositary may be a holder of such Debentures in cases so approved by the Trustee), and for the issue to the persons so depositing such Debentures of certificates by such depositary, in terms satisfactory to the Trustee, that such Debentures have been deposited, which certificates will entitle the persons named therein to be present and vote at any such meeting, and at any adjournment thereof, and to appoint proxies to represent them and vote for them at any such meeting, and at any adjournment thereof, in the same way as if the persons so present and voting either personally or by proxy were the actual bearers of the Debentures in respect of which such certificates shall have been issued;
- (ii) the voting by proxy by holders of registered Debentures and the form of instrument appointing proxies where authorized under such regulations and the manner in which the same shall be executed, and the production of the authority of any person signing on behalf of the giver of such proxy;
- (iii) the lodging of such certificates and of the instruments appointing proxies at such place or places and in such custody as the Trustee directs and the time, if any, before the holding of the meeting or adjourned meeting by which the same shall be deposited; and
- (iv) the forwarding by the custodian of particulars of such certificates and instruments appointing proxies by letter, cable, telegraph, radio or other means of electronic communication before the meeting to the Bank or to the Trustee or to the Chairman of the meeting and providing that certificates or instruments appointing proxies so lodged and particulars of which are forwarded in accordance with such regulations will confer the same right to vote as though the certificates or instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and votes given in accordance therewith shall be valid

and shall be counted. The Trustee may dispense with any such deposit and permit debentureholders to make proof of ownership in such other manner, if any, as the Trustee may approve. Save as aforesaid the only persons who shall be recognized at any meeting as the holders of Debentures or as entitled to vote or be present at the meeting in respect thereof shall be persons who produce unregistered Debentures at the meeting and the registered debentureholders.

PERSONS WHO MAY ATTEND MEETINGS

- (1) The Bank and the Trustee by their respective officers and directors may attend any meeting of debentureholders. The legal advisers of the Bank and of the Trustee may also attend any such meeting.

POWERS EXERCISABLE BY EXTRAORDINARY RESOLUTION

Section 15.02. A meeting of the debentureholders shall, in addition to any powers hereinbefore given, have the following powers, exercisable from time to time by extraordinary resolution only except where otherwise provided herein:

- (a) power to sanction any scheme for the reconstruction or reorganization of the Bank or for the consolidation, amalgamation or merger of the Bank with any other bank or for the transfer of the undertaking and assets of the Bank as a whole or substantially as a whole, provided that no such sanction shall be necessary for a reconstruction, reorganization, consolidation, amalgamation, merger or transfer under the provisions of Article Nine;
- (b) power to require the Trustee to exercise or refrain from exercising any of the powers conferred upon it by this indenture or to waive any default on the part of the Bank, upon such terms as may be decided upon;
- (c) power to remove the Trustee from office and to appoint a new Trustee or Trustees;
- (d) power to sanction any change whatsoever of any provision of the Debentures or of the coupons or of this indenture and any modification, alteration, abrogation, compromise or arrangement of or in respect of the rights of the debentureholders against the Bank or against its property, whether such rights shall arise under the provisions of this indenture or otherwise;

- (e) power to sanction the exchange of the Debentures for or the conversion thereof into shares, bonds, debentures or other securities of the Bank or of any corporation formed or to be formed;
- (f) power to assent to any compromise or arrangement by the Bank with any creditor, creditors or class or classes of creditors or with the holders of any shares or securities of the Bank, provided that no such assent shall be required in respect of any compromise or arrangement made by the Bank in the ordinary course of its business;
- (g) power to authorize the Trustee, in the event of a curator or a liquidator being appointed, for and on behalf of the debentureholders, and in addition to any claim or debt proved or made for its own account as Trustee hereunder, to file and prove a claim or debt against the Bank and its property for an amount equivalent to the aggregate amount which may be payable in respect of the Debentures and vote such claim or debt at meetings of creditors and generally act for and on behalf of the debentureholders in such proceedings as such extraordinary resolution may provide;
- (h) power to restrain any holder of any Debenture or coupon from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal of or premium, if any, or interest on such Debenture or the interest represented by such coupon or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver and manager, or trustee in bankruptcy or to have the Bank wound up or for any other remedy hereunder and to direct such holder of any Debenture or coupon to waive any default or defaults by the Bank on which any suit or proceeding is founded;
- (i) power, subject to the provisions of Section 11.04, to direct any person bringing any action, suit or proceeding and the Trustee to waive the default in respect of which such action, suit or other proceeding shall have been brought;
- (j) power to assent to any modification of or change in or addition to or omission from the provisions contained in this indenture which shall be agreed to by the Bank and to authorize the Trustee to concur in and execute

any indenture supplemental to this indenture, and embodying any such modification, change, addition or omission or any other deeds, documents or writings authorized by such extraordinary resolution;

- (k) power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Trustee to exercise, on behalf of the debentureholders, such of the powers of the debentureholders as are exercisable by extraordinary or other resolution as shall be included in the resolution appointing the committee; and
- (l) power to amend, alter or repeal any extraordinary resolution previously passed or sanctioned by the debentureholders.

The foregoing powers shall be deemed to be several and cumulative and not dependent on each other and the exercise of any one or more of such powers, or any combination of such powers, from time to time, shall not be deemed to exhaust the rights of the debentureholders to exercise such power or powers, or combinations of powers, thereafter from time to time.

EXTRAORDINARY RESOLUTION DEFINED

Section 15.03. (1) An extraordinary resolution, adopted in accordance with the provisions hereof, shall be binding upon all the debentureholders and upon each and every debentureholder and his respective heirs, executors, administrators, successors and assigns, whether present or absent, and the Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect thereto accordingly. The term "extraordinary resolution" when used herein means (subject to the provisions of Section 15.06) a resolution adopted at a meeting of the holders of the Debentures then outstanding, duly convened and held in accordance with the provisions herein contained, upon a poll by the affirmative vote of not less than 66-2/3% of the votes given upon such poll. At a serial meeting such resolution must in addition receive the affirmative vote upon a poll of not less than 66-2/3% of the votes given by the holders of each series of Debentures or part thereof especially affected thereby.

(2) Save as herein expressly otherwise provided, no action shall be taken at a meeting of the debentureholders that changes any provision of this indenture or changes or

prejudices the exercise of any right of any debentureholder except by extraordinary resolution as hereinbefore provided or by resolution or written instrument as provided by Section 15.06.

DECLARATION BY CHAIRMAN OF RESULT OF VOTE

Section 15.04. At any meeting of the debentureholders, in cases where no poll is required or requested, a declaration made by the Chairman that a resolution has been carried by any particular majority, or lost, shall be conclusive evidence thereof.

MINUTES

Section 15.05. Minutes of all resolutions and proceedings at every such meeting, as aforesaid, shall be made and duly entered in books to be provided from time to time for the purpose by the Trustee at the expense of the Bank and any such minutes, as aforesaid, if signed by the Chairman of the meeting at which such resolutions were passed or proceedings had, or by the Chairman of the next succeeding meeting of debentureholders, shall be prima facie evidence of the matters therein stated, and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had thereat to have been duly passed and had.

EXTRAORDINARY RESOLUTION BY SIGNED INSTRUMENT

Section 15.06. Notwithstanding the foregoing provisions of this indenture, any resolution or instrument signed in one or more counterparts by the holders of not less than 66-2/3% of the aggregate principal amount of the Debentures then outstanding shall have the same force and effect as an extraordinary resolution duly passed by the debentureholders under the provisions of this Article Fifteen with respect to extraordinary resolutions; provided that, where the matter contained in such resolution or instrument would, if contained in an extraordinary resolution adopted at a meeting, require such meeting to be considered as a serial meeting, such resolution or instrument shall also be signed by the holders of not less than 66-2/3% of the aggregate principal amount of the outstanding Debentures of each series or part thereof especially affected thereby as aforesaid.

COMMITTEE FOR DEBENTUREHOLDERS

Section 15.07. A resolution making any appointment of a committee pursuant to the provisions of Section 15.02(k) may provide for payment of the expenses and disbursements of and compensation to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it and the members need not be themselves debentureholders. Every such committee may elect its chairman and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present and may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all debentureholders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith.

ARTICLE SIXTEEN

ADMINISTRATION OF THE TRUSTS AND PROTECTION OF THE TRUSTEE

Section 16.01. By way of supplement to the provisions of any statute of any of the provinces of Canada for the time being relating to trustees and in addition to any other provision of this indenture for the relief of the Trustee, it is expressly declared as follows, that is to say:

ADVICE OF EXPERTS

- (a) The Trustee may in relation to this indenture act on the opinion or advice of or information obtained from any counsel, auditor, valuer, or other expert, whether obtained by the Trustee or by the Bank or otherwise, but shall not be bound to act upon such opinion or advice and shall not be responsible for any loss occasioned by so acting or not acting, as the case may be, and may employ such assistance as may be necessary to the proper discharge of its duties and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid. Any such advice or opinion or information may be sent or obtained by letter, cable, telegraph, radio, or other means of electronic communication, and the Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such means, although the same shall contain some error or shall not be authentic.

RELY ON OFFICERS' CERTIFICATES

- (b) Except where some other mode of proof is required or permitted by this indenture, the Trustee shall be at liberty to accept an Officers' Certificate as to any statements of facts, as conclusive evidence of the truth of such statements and the Trustee shall be in no wise bound to call for further evidence or be responsible for any loss that may be occasioned by its failing to do so.

ACCOUNTABLE FOR REASONABLE DILIGENCE

- (c) The Trustee shall only be accountable for reasonable diligence in the management of the trusts hereof and shall only be liable for its own wilful acts and defaults. The Trustee shall not be liable for any act or default on the part of any agent or co-trustee, or

for having permitted any agent or co-trustee to receive and retain any moneys payable to the Trustee hereunder.

EMPLOY AGENTS

- (d) The Trustee may employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder and shall not be responsible for any misconduct on the part of any such agents or other assistants, and may pay reasonable remuneration for all services performed for it in the discharge of the trusts hereof without taxation of any costs or fees of any counsel, solicitor or attorney and shall be entitled to receive reasonable remuneration for all services performed by it in the discharge of the trusts hereof and compensation for all disbursements, costs, liabilities and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and all such remuneration, disbursements, costs, liabilities and expenses, and all remuneration and expenses incident to the preparation, execution and recording of this indenture or of any instrument ancillary or supplemental hereto and the preparation, execution and issue of the Debentures whether done or incurred at the request of the Trustee or the Bank shall bear interest at the Prime Rate from the date of the same becoming due and payable and shall be payable on demand.

PAYMENT OF COSTS

- (e) Wherever by this indenture the Trustee is authorized to employ or to consult counsel, solicitors or attorneys and to pay costs, such costs need not be taxed unless the Trustee shall deem it necessary to tax the same, but may be fixed by the Trustee and paid as a lump sum. No costs paid by the Trustee under the provisions of this Section 16.01 in good faith shall be disallowed in the taking of any accounts by reason only of the fact that such costs are greater than they might have been if taxed, or by reason of their not being taxed, but such costs paid by the Trustee shall, if not improperly incurred by it, be allowed and paid to the Trustee in priority to the Debentures. Without limiting the foregoing provisions, any and all costs taxed against the Bank may be taxed as between solicitor and client and not party and party, and shall be payable by the Bank accordingly. Any

counsel, solicitors or attorneys employed or consulted by the Trustee may, but need not be, counsel, solicitors or attorneys for the Bank.

DISCRETION AS TO THE EXERCISE OF POWERS

- (f) The Trustee except as herein otherwise provided shall, as regards all the trusts, 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 of and time for the exercise thereof, and, in the absence of fraud, it shall in no wise be responsible for any loss, costs, damages or inconveniences that may result from the exercise or non-exercise thereof.

TRUSTEE MAY DEAL IN DEBENTURES

- (g) The Trustee may buy, sell, lend upon and deal in the Debentures, either with the Bank or otherwise, and generally contract and enter into financial transactions with the Bank or otherwise, without being liable to account for any profits made thereby.

MAY DELEGATE POWERS

- (h) The Trustee may delegate to any person the performance of the trusts and powers vested in it by this indenture, and any such delegation may be made upon such terms and conditions and subject to such regulations, not including, however, any power to sub-delegate, as the Trustee may think to be in the interests of the debentureholders.

TRUSTEE NOT BOUND TO ACT ON BANK'S REQUEST

- (i) The Trustee shall not be bound to act as hereinbefore provided in accordance with any direction or request of the Bank or of the directors until a duly authenticated copy of a certified resolution or an Officer's Certificate containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be fully empowered to act and shall be fully protected from all liability in acting upon any instruments purporting to be proper certified resolutions or Officers' Certificates respectively and believed by the Trustee to be genuine.

TRUSTEE NOT RESPONSIBLE
FOR VALIDITY OF ACTIONS OF OFFICERS

- (j) The regularity and validity of all acts, consents, requests and directions of the directors or of any officer of the Bank shall be deemed for the protection of the Trustee to be conclusively proven by an Officers' Certificate. The Trustee shall not be responsible for any error made or act done by it, resulting from reliance upon the Bank's seal or upon the identity, official position or signature of any officer or director of the Bank, or of any person on whose signature the Trustee may be called upon to act or refrain from acting under this indenture.

DOCUMENTS, CERTIFICATES, OPINIONS

Section 16.02. (1) Whenever it is required in this indenture that any certificate or opinion be signed by an accountant, counsel or other person acceptable to the Trustee, the acceptance by the Trustee of the certificate or opinion signed by such person shall be sufficient evidence that the signer is acceptable to the Trustee.

(2) Any certificate or opinion of an officer of the Bank or an accountant or other expert may be based, insofar as it relates to legal matters, upon a certificate or opinion of or upon representations by Counsel, unless such officer, accountant or other expert knows that the certificate or opinion or representation with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

(3) Any certificate or opinion of Counsel may be based, insofar as it relates to factual matters or information which is in possession of the Bank, upon the certificate or opinion of or representations by an officer or officers of the Bank, unless such Counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

(4) Counsel in giving any opinion hereunder may rely in whole or in part upon the opinion of other counsel provided that Counsel shall consider such other counsel as one upon whom he may properly rely.

PROVISIONS RELIEVING THE TRUSTEE FROM LIABILITY

Section 16.03. In the event of any conflict arising between any provision of Section 16.03 to Section 16.08, inclusive, and any other provision hereof, the provisions of the said Sections 16.03 to 16.08 shall prevail.

MATERIAL CONFLICT OF INTEREST

Section 16.04. If any material conflict of interest (within the meaning of such term in the Business Corporations Act, 1982 of the Province of Ontario and as it may be defined from time to time therein or in any other applicable legislation) in the role of the Trustee as a fiduciary hereunder exists or shall arise, the Trustee shall within 90 days after ascertaining that it has such a material conflict of interest either eliminate such material conflict of interest or resign in the manner and with the effect specified in Section 12.01.

STANDARD OF CARE OF TRUSTEE

Section 16.05. In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this indenture, the Trustee shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

TRUSTEE TO GIVE NOTICE OF DEFAULTS

Section 16.06. The Trustee shall give to the debentureholders, within 30 days after the Trustee becomes aware of the occurrence thereof, notice in the manner provided in Section 3.13 hereof of every event of default arising under this indenture and continuing at the time such notice is given, unless the Trustee in good faith determines that the withholding of such notice is in the best interests of the debentureholders and so advises the Bank in writing.

TRUSTEE MAY RELY ON CERTAIN DOCUMENTS

Section 16.07. In the exercise of its rights, duties and obligations hereunder the Trustee may, if it is acting in good faith, rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties hereunder, where

- (a) such statutory declarations, opinions, reports or certificates are furnished under Section 16.08, they comply with Section 16.08; and
- (b) the Trustee examines the evidence furnished to it under Section 16.08 in order to determine whether such evidence indicates compliance with the applicable requirements of this indenture.

EVIDENCE OF COMPLIANCE

Section 16.08. (1) The Bank shall furnish to the Trustee evidence of compliance with every covenant, condition or other requirement imposed under this indenture relating to,

- (a) the certification and delivery of Debentures hereunder;
- (b) the satisfaction and discharge of this indenture; and
- (c) the issuing of Additional Debentures hereunder;

forthwith if and when such evidence is required to be furnished to the Trustee in accordance with the terms of this indenture, or the Trustee, in the exercise of its rights and duties under this indenture, gives the Bank written notice requiring it to furnish such evidence in relation to any particular action, step or obligation specified in such notice.

(2) The Bank shall furnish to the Trustee evidence of compliance with every covenant, condition or other requirement relating to any action or step (other than those referred to in Section 16.08(1)) required or permitted to be taken by the Bank or by the Trustee under this indenture or as a result of any obligation imposed by this indenture, forthwith if and when:

- (a) such evidence is required to be furnished to the Trustee in accordance with the terms of this indenture; or
- (b) the Trustee, in the exercise of its rights and duties under this indenture, gives the Bank written notice requiring it to furnish such evidence in relation to any particular action, step or obligation specified in such notice.

(3) Evidence of compliance referred to in Section 16.08(1) shall consist of:

- (a) a statutory declaration or certificate made by any two of the Chairman of the Board, the President, a Vice-President, the Chief General Manager, any General Manager designated by the Chief General Manager, the Corporate Secretary or the Controller of the Bank stating that such covenant, condition or other requirement has been complied with in accordance with the terms of this indenture;
- (b) an opinion of Counsel that such covenant, condition or other requirement has been complied with in accordance with the terms of this indenture; and
- (c) in the case of any such covenant, condition or other requirement compliance with which is subject to the review or examination of auditors or accountants, an opinion or report of the auditors of the Bank or any other accountant licensed under The Public Accountancy Act of the Province of Ontario, in each case approved by the Trustee, as to the accuracy or reliability of the statements required to be reviewed or examined and stating whether or not the statements have been made in accordance with the terms of this indenture.

(4) Evidence of compliance referred to in Section 16.08(2)(a) shall be in accordance with the report or opinion of any Counsel, auditor, accountant, engineer or appraiser or any other person whose qualifications give authority to a statement made by him, but if such report or opinion is provided by a director, officer or employee of the Bank it shall be in the form of a statutory declaration.

(5) Evidence of compliance referred to in Section 16.08(2)(b) shall be, so far as appropriate, in accordance with this Section 16.08(3) and (4).

(6) Evidence of compliance required under Section 16.08(3), (4) and (5) shall include:

- (a) a statement by the person giving the evidence that he has read and is familiar with the provisions of this indenture under which it is required;
- (b) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in the evidence are based;

- (c) a statement that, in the belief of the person giving the evidence, he has made such examination or investigation as is necessary to enable him to express an opinion whether the provisions of this indenture under which it is required have been complied with or satisfied; and
- (d) a statement whether in the opinion of such person the provisions of this indenture under which it is required have been complied with or satisfied.

ARTICLE SEVENTEEN

CANCELLATION AND DISCHARGE

Section 17.01. Upon proof being given to the reasonable satisfaction of the Trustee that all the Debentures and the premium, if any, and interest (including any interest on amounts in default) thereon and other moneys payable hereunder have been paid or satisfied or that, all the outstanding Debentures having matured or having been duly called for redemption or retirement or the Trustee having been given irrevocable instructions by the Bank to publish within ninety days notice of redemption of all the outstanding Debentures, and such payment and/or redemption has been duly and effectually provided for by payment to the Trustee or otherwise; and upon payment of all costs, charges and expenses properly incurred by the Trustee in relation to these presents and all interest thereon and the remuneration of the Trustee, or upon provision satisfactory to the Trustee being made therefor, the Trustee shall, at the request and at the expense of the Bank, execute and deliver to the Bank such deeds or other instruments as shall be requisite to evidence the satisfaction and discharge of this indenture and to release the Bank from its covenants herein contained except those relating to the indemnification of the Trustee.

ARTICLE EIGHTEEN

SUPPLEMENTAL INDENTURES

Section 18.01. From time to time the Trustee and, when authorized by a certified resolution, the Bank may and, subject to the provisions of this indenture, they shall, when so directed by this indenture, execute, acknowledge and deliver by their proper officers deeds or indentures supplemental hereto, which thereafter shall form part hereof, for any one or more of the following purposes:

- (a) adding to the limitations or restrictions herein specified further limitations or restrictions, thereafter to be observed, upon the amount, dates of maturity, issue or the purposes of the issue of Debentures hereunder, provided that the Trustee shall be of the opinion that such further limitations or restrictions shall not be prejudicial to the interests of the debentureholders;
- (b) adding to the covenants of the Bank herein contained for the protection of the holders of the Debentures and/or providing for events of default in addition to those herein specified;
- (c) making such provisions not inconsistent with this indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Debentures or coupons which do not affect the substance thereof and which, in the opinion of the Trustee, it may be expedient to make, provided that the Trustee shall be of opinion that such provisions and modifications will not be prejudicial to the interests of the debentureholders;
- (d) providing for the issue of Debentures of any one or more series other than or in addition to the 2083 Debentures;
- (e) evidencing the succession, or successive successions of other corporations to the Bank and the covenants of and obligations assumed by any such successor in accordance with the provisions of this indenture;
- (f) giving effect to any extraordinary resolution passed as provided in Article Fifteen;

- (g) for any other purpose not inconsistent with the terms of this indenture.

The Trustee may also without the consent or concurrence of the debentureholders by supplemental indenture or otherwise concur with the Bank in making any changes or corrections in this indenture as to which it shall have been advised by Counsel that the same are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omission or mistake or manifest error contained herein.

SUPPLEMENTAL INDENTURES
PRIOR TO ISSUE OF 2083 DEBENTURES

Section 18.02. Notwithstanding any other provision hereof, prior to the issue of the 2083 Debentures in accordance with Section 2.03(5), any extraordinary resolution (as defined in Section 10.12 and Section 10.15 of the Company Trust Indenture (as defined in Section 2.03(5) hereof)) of the Noteholders (as defined in the Company Trust Indenture) shall be deemed to constitute an extraordinary resolution of the holders of the 2083 Debentures.

ARTICLE NINETEEN

ACCEPTANCE OF TRUSTS BY TRUSTEE

Section 19.01. The Trustee hereby accepts the trusts in this indenture declared and provided for and agrees to perform the same upon the terms and conditions hereinbefore set forth and in trust for the various persons who shall from time to time be debentureholders, subject to all the terms and conditions herein set forth.

ARTICLE TWENTY

COUNTERPARTS

Section 20.01. This indenture may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute the one and the same instrument and notwithstanding their date of execution shall be deemed to bear date as of the 1st day of October, 1991.

IN WITNESS WHEREOF the parties hereto have executed this indenture under their respective corporate seals and the hands of their proper officers duly authorized in that behalf.

HONGKONG BANK OF CANADA

By: _____

c/s

CENTRAL GUARANTY TRUST COMPANY

By: _____

c/s

APPROVED
FOR EXECUTION
BY CGTC

SR

SCHEDULE I

[FORM OF DEBENTURE]

THIS IS NOT AN INSURED DEPOSIT AS DEFINED BY
THE CANADA DEPOSIT INSURANCE CORPORATION ACT

No.

\$

HONGKONG BANK OF CANADA
(Incorporated under the laws of Canada)
Floating Rate Bank Debenture due 2083

FOR VALUE RECEIVED, HONGKONG BANK OF CANADA (the
"Bank") hereby promises to pay to

or registered assigns, on November 1, 2083 or such earlier date
as the principal hereof may become due in accordance with the
provisions of the Trust Indenture hereinafter referred to, the
sum of

in lawful money of Canada, upon presentation and surrender of
this Debenture at any branch in the Bank and to pay interest on
the principal amount hereof in like money for each Interest
Period at the rate per annum equal to the Floating Rate for
such Interest Period (as well after as before maturity, default
and judgment with interest on overdue interest at the same
rate), payable in respect of each such Interest Period on the
Interest Payment Date for such Interest Period. Interest shall
accrue from day to day, shall be calculated on the basis of the
actual number of days elapsed and a year of 365 days and shall
be payable in the amount calculated hereunder rounded to the
nearest cent (with half a cent being rounded upwards).

For the purposes hereof,

"Floating Rate" means, in respect of any Interest Period, the rate per annum (for a 365 day year) equal to the sum of (i) the 30-day Bankers' Acceptance Rate for such Interest Period and (ii) 0.50%;

"Interest Period" means a calendar month;

"Interest Payment Date" means, in respect of any Interest Period, the first day of the month immediately following such Interest Period;

"Interest Determination Date" means, in respect of an Interest Period: (i) the last Wednesday of the month preceding such Interest Period, or (ii) such other day in such month as determined in accordance with the Trust Indenture hereinafter referred to;

"30-day Bankers' Acceptance Rate" means, in respect of any Interest Period: (i) the 30-day bankers' acceptance rate reported by the Bank of Canada in its weekly financial statistics for the Interest Determination Date for such Interest Period; or, if such 30-day bankers' acceptance rate is unavailable, (ii) the average of mid-market quotations of rates for 30-day bankers' acceptances accepted by three major chartered banks named in Schedule I to the Bank Act (Canada), obtained at 11:00 a.m. (Toronto time) on the Interest Determination Date for such Interest Period from at least three Money Market Dealers chosen by the Bank; provided that, if, in the reasonable judgment of the Bank, 30-day bankers' acceptances are no longer traded in Canada in material amounts or in a material number of trades, the "30-day Bankers' Acceptance Rate" means, in respect of any Interest Period, (iii) the rate per annum equal to the sum of (A) the average of mid-market quotations for Government of Canada Treasury Bills maturing in or about 30 days from the date of quotation obtained at 11:00 a.m. (Toronto time) on the Interest Determination Date from at least three Money Market Dealers chosen by the Bank and (B) 0.25%; and

"Money Market Dealer" means a financial institution, other than the Bank or any affiliate thereof, designated by the Bank of Canada to enter into purchase and resale agreements of Government of Canada debt obligations with the Bank of Canada.

Interest (less any tax required to be deducted) on this Debenture will be payable in lawful money of Canada by cheque drawn on the Bank and sent by prepaid mail to the registered holder at least three days prior to the applicable Interest Payment Date, except in the case of payment at maturity, in which case payment of interest may, at the Bank's option, be made upon surrender of this Debenture. Upon due notice to the Trustee, a registered holder will be entitled to have interest payments (less any tax required to be deducted) made to an account maintained in Canada by such holder at any financial institution that is a member of the Canadian Payments Association.

This Debenture is one of the Floating Rate Debentures due 2083 (the "2083 Debentures") issued under a trust indenture dated as of October 1, 1991 (the "Trust Indenture") made between the Bank and Central Guaranty Trust Company (the "Trustee") as trustee for the holders of the debentures issued thereunder. The aggregate principal amount of 2083 Debentures that may be issued under the Trust Indenture is \$39,525,000 in lawful money of Canada. The aggregate principal amount of debentures of other series that may be authorized under the Trust Indenture is unlimited, but such debentures may be issued only upon the terms and subject to the conditions provided in the Trust Indenture. This Debenture is a direct obligation of the Bank and is not secured by any mortgage, pledge or other charge. Reference is made to the Trust Indenture for particulars of the rights and obligations of the holders of Debentures issued thereunder, of the Bank and of the Trustee and of the terms and conditions upon which the 2083 Debentures are issued and held, to the same effect as if the provisions of the Trust Indenture were set forth herein in full, to all of which the holder of this Debenture by acceptance hereof assents. To the extent that the terms and conditions stated in this Debenture conflict with the terms and conditions of the Trust Indenture, the latter prevail.

The 2083 Debentures are issuable in fully registered form only in denominations of \$25,000 and integral multiples thereof.

The 2083 Debentures are not redeemable for cash by the Bank within five years of the date of issue. On and after said date, the 2083 Debentures may be redeemed on any Interest Payment Date, at the option of the Bank, in whole or in part on not more than 60 and not less than 30 days' prior notice at the redemption prices set out in the Trust Indenture plus, in each case, accrued and unpaid interest to the date fixed for redemption. In the case of redemptions of less than all the 2083 Debentures, the 2083 Debentures to be redeemed will be

selected by the Trustee by lot or in such other manner as the Trustee deems equitable.

As provided in the Trust Indenture and the Bank Act, payment of all amounts owing under the debentures issued under the Trust Indenture will be subordinated to the claims of depositors and all other creditors of the Bank other than subordinated creditors.

At any time on and after the day following the fifth anniversary date of the date of issue of the 2083 Debentures the Bank will have the right to purchase 2083 Debentures in the market or by tender or by private contract at prices not exceeding the redemption price applicable at the date of purchase, together, in all cases, with accrued and unpaid interest to the date of purchase and costs of purchase.

The Trust Indenture provides, among other things, for: (a) the exchange of this Debenture at the holder's option for other 2083 Debentures in other authorized denominations in an equal aggregate principal amount; (b) the acceleration of the maturity of this Debenture in the case of an event of default; and (c) the holding of meetings of holders of the debentures issued under the Trust Indenture and for making binding on all holders of the 2083 Debentures certain decisions taken thereat.

This Debenture may be registered at the principal office of the Trustee in the cities of Halifax, Montreal, Toronto, Winnipeg, Calgary or Vancouver and it may be transferred only by the registered holder hereof or his attorney duly authorized in writing.

This Debenture shall not become obligatory for any purpose until it shall have been certified by or on behalf of the Trustee.

IN WITNESS WHEREOF this Debenture has been duly executed.

DATED:

HONGKONG BANK OF CANADA

Corporate Secretary

President

(FORM OF TRUSTEE'S CERTIFICATE FOR
REVERSE OF DEBENTURE)

TRUSTEE'S CERTIFICATE

This Debenture is one of the
Floating Rate Bank Debentures due 2083 of Hongkong Bank of
Canada issued under the Trust Indenture referred to within.

Date of Certification: _____

CENTRAL GUARANTY TRUST COMPANY
Trustee

By: _____

(FORM OF TRANSFER FOR REVERSE
OF DEBENTURE)

TRANSFER

FOR VALUE RECEIVED, the undersigned hereby assign(s)
and transfer(s) unto

the within Debenture, together with the principal thereof and
all accrued interest thereon, hereby irrevocably constituting
and appointing

attorney to transfer the said Debenture on the books of the
within-mentioned Bank with full power of substitution in the
premises.

DATED _____

signature guaranteed by

signature of debentureholder