

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES

**IMPORTANT: You must read the following before continuing.** The following applies to the information memorandum following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the information memorandum. In accessing the information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED HEREIN. THE FOLLOWING INFORMATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. THE AUSTRALIAN COVERED BONDS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THE AUSTRALIAN COVERED BONDS MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR THE BENEFIT OF, U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

You are reminded that the information memorandum delivered with this electronic transmission has been delivered to you on the basis that you are a person into whose possession the information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the information memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the managers or any affiliate of the managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the managers or such affiliate on behalf of the issuing entity in such jurisdiction.

This information memorandum has been delivered to you on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the information memorandum, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the information memorandum by electronic transmission, (c) you are either (i) not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia or (ii) a qualified institutional buyer (as defined in Rule 144A under the Securities Act) (**Qualified Institutional Buyer**) and (d) if you are a person in the United Kingdom, then you are a person who (i) is an investment professional within the meaning of article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **FPO**) or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the FPO (all such persons together being referred to as **relevant persons**). The information memorandum must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the information memorandum relate is available only to relevant persons and will be engaged in only with relevant persons.

The information in this information memorandum is directed and available only to, if you are a person in Australia, (i) a person who is a sophisticated investor, (ii) a person who is a professional investor or (iii) a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act 2001 of the Commonwealth of Australia. This information memorandum should not be distributed to, and is not intended for, any other person.

The information memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Royal Bank of Canada, RBC Covered Bond Guarantor Limited

Partnership and any of its partners, Royal Bank of Canada, acting through its Sydney Branch, Australia and New Zealand Banking Group Limited or National Australia Bank Limited, BTA Institutional Services Limited nor any person who controls any of them, nor any director, officer, employee or agent of any of them nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the information memorandum distributed to you in electronic format and the hard copy version available to you on request from Royal Bank of Canada, RBC Covered Bond Guarantor Limited Partnership and any of its partners, Royal Bank of Canada, acting through its Sydney Branch, Australia and New Zealand Banking Group Limited or National Australia Bank Limited.



**ROYAL BANK OF CANADA**

*(a Canadian chartered bank)*

**€23,000,000,000**

**Global Covered Bond Programme**

**Unconditionally and irrevocably guaranteed as to payments by  
RBC COVERED BOND GUARANTOR LIMITED PARTNERSHIP**  
*(a limited partnership formed under the laws of the Canadian Province of Ontario)*

**Introduction**

This Information Memorandum (the “**Information Memorandum**”) relates to a prospective issue (the “**Issue**”) under the €23,000,000,000 Global Covered Bond Programme (the “**Programme**”) by Royal Bank of Canada (ARBN 076 940 880) (the “**Issuer**”) of Australian dollar denominated Covered Bonds (“**Australian Covered Bonds**”), except as to certain Programme Conditions (as defined below), governed by the law in force in New South Wales, Australia, to be issued by the Issuer in the Australian domestic wholesale capital market.

The Issuer is a registered issuer and the Programme is a registered program under Part I.1 of the *National Housing Act* (Canada) and the Canadian Registered Covered Bond Programs Guide (the “**Guide**”) published by Canada Mortgage and Housing Corporation (“**CMHC**”), the administrator of the Canadian covered bond legal framework under Part I.1 of the of the *National Housing Act* (Canada). The Australian Covered Bonds will be registered covered bonds under Part I.1 of the *National Housing Act* (Canada) and the Guide.

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

An investment in Australian Covered Bonds issued under the Programme involves risks. See “*Risk Factors*” in the Programme Prospectus for a discussion of risk factors to be considered in connection with an investment in the Australian Covered Bonds.

**Covered Bond Guarantee**

RBC Covered Bond Guarantor Limited Partnership (the “**Guarantor LP**”) has agreed to guarantee payments of interest and principal under the Australian Covered Bonds pursuant to a direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and irrevocable guarantee (the “**Covered Bond Guarantee**”) governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein which is secured by the assets of the Guarantor LP (the “**Security**”), including the Covered Bond Portfolio. Recourse against the Guarantor LP under the Covered Bond Guarantee is limited to the aforementioned assets and the Guarantor LP will not have any other source of funds available to meet its obligations under the Covered Bond Guarantee.

**Programme Prospectus**

This Information Memorandum should be read in conjunction with the Prospectus dated 25 July 2013 in respect of the Programme (the “**Programme Prospectus**”), a copy of which is annexed to and (together with all documents incorporated by reference therein) deemed to be incorporated in, and form part of, this Information Memorandum.

Terms defined in the Programme Prospectus have the same meaning when used in this Information Memorandum. This Information Memorandum should also be read with the following additional information which is deemed to be incorporated in, and form part of, this Information Memorandum, and which information is available as more fully

described in the section of the Programme Prospectus entitled “*Documents Incorporated by Reference*”: (i) the Issuer’s Registration Document dated 10 May 2013 (excluding two paragraphs thereof), (ii) the Issuer’s Annual Information Form dated 28 November 2012, (iii) certain sections of the Issuer’s 2012 Annual Report, (iv) certain sections of the Issuer’s Second Quarter 2013 Report to Shareholders and (v) the auditor’s combined interim report dated 29 May 2013, (vi) the Investor Report dated 28 June 2013 and, in each case as more fully described in the section of the Programme Prospectus entitled “*Documents Incorporated by Reference*”.

### **Australian Covered Bonds constituted by Australian Deed Poll**

The Australian Covered Bonds will be issued in registered uncertificated form only and will be constituted by a deed poll expected to be made, and dated, on or around 7 August 2013 executed by the Issuer (such deed poll as amended, supplemented, replaced and/or restated from time to time, the “**Australian Deed Poll**”). The maximum aggregate nominal amount of all Covered Bonds outstanding at any one time under the Programme will not exceed €23,000,000,000 (or its equivalent in other currencies calculated as described in the Dealership Agreement), subject to any increase as described in the Programme Prospectus.

### **Australian Covered Bonds issued by Toronto Main Branch of the Issuer**

Unless otherwise specified in the applicable Pricing Supplement, the main branch of the Issuer in Toronto (located at its Executive Offices) will issue the Australian Covered Bonds but without prejudice to the provisions of Australian Condition 9 (see “*Terms and Conditions of the Australian Covered Bonds – Condition 9. Payment*”). Covered Bonds issued by the Toronto Main Branch of the Issuer are obligations of the Issuer.

### **Trust Deed and Agency Agreement**

The registered holders from time to time of the Australian Covered Bonds (the “**Holders**”) will have the benefit of, and be subject to, the Trust Deed (see “*Summary of Principal Documents – Trust Deed*” in the Programme Prospectus) as supplemented by a supplemental trust deed expected to be dated on or around 7 August 2013 in relation to the Australian Covered Bonds (together, the “**Trust Deed**”), between the Issuer, the Guarantor LP and Computershare Trust Company of Canada, as bond trustee (in such capacity, the “**Bond Trustee**” which expression shall include any successor as bond trustee) and the benefit of the Agency Agreement (see “*Summary of Principal Documents – Agency Agreement*” in the Programme Prospectus) as supplemented by a supplemental agency agreement expected to be dated on or around 7 August 2013 (together, the “**Agency Agreement**”) between the Issuer and BTA Institutional Services Limited (ABN 48 002 916 396) (the “**Australian Agent**”), under which the Issuer has appointed the Australian Agent to act as issuing and paying agent and registrar in respect of the Australian Covered Bonds, Bank of New York Mellon, London Branch to act as issuing and paying agent (among other roles) under the Programme and the Bank of New York Mellon at its specified office as its U.S. paying agent in accordance with the terms of the Agency Agreement.

The Australian Deed Poll, the Australian Conditions (as defined below) and the Programme Conditions (as defined below) must be read in conjunction with the Trust Deed, the Agency Agreement and the other Transaction Documents (see “*Summary of Principal Documents*” in the Programme Prospectus). A summary of the Programme and Transaction Documents is contained in the Programme Prospectus and a summary of supplemental arrangements applicable to the Australian Covered Bonds is contained in this Information Memorandum.

### **Terms and Conditions of Australian Covered Bonds**

The terms and conditions applicable to the Australian Covered Bonds will be as set out in the Australian Deed Poll (and reproduced in this Information Memorandum) and have the rights and obligations under some of the terms and conditions common to covered bonds issued under the Programme (“**Programme Conditions**” or “**Conditions**”) as specified in the Australian Conditions and which are set out under “*Terms and Conditions of the Australian Covered Bonds*” and “*Summary of Trust Deed, Applicable Programme Conditions and Agency Agreement – Programme Conditions applicable to Australian Covered Bonds*”, respectively, each as supplemented, modified or replaced by the applicable Pricing Supplement (the terms and conditions in respect of a specific Series or Tranche of Australian Covered Bonds are herein referred to as, the “**Australian Conditions**”). Programme Conditions are governed by and will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

### **No listing expected**

The Australian Covered Bonds are not expected to be listed or admitted to trading on any stock exchange.

## **No US Registration under United States Securities Act of 1933**

The Australian Covered Bonds and related Covered Bond Guarantee have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (“**Regulation S**”) except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. Accordingly, the Australian Covered Bonds are being offered only in offshore transactions to non-U.S. persons in reliance upon Regulation S. Australian Covered Bonds are subject to certain restrictions on transfer: see “*Subscription and Sale and Transfer and Selling Restrictions*”.

## **Issuer’s liability to pay, Canadian deposits and no deposit insurance**

The Issuer is liable to make payments when due on the Australian Covered Bonds. The Australian Covered Bonds constitute deposit liabilities of the Issuer for purposes of the *Bank Act* (Canada), however will not be insured under the *Canada Deposit Insurance Corporation Act* (Canada), and will constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* with all deposit liabilities of the Issuer without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (except as otherwise prescribed by law).

## **Issuer’s status as a foreign ADI**

The Issuer is registered in Australia as a “Foreign Company (Overseas)” and is a foreign “authorised deposit-taking institution” (“**foreign ADI**”) as that term is defined under the *Banking Act 1959* of the Commonwealth of Australia (“**Banking Act**”) in the category of a “Branch of a Foreign Bank”. As a foreign ADI, the Issuer is regulated by the Australian Prudential Regulation Authority (“**APRA**”) in accordance with the Banking Act. However, the depositor protection provisions of Division 2 of Part II of the Banking Act do not apply to the Issuer. The Issuer’s indebtedness in respect of the Australian Covered Bonds is affected by applicable laws which include (but are not limited to) section 11F of the Banking Act and section 86 of the *Reserve Bank Act 1959* of the Commonwealth of Australia (“**Reserve Bank Act**”). Section 11F of the Banking Act provides that, in the event that the Issuer (whether in or outside Australia) suspends payment or becomes unable to meet its obligations, the assets of the Issuer in Australia are to be available to meet its liabilities in Australia in priority to all other liabilities of the Issuer. Section 86 of the Reserve Bank Act provides that, notwithstanding anything contained in any law relating to the winding-up of companies, but subject to subsection 13A(3) of the Banking Act (which does not apply to the Issuer as a foreign ADI), debts due to the Reserve Bank of Australia by an authorised deposit-taking institution (“**ADI**”) (including a foreign ADI) shall, in the winding-up of the Issuer, have priority over all other debts of the Issuer.

## **Guarantor LP’s liability to pay under Covered Bond Guarantee**

The Guarantor LP has no obligation to pay the Guaranteed Amounts payable under the Covered Bond Guarantee until the occurrence of a Covered Bond Guarantee Activation Event. The occurrence of an Issuer Event of Default does not constitute a Guarantor LP Event of Default. However, failure by the Guarantor LP to pay amounts when Due for Payment under the Covered Bond Guarantee would constitute a Guarantor LP Event of Default which would entitle the Bond Trustee to accelerate the obligations of the Issuer under the Covered Bonds (if they have not already become due and payable) and the obligations of the Guarantor LP under the Covered Bond Guarantee and entitle the Bond Trustee to enforce the Security.

## **Guarantor LP’s status**

The Guarantor LP is neither a bank nor an ADI authorised to carry on banking business under the Banking Act. The Guarantor LP is a limited partnership formed on October 5, 2007 and existing under the *Limited Partnership Act* (Ontario) (see “*RBC Covered Bond Guarantor Limited Partnership*” in the Programme Prospectus). The Guarantor LP is not supervised by APRA and is not registered as a foreign company or otherwise registered, authorised or qualified to carry on financial services or other business in Australia.

## **No lodgment and no provision of documents to “retail clients”**

None of the Information Memorandum, the Programme Prospectus or any other disclosure document in relation to the Australian Covered Bonds has been, or will be, lodged with the Australian Securities and Investments Commission (“**ASIC**”) and is, or purports to be, a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the *Corporations Act 2001* of the Commonwealth of Australia (the “**Corporations Act**”). Neither the Information Memorandum nor the Programme Prospectus is intended to be used in connection with any offer for which such disclosure is required and does not contain all of the information that would be required by those provisions if they applied. It is not to be provided to any “retail client” as defined in section 761G of the Corporations Act and does not take into account the individual objectives, financial or taxation situation or needs of

any prospective investor. In addition, neither the Financial Services Authority (the “**UK Listing Authority**”) nor any other securities regulatory authority has reviewed information contained in the Programme Prospectus in connection with the Exempt Covered Bonds described therein or the Australian Covered Bonds (which constitute Exempt Covered Bonds). The Exempt Covered Bonds and the Australian Covered Bonds do not form part of the Base Prospectus (as defined in the Programme Prospectus) approved by the UK Listing Authority and no such regulatory authority has expressed an opinion about any such Exempt Covered Bonds or the Australian Covered Bonds.

### **No prospectus required under EU Prospective Directive**

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC AS AMENDED (THE “PROSPECTUS DIRECTIVE”) FOR THIS ISSUE OF AUSTRALIAN COVERED BONDS. THE AUSTRALIAN COVERED BONDS WHICH ARE THE SUBJECT OF THE INFORMATION MEMORANDUM ARE NOT COMPLIANT WITH THE PROSPECTUS DIRECTIVE AND THE UK LISTING AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED IN THE INFORMATION MEMORANDUM OR THE RELEVANT PRICING SUPPLEMENT.**

### **Investors should seek professional advice**

Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and taxation situation and needs and seek financial, legal and taxation advice appropriate to their jurisdiction. The Guarantor LP is not licensed in Australia to provide financial product advice in respect of its financial products. Cooling off rights do not apply to the acquisition of the Australian Covered Bonds.

### **Offer and sale of the Australian Covered Bonds subject to restrictions**

The offer and sale of the Australian Covered Bonds both within and outside Australia will be subject to certain restrictions: see “*Subscription and Sale and Transfer and Selling Restrictions*”.

### **Fees and other services**

The Arranger, the Dealers, the Bond Trustee and the Australian Agent have received, or will receive, fees from the Issuer in connection with their participation in the offer and may hold interests in the Australian Covered Bonds for their own account. In addition, certain of the Arranger, the Dealers, the Bond Trustee and the Australian Agent and their affiliates have engaged, or may in the future engage, in investment banking and/or commercial banking transactions with, or provide services to, the Issuer and the Guarantor LP.

### **Credit ratings**

There are references to credit ratings in this Information Memorandum (including the Programme Prospectus).

*Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum (including the Programme Prospectus) and anyone who receives this Information Memorandum (including the Programme Prospectus) must not distribute it to any person who is not entitled to receive it.*

Covered Bonds issued under the Programme are expected on issue to be assigned an “AAA” rating by Standard & Poor’s Credit Market Services Europe Ltd. (“**S&P Europe**”), an “Aaa” by Moody’s Investors Service Inc. (“**Moody’s USA**”), an “AAA” by Fitch, Inc. (“**Fitch USA**”) and an “AAA” by DBRS Limited (“**DBRS Canada**”) unless otherwise specified in the applicable Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning agency and each rating should be evaluated independently of any other. See “*Risk Factors - Credit ratings assigned to the Covered Bonds might not reflect all potential issues and any Rating Agency may lower its rating, withdraw its rating or place the rating on negative watch*” in the Programme Prospectus.

### **Stabilisation activities**

In connection with any issue of Australian Covered Bonds outside Australia, a Dealer (if any) designated as stabilising manager in the applicable Pricing Supplement may over-allot or effect transactions outside Australia

and on a market operated outside Australia which stabilise or maintain the market price of the Australian Covered Bonds of the relevant Series or Tranche at a level which might not otherwise prevail for a limited period after the issue date and only if such transactions occur outside Australia and have no relevant jurisdictional connection to Australia. Any such stabilising must be in compliance with all relevant laws and regulations.

### **Currency references**

All references in this document to “**Australian dollars**”, “**AUD**” and “**A\$**” refer to the lawful currency for the time being of the Commonwealth of Australia, to “**U.S.\$**”, “**U.S. dollars**”, “**USD**” or “**United States Dollars**” are to the currency of the United States of America, to “**\$**”, “**C\$**”, “**CAD**” or “**Canadian dollars**” are to the currency of Canada, and “**euro**” and “**€**” refer to the lawful currency of the member states that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended.

### **Important notice in Programme Prospectus**

The important notice and other statements appearing on pages 3 to 9 of the Programme Prospectus apply to this Information Memorandum as if set out herein in full.

#### *Arranger*

**Royal Bank of Canada, acting through its Sydney Branch** (ABN 86 076 940 880, AFSL No. 246521)

#### *Joint-Lead Managers*

**Royal Bank of Canada, acting through its Sydney Branch** (ABN 86 076 940 880, AFSL No. 246521)

**Australia and New Zealand Banking Group Limited** (ABN 11 005 357 522, AFSL No. 234527)

**National Australia Bank Limited** (ABN 12 004 044 937, AFSL No. 230686)

**Westpac Banking Corporation** (ABN 33 007 457 141, AFSL No. 233714)

#### *Dealers*

**Royal Bank of Canada, acting through its Sydney Branch** (ABN 86 076 940 880, AFSL No. 246521)

**Australia and New Zealand Banking Group Limited** (ABN 11 005 357 522, AFSL No. 234527)

**National Australia Bank Limited** (ABN 12 004 044 937, AFSL No. 230686)

**Westpac Banking Corporation** (ABN 33 007 457 141, AFSL No. 233714)

**TABLE OF CONTENTS**

STRUCTURE OVERVIEW ..... 9

SUMMARY OF TRUST DEED, APPLICABLE PROGRAMME CONDITIONS AND AGENCY AGREEMENT 10

TERMS AND CONDITIONS OF THE AUSTRALIAN COVERED BONDS ..... 20

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS ..... 44

## STRUCTURE OVERVIEW

Australian Covered Bonds will be constituted by the Australian Deed Poll. The Australian Deed Poll is executed by the Issuer in favour of the Holders and in favour of the Bond Trustee, who holds the benefit of the Australian Deed Poll on trust for itself and the Holders pursuant to the Trust Deed.

Holders will also have the benefit of, and be subject to, the Trust Deed (including the Covered Bond Guarantee), the Agency Agreement and the other Transaction Documents. Summaries of the principal Transaction Documents are contained on pages 9 to 17 (inclusive) of this Information Memorandum and on pages 125 to 164 (inclusive) of the Programme Prospectus.

The Australian Covered Bonds are issued on the terms of the Australian Conditions set out in the Australian Deed Poll (as reproduced in this Information Memorandum) and have the rights and obligations under some of the Programme Conditions common to covered bonds issued under the Programme as specified in the Australian Conditions, in each case, as supplemented, modified or replaced by the applicable Pricing Supplement, instead of in the form and on the terms and conditions set out in the Programme Prospectus.

The Australian Covered Bonds, the Australian Deed Poll and the Australian Conditions are governed by, and will be construed in accordance with, the law in force in New South Wales, Australia. Programme Conditions are governed by and will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Each of the Transaction Documents, including the Trust Deed, the Agency Agreement and the Covered Bonds (other than the Australian Covered Bonds and N Covered Bonds) and the Programme Conditions is governed by, and will be construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, except that (i) the Australian Deed Poll and Australian Covered Bonds are governed by and construed in accordance with the law in force in New South Wales, Australia, (ii) N Covered Bonds are governed by and construed in accordance with the laws of the Federal Republic of Germany; (iii) the Swap Agreements are governed by and construed in accordance with English Law; and (iv) the Underwriting Agreement and each Subscription Agreement entered into thereunder is governed by and construed in accordance with the laws of the State of New York.

The Australian Covered Bonds are not intended to be listed on any securities exchange and are intended to be entered in the system operated by Austraclear Ltd (ABN 94 002 060 773) for holding securities and the electronic recording and settling of transactions in those securities between members of that system (the “**Austraclear System**”).

Australian Covered Bonds may only be offered (directly or indirectly) for issue, or applications will only be invited for the issue of Australian Covered Bonds, if:

- (a) in the case of any offer or invitation or issue made in, into or from Australia (including an offer, invitation or issue to a person in Australia or an issue entered in the Register in Australia): (i) when the offer or invitation is made the aggregate consideration payable by each offeree or invitee in Australia (including any person who receives an offer or invitation or offering materials in Australia) is at least A\$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act (where “A\$” means the lawful currency for the time being of Australia), (ii) such action complies with all applicable laws, regulations and directives in Australia (including without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act), (iii) such action does not require any document to be lodged with ASIC; and (iv) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act; and
- (b) in all cases, the offer or invitation (and any resulting issue) is in compliance with all applicable laws, regulations or directives (including, without limitation, the laws of the jurisdiction in which the offer, invitation or issue takes place).

Persons (who must be outside Australia) who hold interests in respect of Australian Covered Bonds through Euroclear or Clearstream, Luxembourg or any other clearing system should note that they may be unable to receive a transfer of Australian Covered Bonds into their name.

## SUMMARY OF TRUST DEED, APPLICABLE PROGRAMME CONDITIONS AND AGENCY AGREEMENT

### Trust Deed

The Trust Deed provides for the Australian Covered Bonds to be issued under and constituted by the Australian Deed Poll. Pursuant to the Trust Deed, the Holders will also have the benefit of, the Programme Conditions set out below under “*Programme Conditions applicable to Australian Covered Bonds*” as supplemented, modified or replaced in relation to any Australian Covered Bonds by the applicable Pricing Supplement. For more information on the Programme Conditions, see the section of the Programme Prospectus entitled “*Terms and Conditions of the Covered Bonds*”. The Programme Conditions include summaries of, and are subject to, the provisions of the Trust Deed, the Security Agreement, the Agency Agreement and the other Transaction Documents. A reference to a “**Condition**” shall be a reference to the correspondingly numbered Programme Condition and a reference to an “**Australian Condition**” shall be to the correspondingly numbered Australian Condition in relation to the relevant Australian Covered Bonds.

As used herein, “**Tranche**” means Australian Covered Bonds which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Australian Covered Bonds together with any further Tranche or Tranches of Australian Covered Bonds which are (i) expressed to be consolidated and form a single series, and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Guarantor LP has provided a direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and irrevocable guarantee as to payments of interest and principal under the Covered Bonds when such amounts become Due for Payment where such amounts would otherwise be unpaid by the Issuer. Upon the occurrence of a Covered Bond Guarantee Activation Event, the Covered Bonds will become immediately due and payable as against the Issuer. Upon a Covered Bond Guarantee Activation Event that includes service of a Guarantor LP Acceleration Notice on the Guarantor LP, the Guarantor LP’s obligations under the Covered Bond Guarantee will be accelerated. Payments by the Guarantor LP under the Covered Bond Guarantee will be made subject to, and in accordance with, the Priorities of Payment (see “*Cashflows*” in the Programme Prospectus). A Covered Bond Guarantee Activation Event will occur on the earlier of (i) an Issuer Event of Default, together with service by the Bond Trustee of an Issuer Acceleration Notice on the Bank and a Notice to Pay on the Guarantor LP and (ii) a Guarantor LP Event of Default, together with service by the Bond Trustee of a Guarantor LP Acceleration Notice on the Bank and the Guarantor LP.

The Guarantor LP’s obligations under the Covered Bond Guarantee and the Transaction Documents to which it is a party are secured by a first ranking security interest over the present and future acquired assets of the Guarantor LP (which consist principally of the Guarantor LP’s interest in the Covered Bond Portfolio, the Substitute Assets, the Authorized Investments, the Transaction Documents to which it is a party, funds being held for the account of the Guarantor LP by its service providers and funds in the Guarantor LP Accounts) in favour of the Bond Trustee (for itself and on behalf of the Secured Creditors) pursuant to the Security Agreement.

### *Programme Conditions applicable to Australian Covered Bonds and numbering convention*

The following are the Programme Conditions applicable to Australian Covered Bonds, which may be supplemented, amended or replaced in their application to a Series of Australian Covered Bonds by the terms in the applicable Pricing Supplement. Although the Programme Conditions set forth in the Programme Prospectus at pages 59 to 94 (inclusive) which are not applicable to the Australian Covered Bonds have not been included below, the numbering for such Programme Conditions below and the numbering of the Australian Conditions in the Deed Poll has been preserved based on the numbering in the Programme Prospectus for reference purposes. References to “Final Terms” in the Programme Conditions shall be deemed to include, for the purposes of their application to the Australian Covered Bonds, a reference to the applicable Pricing Supplement for the Australian Covered Bonds and references to these “Terms and Conditions” are to the Conditions. Any references to “Coupons”, “Couponholders”, “Receipts” or “Receiptholders” shall have no application to the Australian Covered Bonds.

### **Programme Condition 4. Guarantee**

Payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment has been unconditionally and irrevocably guaranteed by the Guarantor LP (the “**Covered Bond Guarantee**”) in favour of the Bond Trustee (for and on behalf of the Covered Bondholders) following a Covered Bond Guarantee Activation Event pursuant to the terms of the Trust Deed. The Guarantor LP shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until a Covered Bond Guarantee Activation Event (as defined below) has occurred.

The obligations of the Guarantor LP under the Covered Bond Guarantee are direct and, following the occurrence of a Covered Bond Guarantee Activation Event, unconditional and, except as provided in the Guarantee Priorities of Payment, unsubordinated obligations of the Guarantor LP, which are secured as provided in the Security Agreement. For the purposes of these Terms and Conditions a “**Covered Bond Guarantee Activation Event**” means the earlier to occur of (i) an Issuer Event of Default, service of an Issuer Acceleration Notice on the Issuer and service of a Notice to Pay on the Guarantor LP; and (ii) a Guarantor LP Event of Default and service of a Guarantor LP Acceleration Notice on the Issuer and the Guarantor LP. If a Notice to Pay is served on the Guarantor LP, the Guarantor LP shall pay Guaranteed Amounts in respect of the Covered Bonds on the Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

Any payment made by the Guarantor LP under the Covered Bond Guarantee shall (unless such obligation shall have been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to Condition 7) discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Covered Bonds, Receipts and Coupons except where such payment has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the holders of the Covered Bonds.

## **Programme Condition 6. Redemption and Purchase**

### **Redemption due to Illegality**

**6.15** The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bond Trustee, the Issuing and Paying Agent, the Registrar and, in accordance with Condition 14, all holders of the Covered Bonds (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Issuer to make, fund or allow to remain outstanding any advance made by it to the Guarantor LP pursuant to the Intercompany Loan Agreement, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 6.15 will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 6.15, the Issuer shall deliver to the Issuing and Paying Agent and Bond Trustee a certificate signed by two senior officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Issuing and Paying Agent and Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the Covered Bonds, Receiptholders and Couponholders.

## **Programme Condition 7. Events of Default**

### **Issuer Events of Default**

**7.01** The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose or the purpose of any Extraordinary Resolution (as defined in the Trust Deed) referred to in this Condition 7.01 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in euros converted into euros at the Euro Conversion Rate specified in the applicable Final Terms) or if so directed by an Extraordinary Resolution of all the holders of the Covered Bonds shall, (but in the case of the happening of any of the events mentioned in sub-paragraphs (b) to (d) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor LP that such event is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series) (subject in each case to being indemnified and/or secured to its satisfaction), give notice (an “**Issuer Acceleration Notice**”) in writing to the Issuer that as against the Issuer (but, for the avoidance of doubt, not against the Guarantor LP under the Covered Bond Guarantee) each Covered Bond of each Series is, and each such Covered Bond shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an “**Issuer Event of Default**”) shall occur and be continuing:

- (a) the Issuer fails to pay (i) any principal in respect of the Covered Bonds within 10 days of the due date or (ii) any interest in respect of the Covered Bonds within 30 days of the due date; or

- (b) the Issuer fails to perform or observe any obligations under the Covered Bonds, Receipts or Coupons of any Series, the Trust Deed or any other Transaction Document to which the Issuer is a party (other than the Dealership Agreement, the Subscription Agreement and the Underwriting Agreement) but excluding (i) any obligation of the Issuer to comply with the Asset Coverage Test; (ii) any obligation of the Issuer which relates solely to its obligations under Part I.1 of the National Housing Act (Canada) or the Guide and breach of which would not otherwise constitute a breach of the terms of the Transaction Documents; and (iii) the obligation to exchange cash flows under the Swap Agreement following a Trigger Event Date, and such failure continues for the period of 30 days (or such longer period as the Bond Trustee may permit) next following the service by the Bond Trustee on the Issuer of notice requiring the same to be remedied (except in circumstances where the Bond Trustee considers such failure to be incapable of remedy in which case no period of continuation will apply and no notice by the Bond Trustee will be required); or
- (c) Section 8.1(3)(a)(ii) or Section 8.1(3)(b) of the Guarantor LP Agreement (which limits the right of the Guarantor LP to exercise discretion in respect of rights under Transaction Documents) or Part 5(t)(ii) of a Schedule to the ISDA Master Agreement for a Swap Agreement (which limits the right of the Guarantor LP to exercise discretion in respect of rights under such Swap Agreement) is not complied with; or
- (d) the Reserve Fund is not established within 30 days (or such longer period as the Bond Trustee may permit) following the date on which the Reserve Fund is required to be established pursuant to Section 6.1(2) of the Guarantor LP Agreement (which requires the Reserve Fund to be established upon the ratings of the Issuer falling below the Reserve Fund Required Amount Ratings); or
- (e) cashflows are not exchanged in accordance with the terms of the Covered Bond Swap Agreement within 30 days (or such longer period as the Bond Trustee may permit) following a Trigger Event Date; or
- (f) any impending or actual insolvency on the part of the Bank as evidenced by, but not limited to (i) the commencement of a dissolution proceeding or a case in bankruptcy involving the Bank (and where such proceeding is the result of an involuntary filing, such proceeding is not dismissed within 60 days after the date of such filing); (ii) the appointment of a trustee or other similar court officer over, or the taking of control or possession by such officer or by the Office of the Superintendent of Financial Institutions (“OSFI”) of the Bank’s business in whole or in part, or in the case of OSFI, the Bank, before the commencement of a dissolution proceeding or a case of bankruptcy; (iii) a general assignment by the Bank for the benefit of any of its creditors; or (iv) the general failure of, or the inability of, or the written admission of the inability of, the Bank to pay its debts as they become due; or
- (d) an Asset Coverage Test Breach Notice has been served and not revoked (in accordance with the terms of the Transaction Documents) on or before the Guarantor LP Payment Date immediately following the next Calculation Date after service of such Asset Coverage Test Breach Notice,

For the purposes of these Terms and Conditions “**Calculation Date**” means the last Business Day of each month.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer pursuant to this Condition 7.01, the Bond Trustee shall forthwith serve a notice to pay (the “**Notice to Pay**”) on the Guarantor LP pursuant to the Covered Bond Guarantee and the Guarantor LP shall be required to make payments of Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of the Covered Bond Guarantee.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may or shall take such proceedings against the Issuer in accordance with the first paragraph of Condition 7.03.

The Trust Deed provides that all moneys (the “**Excess Proceeds**”) received by the Bond Trustee from the Issuer or any receiver, liquidator, administrator or other similar official appointed in relation to the Issuer following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice and a Notice to Pay on the Guarantor LP, shall be paid by the Bond Trustee, as soon as practicable after receipt thereof by the Bond Trustee, on behalf of the holders of the Covered Bonds of the relevant Series to the Guarantor LP (or the Cash Manager on its behalf) for the account of the Guarantor LP and shall be held in the Guarantor LP Accounts and the Excess Proceeds shall thereafter form part of the Security granted pursuant to the Security Agreement and shall be used by the Guarantor LP (or the Cash Manager on its behalf) in the same manner as all other moneys from time to time held by

the Cash Manager and/or standing to the credit of the Guarantor LP in the Guarantor LP Accounts. Any Excess Proceeds received by the Bond Trustee shall discharge *pro tanto* the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds, Receipts and Coupons. However, the obligations of the Guarantor LP under the Covered Bond Guarantee are, following a Covered Bond Guarantee Activation Event, unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds shall not reduce or discharge any of such obligations.

By subscribing for Covered Bonds, each holder of the Covered Bonds shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Guarantor LP in the manner as described above.

### **Guarantor LP Events of Default**

**7.02** The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 7.02 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed and/or the Australian Deed Poll) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in euros converted into euros at the Euro Conversion Rate specified in the applicable Final Terms), or if so directed by an Extraordinary Resolution of all the holders of the Covered Bonds shall (but in the case of the happening of any of the events described in paragraphs (b) to (h) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Guarantor LP that such event is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series) (subject in each case to being indemnified and/or secured to its satisfaction) give notice (the “**Guarantor LP Acceleration Notice**”) in writing to the Issuer and to the Guarantor LP, that (x) each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following an Issuer Event of Default), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) all amounts payable by the Guarantor LP under the Covered Bond Guarantee shall thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest, in each case as provided in the Trust Deed and thereafter the Security shall become enforceable if any of the following events (each a “**Guarantor LP Event of Default**”) shall occur and be continuing:

- (a) default is made by the Guarantor LP for a period of seven days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the Covered Bonds of any Series except in the case of the payments of a Guaranteed Amount when Due for Payment under Condition 6.01 where the Guarantor LP shall be required to make payments of Guaranteed Amounts which are Due for Payment on the dates specified therein; or
- (b) (i) if the Guarantor LP fails to perform or observe any obligation, condition, or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series) under the Trust Deed, the Security Agreement, or any other Transaction Document (other than the obligation of the Guarantor LP to repay the Demand Loan within 60 days of a demand therefor or an obligation to do so pursuant to the terms of the Intercompany Loan Agreement) or any obligation of the Guarantor LP to make any payment under a Swap Agreement which does not constitute an event of default under the Swap Agreement) to which the Guarantor LP is a party but excluding (A) any obligation of the Guarantor LP to comply with the Amortization Test; and (B) any obligation of the Guarantor LP which relates solely to its obligations under Part I.1 of the National Housing Act (Canada) or the Guide and breach of which would not otherwise constitute a breach of the terms of the Transaction Documents, or (ii) any party to a Transaction Document fails to take any remedial action required to be taken in accordance with the terms of the Transaction Documents, other than an action specified in Condition 7.02(c) or Condition 7.02(d), as a result of (A) the ratings by the Rating Agencies ceasing to meet a minimum rating, or (B) the failure to meet any financial test set out in the Transaction Documents that is intended to confirm the financial soundness of any counterparty; and such failure continues for the period of 30 days (or such longer period as the Bond Trustee may permit) next following the service by the Bond Trustee on the Guarantor LP of notice requiring the same to be remedied (except in circumstances where the Bond Trustee considers such failure to be incapable of remedy in which case no period of continuation will apply and no notice by the Bond Trustee will be required); or
- (c) Section 8.1(3)(b) of the Guarantor LP Agreement (which obligates the Guarantor LP to terminate the Servicer or the Cash Manager, as applicable, in accordance with the terms of the Servicing Agreement or Cash Management Agreement, respectively, as a result of a breach by the Servicer or the Cash Manager, as applicable, of its obligations under such agreement to deposit funds into the Guarantor LP Accounts) is not complied with; or

- (d) cashflows are not exchanged in accordance with the terms of the Covered Bond Swap Agreement within 30 days following a Trigger Event Date (unless such requirement is waived in accordance with the terms of the Covered Bond Swap Agreement) but disregarding any failure of the Guarantor LP to make a payment under the Covered Bond Swap Agreement which does not constitute an event of default under the Covered Bond Swap Agreement; or
- (e) any impending or actual insolvency on the part of the Guarantor LP as evidenced by, but not limited to (i) the Guarantor LP being unable, or admitting inability, to pay its debts generally as they fall due ; (ii) the Guarantor LP being adjudicated or found bankrupt or insolvent; or (iii) proceedings are initiated against the Guarantor LP under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganization or other similar laws (including, but not limited to, presentation of a petition or the filing of documents with a court or any registrar for its winding-up, administration or dissolution or the giving notice of the intention to appoint an administrator (whether out of court or otherwise); (iv) a receiver and/or manager, administrative receiver, administrator, trustee or other similar official being appointed (whether out of court or otherwise) in relation to the Guarantor LP or in relation to the whole or any part of its assets, (v) a distress, diligence, or execution or other process shall be levied or enforced upon or sued out against the whole or any part of its assets, (vi) the Guarantor LP initiating or consenting to judicial proceedings relating to itself under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganisation or other similar laws or (vii) making a conveyance or assignment for the benefit of, or shall enter into any composition with, its creditors generally; or
- (f) an order is made or an effective resolution passed for the liquidation or winding up of the Guarantor LP; or
- (g) if the Guarantor LP ceases or threatens to cease to carry on its business or substantially the whole of its business; or
- (h) a failure to satisfy the Amortization Test on any Calculation Date following an Issuer Event of Default; or
- (i) the Covered Bond Guarantee is not, or is claimed by the Guarantor LP not to be, in full force and effect.

Following the occurrence of a Guarantor LP Event of Default and service of a Guarantor LP Acceleration Notice on the Guarantor LP the Bond Trustee may or shall take such proceedings or steps in accordance with the first and second paragraphs, respectively, of Condition 7.03 and the holders of the Covered Bonds shall have a claim against the Guarantor LP, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount together with accrued but unpaid interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 8) as provided in the Trust Deed in respect of each Covered Bond.

## **Enforcement**

**7.03** The Bond Trustee may at any time, at its discretion and without further notice, take such proceedings against the Issuer and/or the Guarantor LP, as the case may be, and/or any other person as it may think fit to enforce the provisions of the Trust Deed, the Covered Bonds, the Receipts and the Coupons, but it shall not be bound to take any such enforcement proceedings in relation to the Trust Deed, the Covered Bonds, the Receipts or the Coupons or any other Transaction Document unless (i) it shall have been so directed by an Extraordinary Resolution of all the holders of the Covered Bonds of all Series (with the Covered Bonds of all Series taken together as a single Series as described above) or so requested in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (taken together and converted into euros at the Euro Conversion Rate specified in the applicable Final Terms as described above), and (ii) it shall have been indemnified and/or secured to its satisfaction.

The Bond Trustee may at any time, at its discretion and without further notice, take such proceedings against the Guarantor LP and/or any other person as it may think fit to enforce the provisions of the Security Agreement and may, at any time after the Security has become enforceable, take such steps as it may think fit to enforce the Security, but it shall not be bound to take any such steps unless (i) it shall have been so directed by an Extraordinary Resolution of all the holders of the Covered Bonds of all Series (with the Covered Bonds of all Series taken together as a single Series as described above) or a request in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (taken together and converted into euros at the Euro Conversion Rate specified in the applicable Final Terms as described above); and (ii) it shall have been indemnified and/or secured to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions the Bond Trustee shall, subject to applicable law, only have regard to the interests of the holders of the Covered Bonds of all Series and shall not have regard to the interests of any other Secured Creditors.

No holder of the Covered Bonds, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor LP or to take any action with respect to the Trust Deed, the Covered Bonds, the Receipts, the Coupons, or the Security unless the Bond Trustee, having become bound so to proceed, fails so to do within a reasonable time and such failure shall be continuing. Notwithstanding any other provision of these Conditions, for so long as there are U.S. Registered Covered Bonds outstanding, in accordance with Section 316(b) of the Trust Indenture Act, the right of any holder to receive payment of principal and interest on the Covered Bonds on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of the holders of the Covered Bonds.

### **Programme Condition 13. Meetings of Holders of the Covered Bonds, Modification and Waiver**

The Trust Deed contains provisions for convening meetings of the holders of the Covered Bonds to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions or the provisions of the Trust Deed. The quorum at any such meeting in respect of any Covered Bonds of any Series for passing an Extraordinary Resolution is one or more persons holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or in the event quorum is not present at the initial meeting and notice is provided of any adjournment of such meeting, at such adjourned meeting one or more persons being or representing holders of the Covered Bonds whatever the nominal amount of the Covered Bonds of such Series so held or represented, except that (i) at any meeting the business of which includes the modification of any Series Reserved Matter (as defined below), the quorum shall be one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or in the event quorum is not present at the initial meeting and notice is provided of any adjournment of such meeting, at such adjourned meeting one or more persons holding or representing not less than one third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, and (ii) at any meeting the business of which is modification of any Bondholder Reserved Matter (as defined below) each affected holder of a Covered Bond shall consent to such modification; no modification shall affect any holder that does not so consent. An Extraordinary Resolution passed at any meeting of the holders of the Covered Bonds of a Series shall, subject as provided below, be binding on all the holders of the Covered Bonds of such Series, whether or not they are present at the meeting, and on all Receiptholders and Couponholders in respect of such Series of Covered Bonds. Pursuant to the Trust Deed, the Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the holders of such Covered Bonds, in which event the provisions of this paragraph shall apply thereto *mutatis mutandis*.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Bond Trustee to accelerate the Covered Bonds pursuant to Condition 7 or to direct the Bond Trustee to take any enforcement action (a “**Programme Resolution**”) shall only be capable of being passed at a single meeting of the holders of the Covered Bonds of all Series then outstanding. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Guarantor LP or the Bond Trustee or by holders of the Covered Bonds of any Series. The quorum at any such meeting for passing a Programme Resolution is one or more persons holding or representing at least a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding or at any adjourned such meeting, at such adjourned meeting one or more persons holding or representing Covered Bonds whatever the nominal amount of the Covered Bonds of any Series so held or represented. A Programme Resolution passed at any meeting of the holders of the Covered Bonds of all Series shall be binding on all holders of the Covered Bonds of all Series, whether or not they are present at the meeting, and on all related Receiptholders and Couponholders in respect of such Series of Covered Bonds.

In connection with any meeting of the holders of Covered Bonds of more than one Series the Covered Bonds of any Series not denominated in euros shall be converted into euros at the Euro Conversion Rate specified in the applicable Final Terms.

The Bond Trustee, the Guarantor LP and the Issuer may also agree, without the consent of the holders of the Covered Bonds, Receiptholders or Couponholders of any Series and without the consent of the other Secured Creditors (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter), to:

- (a) any modification of the Covered Bonds of one or more Series, the related Receipts and/or Coupons or any Transaction Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of any of the holders of the Covered Bonds of any Series; or

- (b) any modification of the Covered Bonds of any one or more Series, the related Receipts and/or Coupons or any Transaction Document which is of a formal, minor or technical nature or is in the opinion of the Bond Trustee made to correct a manifest or proven error or to comply with mandatory provisions of law.

The Bond Trustee (without the consent of the holders of the Covered Bonds of any Series, the related Couponholders) or the holders of Covered Bonds by Extraordinary Resolution (without the consent of the Bond Trustee), may also agree to (i) the waiver or authorization of any breach or proposed breach of any of the provisions of the Covered Bonds of any Series, or determine, without any such consent as described above, that any Issuer Event of Default or Guarantor LP Event of Default or Potential Issuer Event of Default or Potential Guarantor LP Event of Default shall not be treated as such, or (ii) any amendment or modification to increase the maximum Asset Percentage (as the same may be adjusted in accordance with this Condition 13), provided that, in any such case, it is not, in the opinion of the Bond Trustee, materially prejudicial to the interests of any of the holders of the Covered Bonds of any Series. Notwithstanding any other provisions of these Conditions, the right of any holder of a Covered Bond to receive payment of principal and interest on the Covered Bond, on or after the respective due dates expressed in the Covered Bond, or to bring suit for the enforcement of any such payment on or after such respective due dates, shall not be impaired or affected without the consent of the holder of the Covered Bond.

Any such modification, waiver, authorization, or determination shall be binding on all holders of the Covered Bonds of all Series of Covered Bonds for the time being outstanding, the related Receiptholders and the Couponholders and on the other Secured Creditors, provided that the right of any holder of a Covered Bond to receive payment of principal and interest on the Covered Bond, on or after the respective due date expressed in the Covered Bond, or to bring suit for the enforcement of any such payment on or after such respective due dates, shall not be impaired or affected without the consent of the holder of the Covered Bond, and unless the Bond Trustee otherwise agrees, any such modification shall be notified by the Issuer to the holders of the Covered Bonds of all Series of Covered Bonds for the time being outstanding and to the other Secured Creditors in accordance with the relevant terms and conditions as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorization or determination), the Bond Trustee shall have regard to the general interests of the holders of the Covered Bonds of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual holders of the Covered Bonds, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual holders of the Covered Bonds, the related Receiptholders, Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee shall not be entitled to require, nor shall any holder of the Covered Bonds, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor LP, the Bond Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual holders of the Covered Bonds, Receiptholders and/or Couponholders, except to the extent already provided for in Condition 8 and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

For the purposes of these Terms and Conditions:

**“Bondholder Reserved Matter”** means in relation to a Covered Bond: (i) the reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of such Covered Bond and (ii) any change to the definition of Bondholder Reserved Matter.

**“Potential Issuer Event of Default”** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Issuer Event of Default;

**“Potential Guarantor LP Event of Default”** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute a Guarantor LP Event of Default; and

**“Series Reserved Matter”** in relation to Covered Bonds of a Series means: (i) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect

of any principal or interest in respect of the Covered Bonds; (ii) subject to any applicable redenomination provisions specified in the applicable Final Terms, alteration of the currency in which payments under the Covered Bonds, Receipts and Coupons are to be made; (iii) alteration of the majority required to pass an Extraordinary Resolution; (iv) any amendment to the Covered Bond Guarantee or the Security Agreement (except in a manner determined by the Bond Trustee not to be materially prejudicial to the interests of the holders of the Covered Bonds of any Series); (v) except in accordance with Condition 13, the sanctioning of any such scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds in consideration of, shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock, and/or other obligations and/or securities as described above and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the holders of the Covered Bonds to execute an instrument of transfer of the Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively; and (vi) alteration of specific sections of the Trust Deed relating to quorum and procedure for meetings of holders of Covered Bonds.

#### **Programme Condition 15. Further Issues**

The Issuer may from time to time, without the consent of the Holders of any Covered Bonds or Coupons, create and issue further Covered Bonds having the same terms and conditions as such Covered Bonds in all respects (or in all respects except for the first payment of interest, if any, on them and/or the Specified Denomination thereof) so as to form a single series with the Covered Bonds of any particular Series.

#### **Programme Condition 16. Currency Indemnity**

The currency in which the Covered Bonds are denominated or, if different, payable, as specified in the Final Terms (the “**Contractual Currency**”), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Covered Bonds, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction or otherwise) by any Holder of a Covered Bond or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Covered Bond or Coupon in respect of such Covered Bond or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Covered Bond or Coupon and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Covered Bonds or any judgement or order. Any such loss shall be deemed to constitute a loss suffered by the relevant Holder of a Covered Bond or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

#### **Programme Condition 18. Branch of Account**

**18.01** For the purposes of the *Bank Act* (Canada) the branch of account of the Bank set out in the applicable Final Terms shall be the branch of account (the “**Branch of Account**”). If not specified in the applicable Final Terms, the Branch of Account will be the main branch of the Bank in Toronto. Covered Bonds, irrespective of the Branch of Account specified in the applicable Final Terms, are obligations of the Bank.

**18.02** This Covered Bond will be paid without the necessity of first being presented for payment at the Branch of Account.

**18.03** If the Branch of Account is not in Canada, the Bank may change the Branch of Account for the deposits evidenced by this Covered Bond, upon not less than seven days’ prior notice to its Holder given in accordance with Condition 14 and upon and subject to the following terms and conditions:

- (a) if this Covered Bond is denominated in Yen, the Branch of Account shall not be in Japan;
- (b) the Issuer shall indemnify and hold harmless the Holders of the Covered Bonds, Coupons and Receipts relating thereto against any tax, duty, assessment or governmental charge which is imposed or levied upon such Holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Issuing and Paying Agent in connection with such change; and

- (c) notwithstanding (b) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (a) no Issuer Event of Default, Guarantor LP Event of Default, Potential Issuer Event of Default or Potential Guarantor LP Event of Default shall have occurred and be continuing and (b) payments of principal, interest or other amounts on Covered Bonds of this Series, Coupons and Receipts relating thereto to Holders thereof (other than Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel to the Issuer, be subject to any taxes, as hereinafter defined, to which they would not have been subject had such change not taken place. For the purposes of this section, an “**Excluded Holder**” means a Holder of a Covered Bond of this Series, Coupons or Receipts relating thereto who is subject to taxes by reason of its having some connection with the Relevant Jurisdiction other than the mere holding of a Covered Bond of this Series, Coupons or Receipts as a non-resident of such Relevant Jurisdiction. “**Relevant Jurisdiction**” means Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and “**taxes**” means any tax, duty, assessment or other governmental charge imposed or levied in respect of the payment of the principal of the Covered Bonds of this Series or interest thereon for or on behalf of a Relevant Jurisdiction or any authority therein or thereof having power to tax.

#### **Programme Condition 19. Substitution**

Subject as provided in the Trust Deed, the Bond Trustee, if it is satisfied that to do so would not be materially prejudicial to the interests of the holders of the Covered Bonds, may agree, without the consent of the holders of the Covered Bonds, Receiptholders or Couponholders, to the substitution of a Subsidiary of the Issuer in place of the Issuer as principal debtor under the Covered Bonds and the Trust Deed, provided that the obligations of such Subsidiary in respect of the Covered Bonds and the Trust Deed shall be guaranteed by the Issuer in such form as the Bond Trustee may require.

Any substitution pursuant to this Condition 19 shall be binding on the holders of the Covered Bonds, the Receiptholders and the Couponholders and, unless the Bond Trustee agrees otherwise, shall be notified to the holders of the Covered Bonds as soon as practicable thereafter in accordance with Condition 14.

It shall be a condition of any substitution pursuant to this Condition 19 that the Covered Bond Guarantee shall remain in place or be modified to apply *mutatis mutandis* and continue in full force and effect in relation to any Subsidiary of the Issuer which is proposed to be substituted for the Issuer as principal debtor under the Covered Bonds and the Trust Deed.

#### **Programme Condition 20. Rating Agency Confirmation**

If Rating Agency Confirmation or some other response by a Rating Agency is a condition to any action or step under any Transaction Document or is otherwise required and a written request for such Rating Agency Confirmation or response is delivered to that Rating Agency by any of the Issuer, the Guarantor LP and/or the Bond Trustee, as applicable (each a “**Requesting Party**”), and the Rating Agency indicates that it does not consider such confirmation or response necessary in the circumstances the Requesting Party shall be entitled to treat Rating Agency Confirmation from such Rating Agency, as not required, for the action or step. For the purposes of this Condition 20 “**Rating Agency Confirmation**” means with respect to any relevant event or matter confirmation in writing from the Rating Agencies that the then current ratings of the Covered Bonds by the Rating Agencies will not be adversely affected by or withdrawn as a result of the occurrence of such event or matter.

#### **Programme Condition 21. Indemnification of Bond Trustee and Bond Trustee contracting with the Issuer and/or the Guarantor LP**

If, in connection with the exercise of its powers, trusts, authorities or discretions, in accordance with the terms of the Transaction Documents, the Bond Trustee is of the opinion that the interests of the holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, the Bond Trustee shall not exercise such power, trust, authority or discretion without the approval by Extraordinary Resolution of such holders of the relevant Series of Covered Bonds then outstanding or by a direction in writing of such holders of the Covered Bonds of at least 25 per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding.

The Trust Deed and the Security Agreement contain provisions for the indemnification of the Bond Trustee and for relief from responsibility, including provisions relieving the Bond Trustee from taking any action unless indemnified and/or secured to the satisfaction of the Bond Trustee.

The Trust Deed and the Security Agreement also contain provisions pursuant to which the Bond Trustee is entitled, among other things: (i) to enter into business transactions with the Issuer, the Guarantor LP and/or any of their respective Subsidiaries and affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Guarantor LP and/or any of their respective Subsidiaries and affiliates; (ii) to

exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the holders of the Covered Bonds, Receiptholders or Couponholders or the other Secured Creditors; and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Loans or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Bond Trustee. The Bond Trustee will not be responsible for: (i) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Bond Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents; (iii) monitoring the Covered Bond Portfolio, including, without limitation, whether the Covered Bond Portfolio is in compliance with the Asset Coverage Test or the Amortization Test; or (iv) monitoring whether Loans and their Related Security satisfy the Eligibility Criteria. The Bond Trustee will not be liable to any holder of the Covered Bonds or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by reasonable and prudent institutional mortgage lenders in the Seller's market in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.

### ***Agency Agreement***

BTA Institutional Services Australia Limited (ABN 48 002 916 396) has been appointed by the Issuer and the Guarantor LP under the Agency Agreement pursuant to the terms of the Agency Agreement and as an additional agent and registrar in accordance with Clause 16.04 of the Agency Agreement to act as the registrar and issuing and paying agent in respect of the Australian Covered Bonds and to carry out certain other functions in accordance with the terms and subject to the conditions set out in the Agency Agreement.

The Issuer and the Guarantor LP will also appoint Royal Bank of Canada, acting through its Sydney branch (ABN 86 076 940 880) of Level 47, 2 Park Street, Sydney NSW 2000, Australia as its agent to receive service of process in Australia in connection with the Australian Covered Bonds.

The Issuer and the Guarantor LP do not expect any other agents to be appointed under the Transaction Documents to act as agents in respect of the Australian Covered Bonds.

## TERMS AND CONDITIONS OF THE AUSTRALIAN COVERED BONDS

*The following are the terms and conditions of the Australian Covered Bonds (the “**Terms and Conditions**”), which as supplemented, modified or replaced in relation to any Australian Covered Bonds by the applicable Pricing Supplement, will be applicable to each Series of Australian Covered Bonds issued under the Australian Deed Poll unless otherwise specified in the applicable Pricing Supplement. To avoid doubt these Terms and Conditions do not apply to any other Covered Bonds. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the applicable Pricing Supplement.*

These Terms and Conditions apply to those Covered Bonds, known as “**Australian Covered Bonds**”, which are issued in registered uncertificated (or inscribed) form by Royal Bank of Canada (ARBN 076 940 880) (the “**Issuer**” or the “**Bank**”) as part of the Issuer’s Global Covered Bond Programme (the “**Programme**”) and are constituted by the Deed Poll expected to be made by the Issuer, and dated, on or around 7 August 2013 (the “**Australian Deed Poll**”). Australian Covered Bonds take the form of entries in a register (the “**Australian Register**”) established and maintained by BTA Institutional Services Australia Limited (ABN 48 002 916 396) (or such other registrar as is specified in the applicable Pricing Supplement or appointed in accordance with the Terms and Conditions or the Agency Agreement (defined below)) (the “**Australian Registrar**”) in Sydney, New South Wales, Australia or such other place in Australia as is agreed between the Issuer and the Australian Agent.

The Holders of the Australian Covered Bonds have the benefit of and are subject to:

- (a) a trust deed (such trust deed as further amended, supplemented or replaced from time to time initially entered into on 25 October 2007 (the “**Programme Establishment Date**”) and most recently amended and restated on 25 July 2013, between the Issuer, the Guarantor LP and Computershare Trust Company of Canada, as bond trustee (in such capacity, the “**Bond Trustee**” which expression shall include any successor as bond trustee) as supplemented by a supplemental trust deed expected to be dated on or around 7 August 2013 in relation to the Australian Covered Bonds (as further amended, supplemented or replaced from time to time), (together, the “**Trust Deed**”); and
- (b) an agency agreement initially entered into on the Programme Establishment Date and most recently amended and restated on 25 July 2013 (as further amended, supplemented, restated or replaced from time to time) between the Issuer, the Guarantor LP, the Bond Trustee, The Bank of New York Mellon, The Bank of New York Mellon, London branch, The Bank of New York Mellon (Luxembourg) S.A. and BNY Trust Company Canada as supplemented in relation to the Australian Covered Bonds by a supplemental agency agreement expected to be dated on or around 7 August 2013 in respect of the Australian Covered Bonds (the “**Supplemental Agency Agreement**”) (as further amended, supplemented or replaced from time to time) (together, the “**Agency Agreement**”). The Supplemental Agency Agreement was made between the Issuer and BTA Institutional Services Australia Limited (ABN 48 002 916 396 (the “**Australian Agent**”) and, pursuant to its terms, the Australian Agent has been appointed to act as registrar and issuing and paying agent in respect of Australian Covered Bonds and, for greater certainty, and it is confirmed that the other registrars, issuing agents, paying agents, transfer agents, exchange agents and calculation agents named therein do not act in any capacity in relation to the Australian Covered Bonds.

In respect of any Australian Covered Bonds, references herein to these “**Terms and Conditions**” are to these terms and conditions as supplemented or modified or (to the extent thereof) replaced by the applicable Pricing Supplement and any reference herein to an “**Australian Condition**” is a reference to the relevant Terms and Conditions of the relevant Australian Covered Bonds. Any reference to “**Programme Condition**” or “**Condition**” herein is a reference to the correspondingly numbered Programme Condition in Schedule 1 of the Trust Deed.

The Bond Trustee acts for the benefit of the holders for the time being of the Australian Covered Bonds (the “**Holders**” or “**Holders of the Australian Covered Bonds**”, which expression shall, in relation to any Australian Covered Bonds, mean the persons whose names are for the time being entered in the Australian Register as the Holders of the Australian Covered Bonds (notwithstanding that such person may be the operator of a clearing system who holds the Australian Covered Bonds on behalf of the accountholders in that system)) and for holders of each other series of Covered Bonds in accordance with the provisions of the Trust Deed.

As used herein, “**Tranche**” means Australian Covered Bonds which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Australian Covered Bonds together with any further Tranche or Tranches of Australian Covered Bonds which are (i) expressed to be consolidated and form a

single series, and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

These Terms and Conditions include summaries of, and are subject to, the provisions of the Trust Deed as supplemented, the Australian Deed Poll, the Security Agreement and the Agency Agreement.

Copies of the Trust Deed, the Australian Deed Poll, the Security Agreement, the Master Definitions and Construction Agreement (as defined below), the Agency Agreement, the Information Memorandum, the Prospectus in respect of the Programme (the “**Programme Prospectus**”) and each of the other Transaction Documents (other than the Dealership Agreement, the Underwriting Agreement and any subscription agreements) are available for inspection during normal business hours at the registered office for the time being of the Australian Agent. Copies of the applicable Pricing Supplement of all Australian Covered Bonds of each Series (including in relation to unlisted Australian Covered Bonds of any Series) are obtainable during normal business hours of the specified office of the Australian Agent, by any Holder of the Australian Covered Bonds or person in whose security record the Australian Covered Bonds are credited within the Austraclear System (a “**Relevant Account Holder**”) subject to producing evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, the Australian Agent as to its holding of each Australian Covered Bond and identity. The Holders of the Australian Covered Bonds are deemed to have notice of, or are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Trust Deed, the Australian Deed Poll, the Security Agreement, the Master Definitions and Construction Agreement, the Agency Agreement, each of the other Transaction Documents (other than any dealer agreements, underwriting agreements and any subscription agreements) and the applicable Pricing Supplement which are applicable to them and to have notice of each set of Final Terms relating to each other Series of Covered Bonds.

Except where the context otherwise requires, capitalized terms used or otherwise defined in these Terms and Conditions shall bear the meanings given to them in the applicable Pricing Supplement and/or the master definitions and construction agreement, initially entered into between the parties to the Transaction Documents on the Programme Establishment Date and, most recently amended and restated on 25 July 2013 (the “**Master Definitions and Construction Agreement**”), a copy of each of which may be obtained as described above.

*Text included in these Terms and Conditions in italics at the end of a Term and Condition is included only for information purposes and also (where applicable) to specify where a Programme Condition is incorporated into the Terms and Conditions, but otherwise does not form part of the Terms and Conditions for the Australian Covered Bonds. Further information in relation to the Australian Covered Bonds and the Programme may be found in the Information Memorandum dated 31 July 2013 (the “**Australian Information Memorandum**”) and the Programme Prospectus, which is annexed to and deemed to be incorporated in, and form part of, the Australian Information Memorandum.*

*For reference purposes the numbering for the Australian Conditions relates to the numbering used for the corresponding Programme Conditions in Schedule 1 of the Trust Deed, as set out at pages 59 to 94 (inclusive) of the Programme Prospectus above under “Summary of Trust Deed, Applicable Programme Conditions and Agency Agreement – Programme Conditions applicable to Australian Covered Bonds”.*

## **1. Form and Denomination**

**1.01** Australian Covered Bonds are issued in registered form by entry in the Australian Register and will not be serially numbered, unless otherwise agreed between the Issuer and the Australian Agent. No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to an Australian Covered Bond unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

Each entry in the Australian Register constitutes a separate and individual acknowledgement to the Bond Trustee on behalf of, and to, the relevant Holder of an Australian Covered Bonds. The obligations of the Issuer in respect of each Australian Covered Bond constitute separate and independent obligations which the Holder to whom those obligations are owed and the Bond Trustee are entitled to enforce in accordance with (and subject to) these Australian Conditions, the Trust Deed and the Australian Deed Poll without having to join any other Holder or any predecessor in title of a Holder.

Each Australian Covered Bond is a Fixed Rate Covered Bond, a Floating Rate Covered Bond or a Zero Coupon Covered Bond or any appropriate combination thereof, depending on the Interest Basis specified in the applicable Pricing Supplement.

## ***Denomination***

### ***Denomination of Registered Covered Bonds that are Australian Covered Bonds***

**1.11** Australian Covered Bonds are issued in the Specified Denominations specified in the applicable Pricing Supplement.

**1.12** Australian Covered Bonds are denominated in Australian dollars.

## **2. Title and Transfer**

**2.02** Title to Australian Covered Bonds passes upon entry of the transfer in the Australian Register. The Issuer shall procure that the Australian Registrar keep a register or registers in which shall be entered the names and addresses of the Holders of Australian Covered Bonds and particulars of the Australian Covered Bonds held by them, together with such other details as are required to be shown on the Australian Register by, or for the effective operation of, these Terms and Conditions, by the Agency Agreement, by law or which the Issuer and Australian Registrar determine should be shown in the Australian Register.

**2.11** No Australian Covered Bond will be registered in the name of more than four persons or in the name of an unincorporated association. Australian Covered Bonds registered in the name of more than one person are held by those persons as joint tenants.

**2.12** Australian Covered Bonds will be registered by name only without reference to any trusteeship. The person registered in the Australian Register as a Holder of an Australian Covered Bond will be treated by the Issuer, the Bond Trustee, the Australian Registrar and the Australian Agent as the absolute owner of that Australian Covered Bond and none of the Issuer, the Bond Trustee, the Australian Registrar or the Australian Agent will, except as ordered by a court of competent jurisdiction or as required by law, be obliged to take notice of any other claim to an Australian Covered Bond.

**2.13** Upon a person acquiring title to any Australian Covered Bond by virtue of becoming registered as the Holder of that Australian Covered Bond, all rights and entitlements arising by virtue of the Australian Deed Poll or the Trust Deed in respect of that Australian Covered Bond vest absolutely in the registered owner of the Australian Covered Bond, such that no person who has previously been registered as the owner of the Australian Covered Bond has or is entitled to assert against the Issuer, the Bond Trustee, the Australian Registrar or the Australian Agent or the registered Holder of the Australian Covered Bond for the time being and from time to time any rights, benefits or entitlements in respect of the Australian Covered Bond.

**2.14** An Australian Covered Bond may, upon the terms and subject to the terms and conditions set forth in the Agency Agreement and as required by law, be transferred in whole but not in part only in accordance with this Australian Condition 2. Interests in Australian Covered Bonds entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

**2.15** Application for the transfer of Australian Covered Bonds not entered in the Austraclear System must be made by the lodgement with the Australian Registrar of a duly completed and executed and (if applicable) stamped transfer and acceptance form in the form specified by, and obtainable from the Australian Registrar, or by any other document or in any other manner approved by the Issuer and the Australian Registrar. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Australian Agent may require to prove the title of the transferor or the transferor's right to transfer the Australian Covered Bonds and must be properly executed by both the transferor and the transferee. Any such transfer will be subject to such reasonable regulations as the Issuer and the Australian Registrar may from time to time prescribe (the initial such regulations being set out in the schedule to the Agency Agreement (as supplemented)).

**2.16** The transferor of an Australian Covered Bond is deemed to remain the Holder of that Australian Covered Bond until the name of the transferee is entered in the Australian Register in respect of that Australian Covered Bond. Transfers will not be registered later than ten Business Days prior to the maturity date of the Australian Covered Bond.

**2.17** Australian Covered Bonds may only be transferred if:

- (a) in the case of any offer or invitation, issue or transfer made in, into or from Australia (including an offer, invitation or issue to a person in Australia or an issue entered in the Register in Australia):
  - (i) the aggregate principal amount of the Australian Covered Bonds being transferred, and the consideration payable by the transferee at the time of transfer within Australia, is at least A\$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act (where “A\$” means the lawful currency for the time being of Australia);
  - (ii) such action complies with all applicable laws, regulations and directives in Australia (including without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act);
  - (iii) such action does not require any document to be lodged with ASIC; and
  - (iv) the transferee is not a “retail client” within the meaning of section 761G of the Corporations Act; and
- (b) in all cases, the transfer is in compliance with all applicable laws, regulations or directives (including, without limitation, the laws of the jurisdiction in which the transfer takes place).

**2.18** A transfer to an unincorporated association or to more than 4 persons is not permitted.

**2.19** A person becoming entitled to an Australian Covered Bond as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing such evidence as to that entitlement or status as the Australian Registrar considers sufficient, transfer the Australian Covered Bond or, if so entitled, become registered as the Holder of the Australian Covered Bond.

**2.20** Where the transferor executes a transfer of less than all Australian Covered Bonds registered in its name, and the specific Australian Covered Bonds to be transferred are not identified, the Australian Registrar may register the transfer in respect of such of the Australian Covered Bonds registered in the name of the transferor as the Australian Registrar thinks fit, provided the aggregate principal amount of the Australian Covered Bonds registered as having been transferred equals the aggregate principal amount of the Australian Covered Bonds expressed to be transferred in the transfer.

**2.21** The registration of a transfer will be effected without charge by or on behalf of the Issuer or the Australian Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer or the Australian Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

**2.22** In the event of a partial redemption of Australian Covered Bonds under Australian Condition 6.05, the Issuer shall not be required to register the transfer of any Australian Covered Bond, or part of an Australian Covered Bond called for partial redemption.

### **3. Status of the Australian Covered Bonds**

The Australian Covered Bonds constitute deposit liabilities of the Issuer for purposes of the *Bank Act* (Canada), however will not be insured under the *Canada Deposit Insurance Corporation Act* (Canada), and will constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* with all deposit liabilities of the Issuer without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (except as otherwise prescribed by law). Australian Covered Bonds constitute registered covered bonds under Part I.1 of the National Housing Act (Canada) and the Canadian Registered Covered Bond Programs Guide. Unless otherwise specified in the Pricing Supplement, the deposits to be evidenced by the Australian Covered Bonds will be taken by the main branch of the Issuer in Toronto but without prejudice to the provisions of Australian Condition 9.

*The Issuer is registered in Australia as a “Foreign Company (Overseas)” and is a foreign “authorised deposit-taking institution” (“foreign ADI”) as that term is defined under the Banking Act 1959 of the Commonwealth of Australia (“Banking Act”) in the category of a “Branch of a Foreign Bank”. As a foreign ADI, the Issuer is regulated by the Australian Prudential Regulation Authority (“APRA”) in accordance with the Banking Act. However, the depositor protection provisions of Division 2 of Part II of the Banking Act do not apply to the Issuer. The Issuer’s indebtedness in respect of the Australian Covered Bonds is affected by applicable laws which include (but are not limited to) section 11F of the Banking Act and section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia. Section 11F of the Banking Act provides that, in the event that the Issuer (whether in or outside Australia) suspends payment or becomes unable to meet its obligations, the assets of the Issuer in Australia are to be available to meet its liabilities in Australia in priority to all other liabilities of the Issuer. Section 86 of the Reserve Bank Act 1959 provides that, notwithstanding anything contained in any law relating to the winding-up of companies, but subject to subsection 13A(3) of the Banking Act 1959 (which does not apply to the Issuer as a foreign ADI), debts due to the Reserve Bank of Australia by an authorised deposit-taking institution (including a foreign ADI) (“ADI”) shall, in the winding-up of the Issuer, have priority over all other debts of the Issuer.*

*The Guarantor LP is neither a bank nor an ADI authorised to carry on banking business under the Banking Act. The Guarantor LP is not supervised by APRA and is not registered as a foreign company or otherwise registered, authorised or qualified to carry on financial services or other business in Australia.*

#### **4. Guarantee**

*Pursuant to the Trust Deed, the Australian Covered Bonds have the benefit of the Covered Bond Guarantee.*

*For a description of the Covered Bond Guarantee see Programme Condition 4 on pages 10 & 11 of the Australian Information Memorandum, which applies to the Australian Covered Bonds.*

#### **5. Interest**

##### *Interest*

**5.01** Australian Covered Bonds may be interest-bearing or non interest-bearing. The Interest Basis is specified in the applicable Pricing Supplement. Words and expressions appearing in this Australian Condition 5 and not otherwise defined herein or in the Pricing Supplement shall have the meanings given to them in Australian Condition 5.09.

##### *Interest on Fixed Rate Covered Bonds that are Australian Covered Bonds*

**5.02** Each Australian Covered Bond that is a Fixed Rate Covered Bond bears interest on its Outstanding Principal Amount from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year up to and including the Final Maturity Date if that does not fall on an Interest Payment Date.

Unless otherwise provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on, but excluding, such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount(s) so specified.

As used in these Terms and Conditions, “**Fixed Interest Period**” means the period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first) Interest Payment Date.

Interest will be calculated on the Calculation Amount of the Australian Covered Bonds that are Fixed Rate Covered Bonds and will be paid to the Holders of the Australian Covered Bonds. If interest is required to be calculated for a period ending other than on an Interest Payment Date, or if no Fixed Coupon Amount is specified in the applicable Pricing Supplement, such interest shall be calculated in accordance with Australian Condition 5.08.

Notwithstanding anything else in this Australian Condition 5.02, if an Extended Due for Payment Date is specified in the Pricing Supplement, interest following the Due for Payment Date will continue to accrue and be payable on any unpaid amount in accordance with Australian Condition 5 at a Rate of Interest determined in accordance with Australian Condition 5.03 (in the same manner as the Rate of Interest for Floating Rate Covered Bonds).

## ***Interest on Floating Rate Covered Bonds***

### *Interest Payment Dates*

**5.03** Each Australian Covered Bond that is a Floating Rate Covered Bond bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (a) the Specified Interest Payment Date(s) (each an “**Interest Payment Date**”) in each year specified in the applicable Pricing Supplement; or
- (b) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each an “**Interest Payment Date**”) which falls the number of months or other period specified as the Interest Period(s) in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression, shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the Interest Period(s) specified in the applicable Pricing Supplement). Interest will be calculated on the Calculation Amount of the Floating Rate Covered Bonds and will be paid to the Holders of the Australian Covered Bonds.

### *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds will be determined in the manner specified in the applicable Pricing Supplement.

### *Screen Rate Determination*

Where the Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined:

- (a) the Rate of Interest for each Interest Period will, subject as provided below, be either:
  - (1) the offered quotation, or
  - (2) the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, 0.000005 being rounded upwards) of the offered quotations

(expressed as a percentage rate per annum) for the Reference Rate for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, all as determined by the Australian Agent;

- (b) if, on any Interest Determination Date, no such Reference Rate so appears or, as the case may be, if fewer than two offered quotations so appear or if the Relevant Screen Page is unavailable or if the offered rate or rates which appear as at the Relevant Time do not apply to a period or durations equal to the Interest Period, the Australian Agent will request appropriate quotations and will determine the arithmetic mean (rounded as described above) of the rates at which deposits in the relevant currency are offered by the principal Relevant Financial Centre office of the Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
- (c) if, on any Interest Determination Date, only two or three rates are so quoted, the Australian Agent will determine the arithmetic mean (rounded as described above) of the rates so quoted; or

- (d) if fewer than two rates are so quoted, the Australian Agent will determine the arithmetic mean (rounded as described above) of the rates quoted by four major banks in the Principal Financial Centre as selected by the Australian Agent, at approximately 11.00 a.m. (Financial Centre time) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period for the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Australian Covered Bonds during such Interest Period will be the rate or, as the case may be, the arithmetic mean (rounded as described above) of the rates so determined plus or minus (as indicated in the Pricing Supplement) the Margin, if any, provided however that if the Australian Agent is unable to determine a rate or, as the case may be, an arithmetic mean of rates in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Australian Covered Bonds during such Interest Period will be the rate or, as the case may be, the arithmetic mean (rounded as described above) of the rates determined in relation to such Australian Covered Bonds in respect of the last preceding Interest Period plus or minus (as indicated in the Pricing Supplement) the Margin, if any.

#### *Bank Bill Rate Determination*

Where the Bank Bill Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, each Australian Covered Bond shall bear interest during each Interest Period at the relevant Bank Bill Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

#### *ISDA Rate Determination*

**5.04** Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin, if any. For purposes of this Australian Condition 5.04, “**ISDA Rate**” for an Interest Period means a rate equal to the Fixed Rates, Fixed Amounts, Fixed Prices, Floating Rates, Floating Amounts or Floating Prices, as the case may be, or as otherwise specified in the applicable Pricing Supplement, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into a schedule and confirmation in respect of the relevant Tranche or Series of Australian Covered Bonds, as applicable, with the Holder of such Australian Covered Bond under the terms of an agreement to which the ISDA Definitions applied and under which:

- the Fixed Rate Payer, Fixed Amount Payer, Floating Rate Payer or, as the case may be, Floating Amount Payer is the Issuer (as specified in the Pricing Supplement);
- the Effective Date is the Interest Commencement Date;
- the Floating Rate Option (which may refer to a Rate Option or a Price Option, specified in the ISDA Definitions) is as specified in the applicable Pricing Supplement;
- the Designated Maturity is the period specified in the applicable Pricing Supplement;
- the Australian Agent is the Calculation Agent;
- the Calculation Periods are the Interest Periods;
- the Payment Dates are the Interest Payment Dates;
- the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“**LIBOR**”) or on the Euro-zone inter-bank offered rate (“**EURIBOR**”) for a currency, the first day of that Interest Period or (ii) in any other case as specified in the applicable Pricing Supplement;
- the Calculation Amount is the principal amount of such Australian Covered Bond;
- the Day Count Fraction applicable to the calculation of any amount is that specified in the Pricing Supplement or, if none is so specified, as may be determined in accordance with the ISDA Definitions;

- the Applicable Business Day Convention applicable to any date is that specified in the Pricing Supplement or, if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- the other terms are as specified in the Pricing Supplement;
- for the purposes of this Australian Condition 5.04 “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

***Maximum Rate of Interest or Minimum Rate of Interest***

**5.05** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

***Accrual of Interest after the due date***

**5.06** Interest will cease to accrue as from the due date for redemption therefor unless upon due presentation or surrender thereof (if required), payment in full of the Final Redemption Amount is improperly withheld or refused or default is otherwise made in the payment thereof. In such event, interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Rate of Interest then applicable or such other rate as may be specified for this purpose in the Pricing Supplement if permitted by applicable law (“**Default Rate**”) until the date on which, the relevant payment is made or, if earlier, the seventh day after the date on which, the Australian Agent or, as the case may be, the Australian Registrar having received the funds required to make such payment, notice is given to the Holders of the Australian Covered Bonds in accordance with Australian Condition 14 that the Australian Agent or, as the case may be, the Australian Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

***Interest Amount(s), Calculation Agent and Reference Banks***

**5.07** If a Calculation Agent is specified in the applicable Pricing Supplement, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date will determine the Rate of Interest and calculate the amount(s) of interest payable (the “**Interest Amount(s)**”) in the manner specified in Australian Condition 5.08 below, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Australian Agent, the Australian Registrar, the Issuer, the Holders in accordance with Australian Condition 14, and, if the Australian Covered Bonds are listed on a stock exchange or admitted to listing by any other authority and the rules of such exchange or other relevant authority so require, such exchange or listing authority as soon as possible after their determination or calculation but in no event later than the fourth Business Day thereafter or, if earlier in the case of notification to the stock exchange or other relevant authority, the time required by the relevant stock exchange or listing authority. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Australian Covered Bonds become due and payable under Programme Condition 7, the Rate of Interest and the accrued interest payable in respect of the Australian Covered Bonds shall nevertheless continue to be calculated in accordance with this Australian Condition 5.07 but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest or proven error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Rate of Interest applicable to the Australian Covered Bonds and a Calculation Agent, if provision is made for one in the Terms and Conditions.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts or any other requirements, the Bond Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having regard as it shall think fit to the foregoing provision of this Australian Condition 5.07, but subject always to any Minimum Rate of Interest

or Maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all circumstances or, as the case may be, the Bond Trustee shall calculate (or appoint an agent to calculate) the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent. The Calculation Agent may not resign its duties without a successor having been appointed as described above.

### *Calculations and Adjustments*

**5.08** The amount of interest payable in respect of any Australian Covered Bond for any period shall be calculated by applying the Rate of Interest to the Calculation Amount, and, in each case, multiplying such sum by the Day Count Fraction, save that in the case of Australian Covered Bonds that are Fixed Rate Covered Bonds where the Fixed Coupon Amount is specified in the applicable Pricing Supplement, the interest rate shall be calculated in accordance with Australian Condition 5.02.

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in the Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.) and (b) all Australian dollar amounts used in or resulting from such calculations will be rounded to one cent, with halves being rounded upwards.

### *Definitions*

**5.09** In these Terms and Conditions, unless the context otherwise requires, the following defined terms shall have the meaning set out below:

“**Austraclear Regulations**” means the rules and regulations established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System.

“**Austraclear System**” means the system operated by Austraclear Limited (“**Austraclear**”) for holding securities and the electronic recording and settling of transactions in those securities between members of that system.

“**Bank Bill Rate**” if specified in the applicable Pricing Supplement, shall mean the average mid-rate for Bills (having the meaning that term has in the *Bills of Exchange Act 1909* of the Commonwealth of Australia) having a tenor closest to the Interest Period as displayed on the BBSW page (or any replacement page) of the Reuters Monitor System on the first day of that Interest Period as determined by the Calculation Agent. However, if the average mid-rate is not displayed by 10.30am on that day, or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, “Bank Bill Rate” means the rate determined by the Calculation Agent in good faith at approximately 10.30am on that day, having regard, to the extent possible, to the mid-rate of rates otherwise bid and offered for bank accepted Bills (as defined above) of that tenor at or around that time (including any displayed on the “BBSY” page of the Reuters Monitor System).

“**Banking Day**” means, in respect of any city, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that city.

“**Business Day**” means in relation to Australian Covered Bonds, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the relevant currency in Sydney, Australia and, if applicable, the other Business Centre(s) specified in the applicable Pricing Supplement.

“**Business Day Convention**” means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Pricing Supplement in relation to any date applicable to any Covered Bonds, shall have the following meanings:

- (a) “**Following Business Day Convention**” means that such date shall be postponed to the first following day that is a Business Day;
- (b) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that such date shall be postponed to the first following day that is a Business Day unless that day falls

in the next calendar month in which case that date will be the first preceding day that is a Business Day;

- (c) **“Preceding Business Day Convention”** means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (d) **“FRN Convention”** or **“Eurodollar Convention”** means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Pricing Supplement after the calendar month in which the preceding such date occurred, provided that:
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

**“Calculation Agent”** means the Australian Agent or such other agent as may be specified in the applicable Pricing Supplement as the Calculation Agent.

**“Day Count Fraction”** means, in respect of the calculation of an amount for any period of time (each such period an **“Accrual Period”**), such day count fraction as may be specified in the Pricing Supplement and:

- (a) if **“Actual/Actual”** or **“Actual/Actual (ISDA)”** is so specified, means the actual number of days in the Accrual Period divided by 365 (or, if any portion of the Accrual Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365);
- (b) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Accrual Period divided by 365;
- (c) if **“Actual/360”** is so specified, means the actual number of days in the Accrual Period divided by 360;
- (d) if **“30E/360”** or **“Eurobond Basis”** is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where,

**“Y<sub>1</sub>”** is the year, expressed as a number, in which the first day of the Accrual Period falls;

**“Y<sub>2</sub>”** is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

- “**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;
- “**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;
- “**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and
- “**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where,

- “**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Accrual Period falls;
- “**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;
- “**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;
- “**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;
- “**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and
- “**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30;
- (f) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where,

- “**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Accrual Period falls;
- “**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included the Accrual Period falls;
- “**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Accrual Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless (i) that day is the last day of February but not the Final Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30; and

(g) if “**Actual/Actual (ICMA)**” is so specified:

(i) if the Accrual Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Accrual Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or

(ii) if the Accrual Period is longer than the Determination Period, the sum of:

(x) the number of days in such Accrual Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

(y) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year

where,

“**Determination Date**” means such dates as specified in the applicable Pricing Supplement; and

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

(h) if “**RBA Bond Basis**” “**Australian Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Determination Period does not constitute an Accrual Period, the actual number of days in the Determination Period divided by 365 (or, if any portion of the Determination Period falls in a leap year, the sum of:

(i) the actual number of days in that portion of the Determination Period falling in a leap year divided by 366; and

(ii) the actual number of days in that portion of the Determination Period falling in a non-leap year divided by 365)); and

(i) any other day count fraction specified in the Pricing Supplement;

“**euro**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

“**Euro-zone**” means the region comprised of those member states of the European Union participating in the European Monetary Union from time to time.

**“Interest Commencement Date”** means the date of issue (the **“Issue Date”**) of the Australian Covered Bonds (as specified in the Pricing Supplement) or such other date as may be specified as such in the Pricing Supplement.

**“Interest Determination Date”** means, in respect of any Interest Period, the date specified in the Pricing Supplement, or if none is specified:

- (a) the first day of such Interest Period; or
- (b) in the case of LIBOR (other than Sterling LIBOR) or EURIBOR, the date falling two London Banking Days (or, in the case of EURIBOR or EUROLIBOR, two TARGET2 Business Days) prior to the first day of such Interest Period.

**“Interest Payment Date”** means the date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement and, as the same may be adjusted in accordance with the Business Day Convention, if any, specified in the Pricing Supplement or if the Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Pricing Supplement as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date of the Australian Covered Bonds (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

**“Interest Period”** means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date, provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the Final Maturity Date.

**“ISDA Definitions”** means the 2006 ISDA Definitions (as amended, supplemented and updated as at the date of issue of the first Tranche of the Australian Covered Bonds of the relevant Series (as specified in the Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.) unless otherwise specified in the applicable Pricing Supplement.

**“Outstanding Principal Amount”** means, in respect of an Australian Covered Bond, its principal amount or otherwise as indicated in the Pricing Supplement.

**“Principal Financial Centre”** means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of “Business Day” in the ISDA Definitions or indicated in the Pricing Supplement.

**“Rate of Interest”** means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Australian Covered Bonds specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

**“Reference Banks”** means such banks as may be specified in the Pricing Supplement as the Reference Banks, or, if none are specified, “Reference Banks” has the meaning given in the ISDA Definitions, *mutatis mutandis*.

**“Relevant Financial Centre”** means such financial centre or centres as may be specified or indicated in the Pricing Supplement.

**“Relevant Time”** means the time as of which any rate is to be determined as specified in the Pricing Supplement (which in the case of LIBOR means London time or in the case of EURIBOR means Central European Time) or, if none is specified, at which it is customary to determine such rate.

**“Reuters Screen”** means, when used in connection with a designated page and any designated information, the display page so designated on the Reuters Market 3000 (or such other page as may replace that page on that service for the purpose of displaying such information).

**“TARGET2 Business Day”** means, a day in which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open;

## ***Zero-Coupon Covered Bonds***

**5.10** If any Final Redemption Amount in respect of any Australian Covered Bonds that are Zero Coupon Covered Bond is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Accrual Yield defined in, or determined in accordance with the provisions of, the Pricing Supplement or at such other rate as may be specified for this purpose in the Pricing Supplement until the date on which, upon due presentation or surrender of the relevant Covered Bond (if required), the relevant payment is made or, if earlier, the seventh day after the date on which, the Australian Agent having received the funds required to make such payment, notice is given to the Holders of the Australian Covered Bonds in accordance with Australian Condition 14 that the Australian Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Australian Condition 5.08 as if the Rate of Interest was the Accrual Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Pricing Supplement or, if not so specified, 30E/360 (as defined in Australian Condition 5.09).

## **6. Redemption and Purchase**

### ***Redemption at Maturity***

**6.01** Unless previously redeemed, or purchased and cancelled, each Australian Covered Bond shall be redeemed at its Final Redemption Amount specified in or determined in the manner specified in the applicable Pricing Supplement in the Specified Currency on the Final Maturity Date.

Without prejudice to Programme Condition 7, if an Extended Due for Payment Date is specified as applicable in the Pricing Supplement for a Series of Australian Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Pricing Supplement (or after expiry of the grace period set out in Programme Condition 7.01(a)) and following the service of a Notice to Pay on the Guarantor LP by no later than the date falling one Business Day prior to the Extension Determination Date the Guarantor LP has insufficient moneys available in accordance with the Guarantee Priority of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Australian Covered Bonds on the date falling on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Guarantor LP or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Programme Condition 7.02) under the terms of the Covered Bond Guarantee, or (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Guarantor LP under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date, provided that in respect of any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above the Guarantor LP will apply any moneys available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) to pay the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Australian Covered Bonds on any Interest Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

The Issuer shall confirm to the Australian Agent as soon as reasonably practicable and in any event at least 4 Business Days prior to the Final Maturity Date of such Series of Australian Covered Bonds whether payment will be made in full of the Final Redemption Amount in respect of a Series of Australian Covered Bonds on that Final Maturity Date. Any failure by the Issuer to notify the Australian Agent shall not affect the validity or effectiveness of the extension of maturity.

The Guarantor LP shall notify the relevant holders of the Australian Covered Bonds (in accordance with Australian Condition 14), the Rating Agencies, the Bond Trustee, the Australian Agent and the Australian Registrar as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) of the second paragraph of this Australian Condition 6.01 of any inability of the Guarantor LP to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Australian Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Guarantor LP to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

In the circumstances outlined above, the Guarantor LP shall on the earlier of (a) the date falling two Business Days after the service of a Notice to Pay on the Guarantor LP or if later the Final Maturity Date (or, in each case, after the expiry of the applicable grace period set out in Programme Condition 7.02) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) *pro rata* in

part payment of an amount equal to the Final Redemption Amount of each Australian Covered Bond of the relevant Series of Australian Covered Bonds and shall pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such Australian Covered Bond on such date. The obligation of the Guarantor LP to pay any amounts in respect of the balance of the Final Redemption Amount not so paid shall be deferred as described above. Such failure to pay by the Guarantor LP shall not constitute a Guarantor LP Event of Default.

Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee shall be disregarded for the purposes of determining the amounts to be paid by the Guarantor LP under the Covered Bond Guarantee in connection with this Australian Condition 6.01.

For the purposes of these Terms and Conditions:

**“Extended Due for Payment Date”** means, in relation to any Series of Australian Covered Bonds, the date, if any, specified as such in the applicable Pricing Supplement to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date; and

**“Extension Determination Date”** means, in respect of a Series of Australian Covered Bonds, the date falling two Business Days after the expiry of seven days from (and including) the Final Maturity Date of such Australian Covered Bonds.

**“Guarantee Priority of Payments”** means the priority of payments relating to moneys received by the Cash Manager for and on behalf of the Guarantor LP and moneys standing to the credit of the Guarantor LP Accounts, to be paid on each Guarantor LP Payment Date in accordance with the Guarantor LP Agreement.

**“Rating Agency”** means any one of Standard & Poor’s Credit Market Services Europe Ltd., Moody’s Investors Service Inc., Fitch, Inc. and DBRS Limited, to the extent that at the relevant time they provide ratings in respect of the then outstanding Australian Covered Bonds, or their successors and **“Rating Agencies”** means more than one Rating Agency.

#### ***Early Redemption for Taxation Reasons***

**6.02** If, in relation to any Series of Australian Covered Bonds (i) as a result of any change in the laws or regulations of Canada or any province or territory thereof or any authority or agency therein or thereof having power to tax or, in the case of Australian Covered Bonds issued by a branch of the Issuer outside Canada, of the country in which such branch is located or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date of such Covered Bonds or any other date specified in the Pricing Supplement, the Issuer would be required to pay additional amounts as provided in Australian Condition 8, (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it and (iii) such circumstances are evidenced by the delivery by the Issuer to the Australian Agent and Bond Trustee of (x) a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto, and (y) an opinion of independent legal advisers of recognised standing to the effect that the circumstances set forth in (i) above, prevail, the Issuer may, at its option and having given no less than 30 nor more than 60 days’ notice (ending, in the case of Floating Rate Covered Bonds, on an Interest Payment Date) to the Holders of the Australian Covered Bonds in accordance with Australian Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Australian Covered Bonds at their Outstanding Principal Amount or, in the case of Zero Coupon Covered Bonds, their Amortized Face Amount (as defined in Australian Condition 6.10) or such Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement, together with accrued interest (if any) thereon, provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Floating Rate Covered Bonds a number of days which is equal to the aggregate of the number of days falling within the then current Interest Period plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Australian Covered Bonds then due.

The Issuer may not exercise such option in respect of any Australian Covered Bond which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Australian Covered Bond under Australian Condition 6.06.

### **Call Option**

*This Condition 6.03 applies to Australian Covered Bonds which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an “Issuer Call”. The applicable Pricing Supplement contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.03 for full information on any Issuer Call. In particular, the applicable Pricing Supplement will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Covered Bonds which can be redeemed and the applicable notice periods.*

**6.03** If a Call Option is specified in the applicable Pricing Supplement as being applicable, then the Issuer may, having given the appropriate notice to the Holders in accordance with Australian Condition 14, which Notice shall be irrevocable, and shall specify the date fixed for redemption and subject to such conditions as may be specified in the Pricing Supplement, redeem all or some only of the Australian Covered Bonds of this Series outstanding on any Optional Redemption Date at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Australian Covered Bond which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Australian Covered Bond under Australian Condition 6.06.

**6.04** The appropriate notice referred to in Australian Condition 6.03 is a notice given by the Issuer to the Holders of the Australian Covered Bonds of the relevant Series in accordance with Australian Condition 14, which notice shall be irrevocable and shall specify:

- the Series of Australian Covered Bonds subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Australian Covered Bonds of the relevant Series which are to be redeemed;
- the due date for such redemption, which shall be not less than thirty days nor more than 60 days after the date on which such notice is given and which shall be such date or the next of such dates (“**Call Option Date(s)**”) or a day falling within such period (“**Call Option Period**”), as may be specified in the Pricing Supplement and which is, in the case of Australian Covered Bonds which bear interest at a floating rate, a date upon which interest is payable; and
- the Optional Redemption Amount at which such Australian Covered Bonds are to be redeemed.

### **Partial Redemption**

**6.05** If the Australian Covered Bonds are to be redeemed in part only on any date in accordance with Australian Condition 6.03:

- such redemption must be for an amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement;
- the Australian Covered Bonds shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, provided always that the amount redeemed in respect of each Australian Covered Bond shall be equal to a Specified Denomination,

subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Australian Covered Bonds may be listed.

### **Put Option**

**6.06** If a Put Option is specified in the Pricing Supplement as being applicable, upon the Holder of any Australian Covered Bond of this Series giving the required notice to the Issuer specified in the applicable Pricing Supplement (which notice shall be irrevocable), the Issuer will, upon expiry of such notice, redeem such Australian Covered Bond subject to and in accordance with the terms specified in the applicable Pricing Supplement in whole (but not in

part only) on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in accordance with the provisions of, the applicable Pricing Supplement, together with accrued interest (if any) thereon provided that any such Put Option shall expire no later than upon an Issuer Event of Default. In order to exercise such option, the Holder must, not less than 45 days before the Optional Redemption Date deliver to the Australian Registrar a duly completed early redemption notice (“**Put Notice**”) in the form which is available from the specified office of any of the Australian Agent or, as the case may be, the Australian Registrar specifying the aggregate principal amount in respect of which such option is exercised (which must be a Specified Denomination specified in the Pricing Supplement).

In the case of the redemption of part only of an Australian Covered Bond, the Australian Registrar shall enter a new Australian Covered Bond in respect of the unredeemed balance into the Australian Register.

The Holder of an Australian Covered Bond may not exercise such Put Option in respect of any Australian Covered Bond which is the subject of an exercise by the Issuer of its option to redeem such Covered Bond under either Australian Condition 6.02 or 6.03.

### ***Purchase of Covered Bonds***

**6.07** The Issuer or any of its subsidiaries may at any time purchase Australian Covered Bonds in the open market or otherwise and at any price. If purchases are made by tender, tenders must be available to all Holders of the relevant Australian Covered Bonds alike.

### ***Cancellation of Redeemed and Purchased Covered Bonds***

**6.08** All unmatured Australian Covered Bonds redeemed in accordance with this Australian Condition 6 will be cancelled forthwith and may not be reissued or resold. All unmatured Australian Covered Bonds purchased in accordance with Australian Condition 6.07 may be cancelled or may be reissued or resold.

### ***Further Provisions applicable to Final Redemption Amount***

**6.09** The provisions of Australian Condition 5.07 and the last paragraph of Australian Condition 5.08 shall apply to any determination or calculation of the Redemption Amount required by the Pricing Supplement to be made by the Calculation Agent (as defined in Australian Condition 5.09).

References herein to “**Redemption Amount**” shall mean, as appropriate, the Final Redemption Amount, the Optional Redemption Amount, the Early Redemption Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with, the provisions of the applicable Pricing Supplement.

**6.10** The Redemption Amount payable in respect of any Australian Covered Bond that is a Zero Coupon Covered Bond shall be the Amortized Face Amount of such Australian Covered Bond. The “**Amortized Face Amount**” shall be an amount equal to the sum of:

- (a) the Reference Price specified in the Pricing Supplement; and
- (b) the product of the Accrual Yield (compounded annually or otherwise as specified in the Pricing Supplement) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Australian Covered Bond becomes due and repayable.

Where such calculation is to be made for a period which is not a full year, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Australian Condition 5.09) specified in the applicable Pricing Supplement.

**6.11** If any Redemption Amount (other than the Final Redemption Amount) of any Australian Covered Bond that is a Zero Coupon Covered Bond is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortized Face Amount shall be calculated as provided in Australian Condition 6.11 but as if references in subparagraph (b) to the date fixed for redemption or the date upon which such Zero Coupon Covered Bond becomes due and repayable were replaced by references to the date (the “**Reference Date**”) which is the earlier of:

- (a) the date on which, upon due presentation or surrender of the relevant Australian Covered Bond (if required), all amounts due have been paid; and
- (b) the seventh day after the date on which, the Australian Agent or, as the case may be, the Australian Registrar having received the funds required to make such payment, notice is given to the Holders of the Australian Covered Bonds in accordance with Australian Condition 14 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder). The calculation of the Amortized Face Amount in accordance with this sub-paragraph will continue to be made, after as well as before judgment, unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the scheduled Final Redemption Amount of the Australian Covered Bond on the Maturity Date together with interest which may accrue in accordance with Australian Condition 5.10.

***Other Redemption and Purchase Provisions***

**6.14** Notwithstanding the foregoing:

- (a) the relevant provisions relating to the redemption and purchase of Australian Covered Bonds the terms of which permit the Issuer to pay and/or discharge its obligations with respect to such Australian Covered Bonds by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth in the applicable Pricing Supplement; and
- (b) any additional redemption events which shall enable the Issuer to redeem the Australian Covered Bonds of any Series shall be set forth in the applicable Pricing Supplement.

***Redemption due to Illegality***

**6.15** Pursuant to the Trust Deed, the Australian Covered Bonds are also redeemable at the option of the Issuer in certain circumstances where the Transaction Documents may not be lawfully performed. The Issuer is entitled to effect such redemption under these Terms and Conditions.

***For a description of these circumstances see Programme Condition 6.15 on page 11 of the Australian Information Memorandum, which applies to the Australian Covered Bonds.***

**7. Events of Default**

***Issuer Events of Default***

**7.01** Pursuant to the Trust Deed, the Bond Trustee may, or the Holders of all Covered Bonds of all Series, may require the Bond Trustee to take, certain actions provided for in the Trust Deed upon the occurrence of certain Issuer Events of Default specified in the Trust Deed.

***For a description of the Issuer Events of Default in respect of the Australian Covered Bonds and the action that may be taken under the Trust Deed or other Transaction Documents see Programme Condition 7.01 on pages 11 to 12 of the Australian Information Memorandum, which applies to the Australian Covered Bonds.***

***Guarantor LP Events of Default***

**7.02** Pursuant to the Trust Deed, the Bond Trustee may, or the Holders of all Covered Bonds of all Series, may require the Bond Trustee to take, certain actions provided for in the Trust Deed upon the occurrence of certain Guarantor LP Events of Default specified in the Trust Deed.

***For a description of the Guarantor LP Events of Default in respect of the Australian Covered Bonds and the action that may be taken under the Trust Deed or other Transaction Documents see Programme Condition 7.02 on pages 13 to 14 of the Australian Information Memorandum, which applies to the Australian Covered Bonds.***

## **Enforcement**

**7.03** Pursuant to the Trust Deed, the Bond Trustee may take certain proceedings against the Issuer and/or the Guarantor LP and other persons to enforce the provisions of the Trust Deed, the Covered Bonds (including the Australian Covered Bonds) and other Transaction Documents.

*For a description of the action that may be taken under the Trust Deed, the Covered Bonds (including the Australian Covered Bonds) and other Transaction Documents, see Programme Condition 7.03 on pages 14 & 15 of the Australian Information Memorandum, which applies to the Australian Covered Bonds.*

## **8. Taxation**

**8.01** All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Australian Covered Bonds will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of Australian Covered Bonds issued by a branch of the Issuer located outside Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Australian Covered Bonds in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Australian Covered Bond:

- (a) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments, or governmental charges in respect of such Australian Covered Bond by reason of his having some connection with Canada or the country in which such branch is located otherwise than the mere holding of (but not the enforcement of) such Australian Covered Bond; or
- (b) to, or to a third party on behalf of, a Holder in respect of whom such tax, duty, assessment, or governmental charge is required to be withheld or deducted by reason of the Holder of a right to receive any payments in respect of a Covered Bond or any owner of a beneficial interest in a Covered Bond, Receipt or Coupon being a person with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directives
- (d) to, or to a third party on behalf of, a holder who is, or who does not deal at arm's length with a person who is, a "specified shareholder" (within the meaning of subsection 18(5) of the *Income Tax Act* (Canada)) of the Bank; or
- (e) presented for payment by or on behalf of a Holder who would be able to avoid such withholding or deduction by presenting the relevant Australian Covered Bond to another Paying Agent in a member state of the European Union; or
- (f) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day; or
- (g) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments, or other governmental charges by reason of such Holder's failure to comply with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with Canada or the country in which such branch is located of such Holder, if (i) compliance is required by law as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and (ii) the Issuer has given Holders at least 30 days' notice that Holders will be required to provide such certification, identification, documentation or other requirement; or

- (h) for or on account of any withholding or deduction imposed under Sections 1471 through 1474 (or any successor provisions) of the U.S. Internal Revenue Code of 1986, as amended, any U.S. Treasury Regulations or other guidance issued or agreements entered into thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto, whether currently in effect or as published and amended from time to time (the “**FATCA Withholding Tax Rules**”).

**8.02** For the purposes of these Terms and Conditions, the “**Relevant Date**” means, in respect of any Australian Covered Bond, the date on which payment thereof first become due and payable, or, if the full amount of the moneys payable has not been received by the Australian Agent, or as the case may be, the Australian Registrar on or prior to such due date, the date on which, the full amount of such moneys shall have been so received and notice to that effect shall have been duly given to the Holders in accordance with Australian Condition 14.

**8.03** If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant Branch of Account is located, references in Australian Condition 6.02 and Australian Condition 8.01 to Canada or the country in which the relevant branch is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s).

**8.04** Any reference in these Terms and Conditions to any payment due in respect of the Australian Covered Bonds shall be deemed to include any additional amounts which may be payable under this Australian Condition 8. Unless the context otherwise requires, any reference in these Terms and Conditions to “**principal**” shall include any premium payable in respect of an Australian Covered Bond, any Final Redemption Amount, any Excess Proceeds which may be payable by the Bond Trustee under or in respect of the Australian Covered Bonds and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and “**interest**” shall include all amounts payable pursuant to Australian Condition 5 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

**8.05** Should any payments made by the Guarantor LP under the Covered Bond Guarantee be made subject to any withholding or deduction for or on account of taxes or duties of whatever nature imposed or levied by or on account of Canada, any province or territory, political sub-division thereof or by any authority or agency therein or thereof having power to tax, the Guarantor LP will not be obliged to pay any additional amounts as a consequence.

## **9. Payments**

**9.13** No commissions or expenses shall be charged to the Holders of Australian Covered Bonds in respect of payments on the Australian Covered Bonds.

### ***Payments – Australian Covered Bonds***

**9.14** Any Payments of principal and interest in respect of Australian Covered Bonds will be made in Sydney in Australian dollars to, or to the order of, the persons who, on the relevant Record Date (as defined below), are registered as the Holders of such Australian Covered Bonds or (if so required by the Bond Trustee by notice in writing following the occurrence of an Issuer Event of Default, Potential Issuer Event of Default, Guarantor Event of Default or Potential Guarantor Event of Default or following receipt by the Bond Trustee of any money which it proposes to pay under Article 11 of the Trust Deed) to the Bond Trustee. Payments to Holders in respect of the Australian Covered Bonds will be made:

- (a) if the Australian Covered Bond is held by Austraclear and entered in the Austraclear System, by crediting on the relevant Interest Payment Date, the Maturity Date or other date on which payment is due the amount then due to the account or accounts (which must be in Australia unless otherwise agreed by the Issuer) to which payments should be made in accordance with the Austraclear Regulations or as otherwise agreed with Austraclear; and
- (b) if the Australian Covered Bond is not held by Austraclear and entered in the Austraclear System, by crediting on the Interest Payment Date, the Maturity Date or other date on which payment is due, the amount then due to an account (which must be in Australia) previously notified by the Holders of the Australian Covered Bond to the Issuer and the Australian Agent.

If (after the application of any applicable business day convention) any day for payment in respect of any Australian Covered Bond is not a Business Day in the city in which the account is located, such payment shall not be made

until the next following day which is a Business Day, and no further interest shall be paid in respect of the delay in such payment. No commissions or expenses shall be charged to the Holders of Australian Covered Bonds in respect of such delay.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto but without prejudice to the provisions of Programme Condition 7. If at any time payment in Australia is prohibited by law, the Issuer will nominate another place outside Australia where payment is to be made.

For the avoidance of doubt, if any withholding is required under the FATCA Withholding Tax Rules, the Issuer will not be required to pay any additional amount under Condition 8 on account of such withholding.

In this Australian Condition 9.14, “**Record Date**” means, in the case of payments of principal or interest, close of business in Sydney, Australia on the date which is the the fifteenth calendar day, whether or not a Business Day, immediately preceding the related Interest Payment Date.

Payment of any amount to the Bond Trustee shall discharge the obligation of the Issuer to pay the corresponding amount to the Holder. The Issuer’s obligation may also be discharged as provided in the Trust Deed.

## **10. Prescription**

**10.01** Subject to applicable law, the Issuer’s obligation to pay an amount of principal and interest in respect of Australian Covered Bonds will cease if the Australian Covered Bonds are not presented within two years after the Relevant Date (as defined in Australian Condition 8.02) for payment thereof, or such other length of time as is specified in the applicable Pricing Supplement.

## **11. The Paying Agents, the Registrar, Transfer Agents, the Calculation Agent and the Exchange Agent**

**11.01** The Australian Agent and the Australian Registrar and their respective initial specified offices are specified below:

### **BTA Institutional Services Australia Limited**

Level 2  
35 Clarence Street  
Sydney NSW 2000, Australia

The Calculation Agent in respect of any Australian Covered Bonds and any additional or other Paying Agent shall be specified in the applicable Pricing Supplement. The Issuer reserves the right, without approval of the Bond Trustee, at any time to vary or terminate the appointment of any Agent (including the Australian Agent), the Australian Registrar or the Calculation Agent and to appoint additional or other Australian Agents, Australian Registrars, or Calculation Agents provided that it will at all times maintain (i) an Australian Agent, (ii) an Australian Registrar, each with a specified office in Sydney, Australia and/or in such other place as may be required by the rules a relevant authority, (iii) a Calculation Agent where required by the Terms and Conditions applicable to any Australian Covered Bonds. The Australian Agent, the Australian Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same metropolitan area. Notice of all changes in the identities or specified offices of the Australian Agent, the Australian Registrar or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Australian Condition 14.

**11.02** The Australian Agent, the Australian Registrar and the Calculation Agent act solely as agents of the Issuer and, in certain circumstances of the Bond Trustee, and save as provided in the Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Australian Covered Bond and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

## **12. Replacement of Covered Bonds**

If any Australian Covered Bond issued as a certificate pursuant to Australian Condition 1.01 is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Australian Agent or of the

Australian Registrar (the “**Replacement Agent**”), subject to all applicable laws and the requirements of any stock exchange on which the Australian Covered Bonds are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Australian Covered Bonds issued as a certificate pursuant to Australian Condition 1.01 must be surrendered before replacements will be delivered therefor.

### **13. Meetings of Holders of the Covered Bonds, Modification and Waiver**

*The Trust Deed contains provisions for convening meetings of the Holders of the Covered Bonds (including the Holders of the Australian Covered Bonds) to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions or the provisions of the Trust Deed.*

*For a description of the provisions relating to meetings of the Holders of the Covered Bonds, (including the Holders of the Australian Covered Bonds), see Programme Condition 13 on pages 15 to 17 of the Australian Information Memorandum, which applies to the Australian Covered Bonds, provided that the references therein to “Condition 8” will be deemed to include Australian Condition 8.*

### **14. Notices**

**14.03** Notices to be given by any Holder of Australian Covered Bonds shall be in writing and given by lodging the same with the Australian Agent.

**14.05** Notices to any Holders of Australian Covered Bonds shall be published in a leading daily newspaper of general circulation in Australia. It is expected that such notices will normally be published in *The Australian Financial Review*. Any such notice will be deemed to have been validly given to such holders of Australian Covered Bonds on the date of such publication.

**14.06** Notices to Holders of Australian Covered Bonds will also be deemed to be validly given if sent by first class mail (or equivalent) or, if posted to an overseas address, by air mail to them (or, in the case of joint Holders of Australian Covered Bonds, to the first named in the Australian Register) at their respective addresses as recorded in the Australian Register, and will be deemed to have been given on the fourth day after the date of such mailing.

**14.07** Notwithstanding the foregoing provisions of this Australian Condition 14, if the Australian Covered Bond is held by Austraclear and entered in the Austraclear System, notices to Holders of Covered Bonds may, or a copy of any notice published or given in accordance with foregoing provisions of this Australian Condition 14 must, be physically delivered to Austraclear for communication by Austraclear to the persons shown in their records as having interests in the Australian Covered Bond.

*The Pricing Supplement relating to the Australian Covered Bonds will provide that Programme Condition 14 will not apply to the Australian Covered Bonds and that all references to Condition 14 in the Programme Conditions shall be deemed to be references to this Australian Condition 14.*

### **15. Further Issues**

*Under Programme Condition 15, the Issuer may from time to time, without the consent of the Holders of any Covered Bonds or Coupons, create and issue further Covered Bonds.*

*For a description of the provisions relating to further issues of Covered Bonds, see Programme Condition 15 on page 17 of the Australian Information Memorandum, which applies to the Australian Covered Bonds.*

### **16. Currency Indemnity**

*Under Programme Condition 16, the Issuer gives a currency indemnity in favour of Holders of the Covered Bonds (including the Holders of the Australian Covered Bonds).*

*For a description of the provisions relating to the currency indemnity, see Programme Condition 16 on page 17 of the Australian Information Memorandum, which applies to the Australian Covered Bonds.*

## **17. Waiver and Remedies**

No failure to exercise, and no delay in exercising, on the part of the Holder of any Australian Covered Bond, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

## **18. Branch of Account**

*Programme Condition 18 contains certain provisions in respect of the Issuer's Branch of Account.*

*For a description of the provisions relating to the Issuer's Branch of Account, see Programme Condition 18 on pages 17 & 18 of the Australian Information Memorandum, which applies to the Australian Covered Bonds.*

## **19. Substitution**

*Programme Condition 19 contains certain provisions that permit the Issuer to substitute a Subsidiary of the Issuer in place of the Issuer as principal debtor under the Australian Covered Bonds and the Trust Deed.*

*For a description of the provisions relating to the Issuer's Branch of Account, see Programme Condition 19 on page 18 of the Australian Information Memorandum, which applies to the Australian Covered Bonds.*

## **20. Rating Agency Confirmation**

*Programme Condition 20 contains provisions relating to Rating Agency Confirmations or other responses by a Rating Agency.*

*For a description of the provisions relating to Rating Agency Confirmations or other responses by a Rating Agency, see Programme Condition 20 on page 18 of the Australian Information Memorandum, which applies to the Australian Covered Bonds.*

## **21. Indemnification of Bond Trustee and Bond Trustee contracting with the Issuer and/or the Guarantor LP**

*Programme Condition 21 contains provisions relating to the Bond Trustee exercising its powers, trusts, authorities or discretions, the indemnification of the Bond Trustee and the Bond Trustee contracting with the Issuer and/or the Guarantor LP.*

*For a description of these provisions relating to the Bond Trustee, see Programme Condition 21 on pages 18 & 19 of the Australian Information Memorandum, which applies to the Australian Covered Bonds.*

## **22. Law and Jurisdiction**

The Trust Deed, the Agency Agreement, the Covered Bonds (other than the Australian Covered Bonds and N Covered Bonds) and each of the other Transaction Documents are governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, unless otherwise indicated in the Programme Prospectus.

The Australian Covered Bonds, the Australian Deed Poll and these Terms and Conditions are governed by, and shall be construed in accordance with, the law in force in New South Wales, Australia.

In the case of Australian Covered Bonds, the Issuer has irrevocably agreed for the benefit of Holders that the courts of New South Wales, Australia shall have non-exclusive jurisdiction for any suits, actions or other legal proceedings arising out of or in connection with the Australian Covered Bonds, the Australian Deed Poll, these Terms and Conditions and any non-contractual obligation arising out of or in connection with them (together referred to as "**Australian Proceedings**") and that, accordingly, any Australian Proceedings may be brought in such courts.

The Issuer waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

Notwithstanding the above paragraph, the Bond Trustee and the other Secured Creditors may take any suit, action or proceedings arising out of or in connection with the Trust Deed, the Agency Agreement, the Covered Bonds (including the Australian Covered Bonds and N Covered Bonds), each of the other Transaction Documents, the Australian Deed Poll and any non-contractual obligation arising out of or in connection with them against the Issuer in any other court of competent jurisdiction and, to the extent permitted by applicable law, concurrent proceedings in any number of jurisdictions.

For as long as any Australian Covered Bonds are outstanding, the Issuer agrees that Royal Bank of Canada, acting through its Sydney branch (ABN 86 076 940 880) of Level 47, 2 Park Street, Sydney NSW 2000, Australia will accept service of process on its behalf in New South Wales, Australia in respect of any Australian Proceedings. In the event that Royal Bank of Canada, acting through its Sydney branch ceases to be able to act as such, the Issuer will promptly appoint another person to accept such service of process in respect of any Australian Proceedings in New South Wales, Australia and promptly notify the Holders of such appointment.

Without preventing or limiting any other method of service, any document in any Australian Proceedings may be served on the Issuer by being delivered or left for the Issuer with the person appointed to accept service of process on its behalf in New South Wales, Australia in respect of any Australian Proceedings referred to in the above paragraph.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or the Covered Bonds has been, or will be, lodged with the Australian Securities and Investments Commission (“ASIC”).

In addition to the selling restrictions set forth in the Programme Prospectus (see “*Subscription and Sale and Transfer and Selling Restrictions*”), each Dealer will be required to represent and agree, in relation to the Australian Covered Bonds, that it:

- (a) has not (directly or indirectly) made or invited, and will not make or invite, an offer of the Australian Covered Bonds for issue, purchase or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any prospectus, offering circular or any other offering material or advertisement relating to the Australian Covered Bonds in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee in Australia (including any person who receives an offer or invitation or offering materials in Australia) is at least A\$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act;
- (ii) such action complies with all applicable laws, regulations and directives in Australia (including without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act);
- (iii) such action does not require any document to be lodged with ASIC; and
- (iv) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act.

For the purposes of this selling restriction, the Australian Covered Bonds include interests or rights in the Australian Covered Bonds held in the Austraclear System or any other clearing system.

Transfers of Australian Covered Bonds are subject to the further limitations and restrictions specified in the Terms and Conditions (see Australian Condition 2).

The Australian Covered Bonds may also be offered in jurisdictions outside Australia. Any such offers shall be subject to the restrictions on offer or sales of Covered Bonds, or on the distribution of any offering materials in relation to the Covered Bonds, described in the Programme Prospectus, the Pricing Supplement and the applicable laws and directives of such jurisdiction.

**HEAD OFFICE OF THE ISSUER**

**Royal Bank of Canada**  
4<sup>th</sup> Floor, South Wing  
1 Place Ville Marie  
Montréal, Québec  
Canada H3C 3A9

**EXECUTIVE OFFICES OF THE ISSUER**

**Royal Bank of Canada**  
Royal Bank Plaza  
South Tower, 8<sup>th</sup> Floor  
200 Bay Street  
Toronto, Ontario  
Canada M5J 2J5

**GUARANTOR LP**

**RBC Covered Bond Guarantor Limited Partnership**  
155 Wellington Street West, 14th Floor  
Toronto, Ontario  
Canada M5V 3K7

**BOND TRUSTEE**

**Computershare Trust Company of Canada**  
100 University Avenue  
11<sup>th</sup> Floor, North Tower  
Toronto, Ontario M5J 2Y1

**AUSTRALIAN AGENT & AUSTRALIAN  
REGISTRAR**

**BTA Institutional Services Australia Limited**  
Level 2  
35 Clarence Street  
Sydney NSW 2000, Australia

**ARRANGER**

**Royal Bank of Canada, acting through its Sydney Branch** (ABN 86 076 940 880, AFSL No. 246521)  
Level 47, 2 Park Street,  
Sydney NSW 2000, Australia

**JOINT LEAD MANAGERS**

**Royal Bank of Canada, acting through its Sydney  
Branch**  
(ABN 86 076 940 880,  
AFSL No. 246521)  
Level 47  
2 Park Street  
Sydney NSW 2000  
Australia

**Australia and New Zealand Banking Group  
Limited**  
(ABN 11 005 357 522,  
AFSL No. 234527)  
Level 6  
ANZ Tower  
242 Pitt Street  
Sydney NSW 2000  
Australia

**National Australia Bank Limited** (ABN 12 004 044  
937,  
AFSL No. 230686)  
Level 26  
255 George Street  
Sydney NSW 2000  
Australia

**Westpac Banking Corporation**  
(ABN 33 007 457 141,  
AFSL No. 233714)  
Level 2, Westpac Place  
275 Kent Street  
Sydney NSW 2000  
Australia

## DEALERS

**Royal Bank of Canada, acting through its Sydney Branch**

(ABN 86 076 940 880,  
AFSL No. 246521)

Level 47  
2 Park Street  
Sydney NSW 2000  
Australia

**Australia and New Zealand Banking Group Limited**

(ABN 11 005 357 522,  
AFSL No. 234527)

Level 6  
ANZ Tower  
242 Pitt Street  
Sydney NSW 2000  
Australia

**National Australia Bank Limited** (ABN 12 004 044

937,  
AFSL No. 230686)

Level 26  
255 George Street  
Sydney NSW 2000  
Australia

**Westpac Banking Corporation**

(ABN 33 007 457 141,  
AFSL No. 233714)

Level 2, Westpac Place  
275 Kent Street  
Sydney NSW 2000  
Australia

## INDEPENDENT AUDITOR

**Deloitte LLP**

Suite 1400 Brookfield Place  
181 Bay Street  
Toronto, Ontario  
Canada M5J 2V1

## LEGAL ADVISERS

*To the Issuer and the Guarantor LP*

*(as to the law of the Provinces of Québec and Ontario and the federal law of Canada)*

**Norton Rose Fulbright Canada LLP**

3 More London Riverside  
London SE1 2AQ  
England

Royal Bank Plaza  
South Tower, Suite 3800  
200 Bay Street  
Toronto, Ontario, Canada, M5J 2Z4

*(as to English law)*

*(as to the law of New South Wales and the federal law of the Commonwealth of Australia)*

**Norton Rose Fulbright LLP**

3 More London Riverside  
London SE1 2AQ  
England

**Norton Rose Fulbright Australia**

Level 18, Grosvenor Place,  
225 George Street,  
Sydney NSW 2000  
Australia

*To the Arranger, Joint Lead Managers and Dealers  
(as to the law of New South Wales and the federal law of the Commonwealth of Australia)*

**King & Wood Mallesons**  
Level 61, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia