

**FIRST AMENDING AGREEMENT TO ISDA COVERED BOND 2002 MASTER
AGREEMENT SERIES CBL5**

THIS FIRST AMENDING AGREEMENT TO ISDA COVERED BOND 2002 MASTER AGREEMENT SERIES CBL5 (this “**Agreement**”) is made as of the 12th day of September, 2017.

BY AND AMONG

- (1) **NATIONAL BANK OF CANADA**, a bank named in Schedule I to the *Bank Act* (Canada), whose executive office is at 600 De La Gauchetière Street West, Montréal, Québec, Canada H3B 4L2 (in its capacity as Covered Bond Swap Provider); and
- (2) **NBC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario, whose registered office is at 66 Wellington Street West, Suite 5300, Toronto Dominion Bank Tower, Toronto, Ontario, Canada, M5K 1E6, by its managing general partner **NBC COVERED BOND (LEGISLATIVE) GP INC.**, as Guarantor.

WHEREAS the parties entered into an ISDA Covered Bond 2002 Master Agreement Series CBL5 dated September 27, 2016 (including Schedule thereto, Credit Support Annex therefore and Covered Bond Swap Confirmation thereunder, the “**Covered Bond Swap Agreement**”);

AND WHEREAS the parties hereto have agreed to amend the Covered Bond Swap Agreement pursuant to the terms of this Agreement in accordance with Section 9(b) of the Covered Bond Swap Agreement, as amended by Part 5(r) of the Schedule to the Covered Bond Swap Agreement;

NOW THEREFORE IT IS HEREBY AGREED that in consideration of the mutual covenants and agreements herein set forth, the parties agree as follows:

ARTICLE 1 – AMENDMENTS

1.01 **Amendments**

(1) The first paragraph of Part 5(h)(i) of the Schedule to the Covered Bond Swap Agreement is deleted in its entirety and replaced with the following:

If (1) the short-term counterparty risk assessment or the long-term counterparty risk assessment of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as, respectively, “P-1(cr)” or “A2(cr)” (provided that, for greater certainty, only one of such ratings from Moody’s is required to have the Minimum Moody’s Rating, as defined below) or, if Party A or any such Credit Support Provider, as applicable, does not have a short-term counterparty risk assessment assigned by Moody’s, the long-term counterparty risk assessment of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as “A1(cr)” (the “**Minimum Moody’s Rating**”) by Moody’s Investors Service Inc. (“**Moody’s**”), (2) (i) the short term issuer default rating or (ii) the derivative

counterparty rating, if one is assigned, and if not, the long-term issuer default rating, in each case, of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as, respectively, “F1” or “A” (the “**Minimum Fitch Rating**”, provided that, for greater certainty, only one of such ratings from Fitch is required to have the Minimum Fitch Rating) by Fitch Ratings, Inc. (“**Fitch**”), or (3) the short term, unsecured, unsubordinated and unguaranteed debt obligations or the long term, unsecured, unsubordinated and unguaranteed debt obligations of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, cease to be rated at least as high as, respectively, “R-1(low)” or “A” (the “**Minimum DBRS Rating**”, provided that, for greater certainty, only one of such ratings from DBRS is required to have the Minimum DBRS Rating and, together with the Minimum Moody’s Rating and Minimum Fitch Rating, the “**Minimum Ratings**” and each a “**Minimum Rating**”) by DBRS Limited (“**DBRS**” and, together with Moody’s and Fitch and each of their respective successors, the “**Rating Agencies**” and each a “**Rating Agency**”), (each such cessation being an “**Initial Rating Event**”), then Party A will, at its own cost, either:

(2) The first paragraph of Part 5(h)(ii) of the Schedule to the Covered Bond Swap Agreement is deleted in its entirety and replaced with the following:

If, (1) the short-term counterparty risk assessment or the long-term counterparty risk assessment of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as, respectively “P-2(cr)” or “A3(cr)” by Moody’s, (2) (i) the short term issuer default rating or (ii) the derivative counterparty rating, if one is assigned, and if not, the long-term issuer default rating, in each case, of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, ceases to be at least as high as, respectively, “F2” or “BBB+” by Fitch, or (3) the short term, unsecured, unsubordinated and unguaranteed debt obligations or the long term, unsecured, unsubordinated and unguaranteed debt obligations of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, cease to be rated at least as high as, respectively, “R-2(middle)” or “BBB” by DBRS (each such rating, a “**Subsequent Rating**” and each such event, a “**Subsequent Rating Event**”, provided that, for greater certainty, in respect of each of (1), (2) and (3), if Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, has one of such ratings from Moody’s, Fitch or DBRS, respectively, a Subsequent Rating Event will not occur) with respect to Party A, then Party A will:

ARTICLE 2– MISCELLANEOUS

2.01 Further Assurances

Each of the parties hereto will from time to time execute and deliver all such further documents and instruments and do all acts and things as any of the other parties may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

2.02 Other Amendments

Except as expressly amended, modified and supplemented hereby, the provisions of the Covered Bond Swap Agreement are and shall remain in full force and effect and shall be read with this Agreement, *mutatis mutandis*. Where the terms of this Agreement are inconsistent with the terms of the Covered Bond Swap Agreement (prior to its amendment hereby), the terms of this Agreement shall govern to the extent of such inconsistency.

2.03 Governing Law

This Agreement is governed by and will be construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein.

2.04 Interpretation

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Covered Bond Swap Agreement (prior to its amendment hereby).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have caused this Agreement to be executed the day and year first before written above.

NATIONAL BANK OF CANADA

Per: _____ *(signed)*
Name: Jean Dagenais
Title: Senior Vice-President, Finance

**NBC COVERED BOND (LEGISLATIVE)
GUARANTOR LIMITED PARTNERSHIP,
acting by its managing general partner NBC
COVERED BOND(LEGISLATIVE) GP
INC.**

Per: _____ *(signed)*
Name: Éric Girard
Title: President