

Execution Version

Deed Poll

Supplemental Deed Poll

Canadian Imperial Bank of Commerce (Issuer)

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Supplemental Deed Poll

Date August 31, 2017

Made by

Issuer **Canadian Imperial Bank of Commerce**

of Commerce Court, 199 Bay Street, Toronto, Ontario, Canada M5L 1A2

in favour of each person who is from time to time a Holder and in favour of the Bond Trustee, who holds the benefit of this deed poll on trust for the Holders pursuant to the Trust Deed.

Recitals

1. The Issuer has established a Programme pursuant to which the Issuer may from time to time issue debt obligations in the form of covered bonds as set out in an amended and restated trust deed dated as of 21 June 2016, as amended on 20 June 2017, between the Issuer, the Guarantor and the Bond Trustee.
2. The Issuer, the Guarantor and the Bond Trustee have supplemented and amended the trust deed by entering into a second amended and restated supplemental trust deed dated as of 7 April 2016, as amended by a First Addendum dated on or about 5 September 2017 to (i) provide for the issuance of certain series of uncertificated Australian dollar denominated covered bonds (**Australian Covered Bonds**) under the Programme pursuant to, among other things, a deed poll dated 15 January 2015 (**Australian Deed Poll**) and (ii) set out the terms and conditions of the Programme applicable to the Australian Covered Bonds as supplemented, modified or replaced by the applicable Final Terms in relation to those Australian Covered Bonds (**Supplemental Trust Deed**).
3. The terms and conditions of the Australian Covered Bonds issued pursuant to the Australian Deed Poll are set out in Attachment 1 to the Australian Deed Poll as supplemented, modified or replaced by the applicable Final Terms for each Series of the Australian Covered Bonds. The Holders of such Australian Covered Bonds also have the benefit of, and are subject to, certain additional provisions set forth in the Trust Deed and the Supplemental Trust Deed.
4. The Issuer wishes to amend the Australian Deed Poll pursuant to the terms of this supplemental deed poll in accordance with Clause 6.5 of the Australian Deed Poll and Clause 21.2 of the Trust Deed to provide for the issue of Australian Covered Bonds after the date of this supplemental deed poll on the terms and conditions of Attachment 1 to this supplemental deed poll as supplemented, modified or replaced by the applicable Final Terms for each Series of those Australian Covered Bonds.

This deed witnesses as follows:

1. Definitions and interpretation

1.1 Definitions

The meanings of the terms used in this deed poll are set out below.

Term	Meaning
Australian Deed Poll	the document entitled 'Canadian Imperial Bank of Commerce Global Covered Bond Programme Deed Poll for Australian Covered Bonds' made by the Issuer dated 15 January 2015.
Trust Deed	the trust deed dated 2 July 2013 between the Issuer, CIBC Covered Bond (Legislative) Guarantor Limited Partnership as Guarantor and Computershare Trust Company of Canada as Bond Trustee, as amended and restated on 21 June 2016, as amended on 20 June 2017, and as supplemented by the Supplemental Trust Deed, the Australian Deed Poll and this deed poll.

1.2 Incorporated definitions

In this deed poll capitalised terms not otherwise defined have the meanings given in the Australian Deed Poll or, if not otherwise defined in the Australian Deed Poll, the meanings given in the Supplemental Trust Deed.

1.3 Interpretation

In this deed poll, headings and bold type are for convenience only and do not affect the interpretation of this deed poll and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (d) an expression suggesting or referring to a natural person or an entity includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency;
- (e) a reference to any thing (including any right) includes a part of that thing but nothing in this clause 1.3(e) implies that performance of part of an obligation constitutes performance of the obligation;
- (f) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to this deed poll and a reference to this deed poll includes any annexure, exhibit and schedule;

- (g) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another government agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws under that statute;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a particular person includes that person's successors and permitted assigns; and
- (j) references to time are to Sydney time.

1.4 Inclusive expressions

Specifying anything in this deed poll after the words 'include' or 'for example' or similar expressions does not limit what else is included unless there is express wording to the contrary.

1.5 Relationship with Australian Deed Poll and Trust Deed

This deed poll supplements and forms part of, the Australian Deed Poll and the Trust Deed. Unless expressly provided otherwise in this deed poll, in the event of any inconsistency between the provisions of this deed poll and the provisions of the Australian Deed Poll or the Trust Deed, or where compliance with a provision of this deed poll would prevent compliance with a provision of the Australian Deed Poll or the Trust Deed, the provisions of this deed poll will prevail.

2. Amendments

2.1 Amendment to Deed Poll

On and with effect from the date of this deed poll (**Effective Date**), the Australian Deed Poll is amended by substituting for Attachment 1 to the Deed Poll Attachment 1 of this deed poll.

2.2 Amendment to affect future Australian Covered Bonds

The amendments under clause 2.1:

- (a) apply in respect of, and in respect of the rights and obligations of any Holder of, Australian Covered Bonds issued after the Effective Date; and
- (b) do not affect or apply in respect of, or affect or apply in respect of the rights and obligations of any Holder of, Australian Covered Bonds issued before the Effective Date.

2.3 Confirmation

On and with effect from the Effective Date, the Issuer is bound by the Australian Deed Poll as amended by this deed poll.

3. Rights and obligations of Holders

3.1 Proceedings, action and indemnification

- (a) The Bond Trustee may take action to enforce the provisions of this deed poll in the manner and circumstances provided for in the Trust Deed. However, the Bond Trustee shall not be bound to take any such enforcement proceedings except as specified in the Trust Deed.
- (b) Subject as provided herein and in the Trust Deed only the Bond Trustee may enforce the provisions of this deed poll. No Holder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the provisions of this deed poll unless the Bond Trustee having become bound as aforesaid to take proceedings fails to do so within 30 days and such failure is continuing (in which case such Holder shall be entitled to take any such steps and proceedings as it shall deem necessary (other than the presentation of a petition for the winding up of, or for an administration order or liquidation in respect of, the Issuer, the Guarantor or any of the General Partners) and in accordance with the Trust Deed).

3.2 Benefit of deed poll

This deed poll is for the benefit of the Bond Trustee and the Holders from time to time and (subject to clause 3.1, the other provisions of this deed poll and the Trust Deed) each Holder may enforce this deed poll even though it is not a party to, or is not in existence at the time of execution and delivery of, this deed poll.

3.3 Rights independent

- (a) Subject to the Trust Deed, the Bond Trustee may enforce its rights under this deed poll independently from any Holder.
- (b) Subject to the Trust Deed and to clause 3.1 and the other provisions of this deed poll, each Holder may enforce its rights under this deed poll independently from the Bond Trustee and any other Holder.

3.4 Holders bound

The Holder of an Australian Covered Bond and any person claiming through the Holder:

- (a) is taken to have notice of all the provisions of this deed poll, the Trust Deed (including the terms applicable to the Australian Covered Bonds under the Supplemental Trust Deed), the Agency Agreement (as supplemented by the Supplemental Agency Agreement), each other Transaction Document and the applicable Prospectus and Final Terms; and
- (b) is bound by, and must perform its obligations expressed in, this deed poll, the Trust Deed (including the terms applicable to the Australian Covered Bonds under the Supplemental Trust Deed), the Agency Agreement (as supplemented by the Supplemental Agency Agreement), each other Transaction Document and the Conditions applicable to the Australian Covered Bonds and the Trust Deed.

3.5 Assignment

Each Holder is entitled to assign all or any of its rights and benefits under this deed poll, subject to, and in accordance with, any applicable Conditions.

4. Custody of deed poll

4.1 Australian Agent to hold deed poll

- (a) The Issuer will deliver this deed poll to the Australian Agent (or if there is no Australian Agent, the Bond Trustee, or if there are different Australian Agents for different Australian Covered Bonds, one of the Australian Agents agreed between the Issuer and the Bond Trustee) to be held in New South Wales or in such other jurisdiction in Australia other than South Australia as may be agreed between the Issuer and relevant Australian Agent (or, if none, the Bond Trustee).
- (b) If this deed poll is initially delivered to the Bond Trustee, the Bond Trustee may on the appointment of the first Australian Agent deliver this deed poll to the Australian Agent to be held as contemplated by clause 4.1(a).

4.2 Direction from Holders

Each Holder will be taken to have directed the Issuer to deliver this deed poll in accordance with clause 4.1 to be held by the Bond Trustee or relevant Australian Agent (as applicable) on behalf of that Holder.

4.3 Copies of documents to Holders

Within 14 days of the Issuer receiving a written request from a Holder to do so, the Issuer must provide (or ensure that the Bond Trustee or relevant Australian Agent (as applicable) provides) to that Holder a certified copy of any document held in accordance with clause 4.1 if the Holder requires such copy in connection with any legal proceeding that such Holder is entitled to take under the terms hereof, claim or action brought by the Holder in relation to its rights under an Australian Covered Bond.

5. Substitution and addition of Issuer

If a Subsidiary is substituted in place of the Issuer as the principal debtor under the Trust Deed, this deed poll and the Covered Bonds in accordance with the provisions referred to in Condition 18 of the Conditions and Clause 21.3 of the Trust Deed:

- (a) such Subsidiary shall be deemed to have been substituted for the Issuer as Issuer under this deed poll; and
- (b) the Issuer shall be released from its obligations as Issuer under this deed poll and the Australian Covered Bonds.

6. General

6.1 Governing law and jurisdiction

- (a) This deed poll is governed by the laws of New South Wales.

- (b) The Issuer irrevocably submits, and each Holder is taken to have submitted, to the non exclusive jurisdiction of the courts of New South Wales and courts of appeal from them.

6.2 Serving documents

Without preventing any other mode of service, any document in an action (including, without limitation, any writ of summons or other originating process or any third or other party notice) may be served on the Issuer by being left for the Issuer with its process agent referred to in clause 6.3.

6.3 Agent for service

The Issuer irrevocably designates CIBC Australia Limited (ABN 69 000 067 256) of Level 45, Gateway Building, 1 Macquarie Place, Sydney NSW 2000, Australia for the purpose of accepting any document in any action in connection with the Australian Covered Bonds. The Issuer agrees that the service of documents in this manner will be sufficient service on it.

6.4 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of, this deed poll, or any right, power, authority, discretion or remedy conferred on any person by this deed poll which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, this deed poll which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.

6.5 Variation

Subject to the terms of Clause 21 of the Trust Deed, and except as otherwise expressly provided in this deed poll, the provisions in this deed poll may be amended or modified only by written agreement of all of the parties to the Trust Deed, and if any such amendment or modification or any waiver given in accordance with Clause 21 of the Trust Deed is determined to be material in the opinion of the Guarantor, Rating Agency Confirmation shall be required in respect thereof. Pursuant to Clause 29 of the Trust Deed, as it relates to this deed poll, the Guarantor (or the Cash Manager on its behalf) shall deliver notice to the Rating Agencies of any amendment or modification or waiver which does not require Rating Agency Confirmation. This deed poll (and the benefits and obligations contained in it) may not be assigned or novated by the Issuer without the prior written consent of each of the other parties to the Trust Deed and Rating Agency Confirmation having been obtained in respect of such assignment or novation.

Executed as a deed poll

Issuer

Signed sealed and delivered by
Canadian Imperial Bank of Commerce

"Wojtek Niebrzydowski"

Authorised Signatory

Wojtek Niebrzydowski

Print Name

Authorised Signatory

Print Name

In the presence of

"Dimitri Bilykh"

Witness signature

Dimitri Bilykh

Print name

Attachment 1

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 Final Terms, will be applicable to each Series of Australian Covered Bonds issued under the Australian Deed Poll unless otherwise specified in the applicable Final Terms. To avoid doubt these Terms and Conditions do not apply to any other Covered Bonds. All capitalized terms that are not defined in these Terms and Conditions will have the meanings given to them in the applicable Final Terms.*

These Terms and Conditions apply to those Covered Bonds, known as "**Australian Covered Bonds**", which are issued in registered, uncertificated (or inscribed) form by Canadian Imperial Bank of Commerce (the "**Issuer**" or the "**Bank**") as part of the Issuer's CAD 20 billion global Covered Bond programme (the "**Programme**") and are constituted by the deed poll made by the Issuer dated January 15, 2015, as amended on or about August 31, 2017 (such deed poll as may be further amended, supplemented, or replaced, the "**Australian Deed Poll**"). Australian Covered Bonds take the form of entries in a register ("**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 relevant Final Terms or appointed in accordance with the Terms and Conditions or the Agency Agreement (defined below)) ("**Australian Agent**") 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) an amended and restated trust deed dated as of June 21, 2016 (such trust deed as amended and supplemented as described below and as may be further amended, supplemented or replaced, the "**Trust Deed**") made between the Issuer, CIBC Covered Bond (Legislative) Guarantor Limited Partnership, as guarantor (the "**Guarantor**") and Computershare Trust Company of Canada, as bond trustee (in such capacity, the "**Bond Trustee**" which expression shall include any successor as bond trustee), as amended on June 20, 2017, and as supplemented in relation to the Australian Covered Bonds by the second amended and restated supplemental trust deed dated as of April 7, 2016 as amended by a First Addendum dated on or about September 5, 2017 (such amended and restated supplemental trust deed as may be further amended, supplemented, or replaced, the "**Supplemental Trust Deed**") made between the Issuer, the Guarantor and the Bond Trustee (including the Programme Terms specified in Schedule 1 thereto) and by the Australian Deed Poll. To avoid doubt, references to the Trust Deed in these Terms and Conditions include the Supplemental Trust Deed and the Australian Deed Poll; and
- (b) an agency agreement dated as of July 2, 2013 (such agency agreement as amended, supplemented or replaced, the "**Agency Agreement**") and made between the Issuer, the Guarantor, the Bond Trustee, HSBC Bank USA, National Association and HSBC Bank plc and the other agents named therein, as amended on June 24, 2015 and June 21, 2016 and as supplemented in relation to the Australian Covered Bonds by an amended and restated supplemental agency agreement dated as of January 15, 2015, as amended on April 7, 2016 (such amended and restated supplemental agency agreement as may be further amended, supplemented or replaced, the "**Supplemental Agency Agreement**") made between the Issuer, the Guarantor and the Australian Agent pursuant to which 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, pursuant to which 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. To avoid doubt, references to the Agency Agreement in these Terms and Conditions include the Supplemental Agency Agreement.

References in these Terms and Conditions to the Final Terms are to Part A of the Final Terms prepared in relation to the Australian Covered Bonds of the relevant Tranche or Series.

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 Final Terms and any reference herein to a "**Condition**" is a reference to the relevant Condition of the Terms and Conditions of the relevant Australian Covered Bonds.

The Australian Covered Bonds are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**"). Each Tranche will be the subject of a Final Terms (each, "**Final Terms**").

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.

The Guarantor has, in the Trust Deed, irrevocably and unconditionally guaranteed the due and punctual payment of the Guaranteed Amounts in respect of the Covered Bonds (including, without limitation, the Australian Covered Bonds) as and when the same shall become due for payment on certain dates and in accordance with the Trust Deed ("**Due for Payment**"), but only after the occurrence of a Covered Bond Guarantee Activation Event.

The security for the obligations of the Guarantor under the Covered Bond Guarantee and the other Transaction Documents to which it is a party has been created in and pursuant to, and on the terms set out in, a general security agreement (such general security agreement as amended, supplemented or replaced the "**Security Agreement**") dated July 2, 2013 and made between the Guarantor, the Bond Trustee and certain other Secured Creditors.

These Terms and Conditions include summaries of and are subject to, certain provisions of the Trust Deed, the Australian Deed Poll, the Security Agreement, the Agency Agreement and the other Transaction Documents.

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 Australian Information Memorandum (as defined below) and the Programme Prospectus (as defined below) and each of the other Transaction Documents (other than the Dealership Agreement and any subscription agreements) are available for inspection during normal business hours at the registered office for the time being of the Australian Agent. Copies of the applicable Final Terms 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, are bound by, and are entitled to the benefit of, all the provisions

of, and definitions contained in, the Trust Deed, the Supplemental Trust Deed the Australian Deed Poll, the Security Agreement, the Master Definitions and Construction Agreement, the Agency Agreement, the Supplemental Agency Agreement, each of the other Transaction Documents (other than the Dealership Agreement and any subscription agreements) and the applicable Final Terms which are applicable to them and to have notice of each set of Final Terms relating to each other Series.

Except where the context otherwise requires, capitalized terms used or otherwise defined in these Terms and Conditions shall bear the meanings given to them in the applicable Final Terms and/or the Amended and Restated Master Definitions and Construction Agreement made between the parties to the Transaction Documents on or about June 21, 2016, as amended on June 20, 2017 (such master definitions and construction agreement as amended, supplemented or replaced, the "**Master Definitions and Construction Agreement**" or "**Master Definitions**"), a copy of each of which may be obtained as described above.

*Text included in these Terms and Conditions in italics is included for information purposes only and does not form part of these Terms and Conditions. Further information in relation to the applicable Australian Covered Bonds and the Programme may be found in the applicable Information Memorandum (the "**Australian Information Memorandum**") referred to in the Final Terms relating to such Australian Covered Bonds and the Programme prospectus which is annexed to and deemed to be incorporated in, and form part of, the applicable Australian Information Memorandum.*

1. Form and Denomination

- 1.01** Australian Covered Bonds are issued in registered form 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.
- 1.02** 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 the indebtedness of the Issuer to the relevant Holder. 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 Conditions, the Trust Deed and the Australian Deed Poll without having to join any other Holder or any predecessor in title of a Holder.
- 1.03** The Australian Covered Bond is a Fixed Rate Australian Covered Bond, a Floating Rate Australian Covered Bond or a Zero Coupon Australian Covered Bond, depending on the Interest Basis specified in the applicable Final Terms.

Denomination

- 1.04** Australian Covered Bonds are in the Specified Denominations specified in the Final Terms.

Currency

- 1.05** The Australian Covered Bonds are denominated in Australian dollars.

2. Title and Transfer

- 2.01** Title to Australian Covered Bonds passes upon entry of the transfer in the Australian Register. The Issuer shall procure that the Australian Agent 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 or by law or which the Issuer and Australian Agent determine should be shown in the Australian Register.

- 2.02** 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.
- 2.03** 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 and the Australian Agent as the absolute owner of that Australian Covered Bond and none of the Issuer, the Bond Trustee 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.

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, Trust Deed, Security Agreement, Supplemental Agency Agreement and each of the other Transaction Documents 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 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.

Transfer of Australian Covered Bonds

- 2.04** 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 in accordance with this Condition 2. Interests in Australian Covered Bonds entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.
- 2.05** Application for the transfer of Australian Covered Bonds must be made by the lodgement with the Australian Agent of a duly completed and executed and (if applicable) stamped transfer and acceptance form in the form specified by, and obtainable from the Australian Agent, or by any other document or in any other manner approved by the Issuer and the Australian Agent. 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 Agent may from time to time prescribe (the initial such regulations being set out in the schedule to the Agency Agreement (as supplemented)).
- 2.06** 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 eight days prior to the maturity date of the Australian Covered Bond.
- 2.07** Australian Covered Bonds may only be transferred if:
- (a) in the case of a transfer in, into or from Australia (including any transfer to or by a person in Australia or any transfer of Australian Covered Bonds 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 (disregarding moneys lent by the transferor or its associates), is at least A\$500,000 (or the equivalent in another currency); and (ii) the transferee is not a "retail client" as defined in 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).

- 2.08** A transfer to an unincorporated association or to more than 4 persons is not permitted.
- 2.09** 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 Agent considers sufficient, transfer the Australian Covered Bond or, if so entitled, become registered as the Holder of the Australian Covered Bond.
- 2.10** 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 Agent may register the transfer in respect of such of the Australian Covered Bonds registered in the name of the transferor as the Australian Agent 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.
- 2.11** The registration of a transfer will be effected without charge by or on behalf of the Issuer or the Australian Agent, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer or the Australian Agent may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.
- 2.12** In the event of a partial redemption of Australian Covered Bonds under Condition 6.05, the Issuer shall not be required to register the transfer of any Australian Covered Bond, or part of a 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 the Australian Covered Bonds 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). Unless otherwise specified in the Final Terms, 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 Condition 9.

Under section 11F of the Banking Act 1959 of Australia ("Australian Banking Act"), the assets of a foreign Authorised deposit-taking Institution ("foreign ADI"), which includes Canadian Imperial Bank of Commerce, in Australia are, in the event of the foreign ADI becoming unable to meet its obligations or suspending payment, available to meet that foreign ADI's liabilities in Australia in priority to all other liabilities of that

foreign ADI. Further, under section 86 of the Reserve Bank Act 1959 of Australia, debts due by a foreign ADI, which includes Canadian Imperial Bank of Commerce, to the Reserve Bank of Australia shall in a winding-up of that foreign ADI have priority over all other debts of that foreign ADI. The Australian Covered Bonds are not obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia or the government of Canada nor do they benefit from the depositor protection provisions of Division 2 of Part II of the Australian Banking Act.

4. Guarantee

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

Any payment made by the Guarantor under the Covered Bond Guarantee shall (unless such obligation shall have been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to the provisions referred to in the Trust Deed) discharge pro tanto the obligations of the Issuer in respect of such payment under the Covered Bonds, 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.

The Guarantor is neither a bank nor an authorised deposit-taking institution authorised to carry on banking business under the Australian Banking Act and is not supervised by the Australian Prudential Regulation Authority. The Covered Bond Guarantee is not the obligation of any government and, in particular, is not guaranteed by the Commonwealth of Australia or the government of Canada.

5. Interest

Interest

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

Interest on Fixed Rate Australian Covered Bonds

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

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

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

Interest will be calculated on the Calculation Amount of the Fixed Rate Australian 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 Final Terms, such interest shall be calculated in accordance with Condition 5.08.

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

Interest on Floating Rate Australian Covered Bonds

5.03 Interest Payment Dates

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

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

Such interest will be payable in respect of each Interest Period (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). Interest will be calculated on the Calculation Amount of the Floating Rate Australian Covered Bonds and will be paid to the Holders of the Australian Covered Bonds.

Rate of Interest

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be determined by the Calculation Agent on the following basis:

- (a) the Calculation Agent will determine the Reference Rate (if there is only one quotation for the Reference Rate on the Relevant Screen Page) or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the quotations for the Reference Rate in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (b) if, on any Interest Determination Date, no rate so appears or, as the case may be, if fewer than two quotations for the Reference Rate so appear on the Relevant Screen Page or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations of the Reference Rate and will determine the arithmetic mean (rounded as described above) of the rates at which deposits in the relevant currency are offered by the Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market in the case of LIBOR or in the Euro-zone (as defined herein) interbank market in the case of EURIBOR for a period of the duration of the

relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

- (c) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation 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 Calculation Agent will determine the arithmetic mean (rounded as described above) of the rates for the Reference Rate quoted by four major banks in the Financial Centre as selected by the Calculation 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 each Interest Period will be the sum of the Margin specified in the Final Terms and the Reference Rate or, as the case may be, the arithmetic mean (rounded as described above) of the rates so determined, provided however that if the Calculation Agent is unable to determine a Reference Rate or, as the case may be, an arithmetic mean of rates in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Australian Covered Bonds during such Interest Period will be the sum of the Margin and 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.

BBSW Australian Covered Bonds

5.03A Where BBSW Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant BBSW Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

ISDA Rate Australian Covered Bonds

5.04 Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin, if any. For purposes of this Condition 5.04, "ISDA Rate" for an Interest Period means a rate equal to the Fixed Rates, Fixed Amounts,

Floating Rates or Floating Amounts, as the case may be, as set out in the applicable Final Terms, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into a schedule and confirmation and credit support annex, if applicable in respect of the relevant Tranche or Series of 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 Final Terms);
- the Effective Date is the Interest Commencement Date;
- the Floating Rate Option (which may refer to a Rate Option or a Price Option, specified in the ISDA Definitions) is as specified in the applicable Final Terms;

- the Designated Maturity is the period specified in the applicable Final Terms;
- the Australian Agent (or such other calculation agent as may be specified in the Final Terms) is the Calculation Agent;
- the Calculation Periods are the Interest Periods;
- the Payment Dates are the Interest Payment Dates;
- the relevant Reset Date is the day specified in the applicable Final Terms;
- 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 Final Terms (which may be Actual/Actual, Actual/365 (Sterling), Actual/Actual (ISDA), Actual/365 (Fixed), Actual/360, 30E/360, Eurobond Basis, 30/360, 360/360, Bond Basis, 30E/360 (ISDA), Actual/Actual (ICMA) or Act/Act (ICMA)), or if none is so specified, as may be determined in accordance with the ISDA Definitions;
- the Business Day Convention applicable to any date is that specified in the Final Terms (which may be Following Business Day Convention, Modified Following Business Day Convention, Modified Business Day Convention, Preceding Business Day Convention, FRN Convention or Eurodollar Convention), or if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- for the purposes of this 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 or Minimum Interest Rate

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

Accrual of Interest after the due date

- 5.06** Interest will cease to accrue as from the due date for redemption therefor unless 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 Final Terms if permitted by applicable law until the date on which 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 Condition 13 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).

Interest Amount(s), Calculation Agent and Reference Banks

- 5.07** If a Calculation Agent is specified in the Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time

on such date as the Calculation Agent may be required to calculate any Final Redemption Amount, obtain any quote or make any determination or calculation) will determine the Rate of Interest and calculate the amount(s) of interest payable (the "**Interest Amount(s)**") in the manner specified in Condition 5.08 below, calculate the Final Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Final Redemption Amount to be notified to the Australian Agent, the Issuer and the Holders in accordance with Condition 13 as soon as possible after their determination or calculation but in no event later than the fourth Sydney Banking Day thereafter or, if earlier in the case of notification to the stock exchange or other relevant authority, the time required by the relevant stock exchange or listing authority. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Australian Covered Bonds become due and payable under 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 Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount and Final Redemption Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

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 Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all circumstances or, as the case may be, the Bond Trustee shall calculate (or appoint an agent to calculate) the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances 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 if the Final Terms specifies a specific amount in respect of such period, the amount of interest payable in respect of such Australian Covered Bond for such Interest Period will be equal to such specified amount.

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in these Terms and Conditions or in the Final Terms), (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 amounts denominated in any other currency used in or resulting from such

calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

Where the Specified Denomination of an Australian Covered Bond is a multiple of the Calculation Amount, the amount of interest payable in respect of such Australian Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Outstanding Principal Amount of the Specified Denomination of the Australian Covered Bond without any further rounding.

Definitions

5.09 "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.

"BBSW Rate" if specified in the Final Terms, shall mean the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any page that replaces that page) at approximately 10.15am (or such other time at which such rate customarily appears on that page) on the first day of that Interest Period (being the "**Publication Time**"). However, if such rate does not appear on the Reuters Screen BBSW Page (or any page that replaces that page) by 10.30am on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Calculation Agent determines that there is an obvious error in that rate, "**BBSW Rate**" means the rate determined by the Calculation Agent having regard to comparable indices then available. The rate calculated or determined by the Calculation Agent will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent).

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

"Business Day" means (i) in relation to Australian Covered Bonds payable in other than Australian dollars or euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the relevant currency in the Financial Centre(s) specified in the Final Terms or (ii) in relation to Australian Covered Bonds payable in euro, a day (other than a Saturday or Sunday) which is a TARGET2 Business Day (as defined below) and on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Financial Centre(s) specified in the Final Terms or (iii) in relation to Australian Covered Bonds payable in Australian dollars, a day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in Sydney, Australia.

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

- (a) **"Following Business Day Convention"** means that such date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **"Preceding Business Day Convention"** means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (d) **"FRN Convention"** or **"Eurodollar Convention"** means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Final Terms after the calendar month in which the preceding such date occurred, provided that: 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;
 - (i) 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
 - (ii) 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 Final Terms as the Calculation Agent.

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

- (a) if **"Actual/Actual"** or **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Accrual Period divided by 365 (or, if any portion of the Accrual Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365);
- (b) if **"Actual/365 (Sterling)"** is so specified, means the actual number of days in the Accrual Period divided by 365 or, in the case where the last day of the Accrual Period falls in a leap year, 366;
- (c) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Accrual Period divided by 365;
- (d) if **"Actual/360"** is so specified, means the actual number of days in the Accrual Period divided by 360;

- (e) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

- "Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;
- "Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;
- "M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
- "M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;
- "D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and
- "D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂, will be 30.

- (f) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

- "Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;
- "Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;
- "M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
- "M2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Interest Period falls;
- "D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and
- "D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30; and

- (g) if "**30E/360 (ISDA)**" is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

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

where:

- "Y1" is the year, expressed as a number, in which the first day of the Accrual Period falls;
- "Y2" is the year, expressed as a number, in which the day immediately following the last day included the Accrual Period falls;
- "M1" is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;
- "M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls; 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 D₁ will be 30; and
- "D1" 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 D₂ will be 30;

- (h) if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is specified in the applicable Final Terms, then:

- (i) in the case of Australian Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Relevant Accrual Period**") is equal to or shorter than the Determination Period during which the Relevant Accrual Period ends, it means the number of days in such Relevant Accrual Period divided by the product of: (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (ii) in the case of Australian Covered Bonds where the Relevant Accrual Period is longer than the sum of:
- (A) the number of days in such Relevant Accrual Period falling in the Determination Period in which the Relevant Accrual Period begins divided by the product of: (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (B) the number of days in such Relevant Accrual Period falling in the next Determination Period divided by the product of: (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

- (i) if "**RBA Bond Basis**" is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Accrual Period does not constitute an Interest Period, 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:
 - (i) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365)).

"Designated Maturity" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

"Determination Date" means such date as specified in the applicable Final Terms.

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

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

"Financial Centre" means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of "Business Day" in the ISDA Definitions or indicated in the Final Terms or, in the case of Australian Covered Bonds, such financial centre or centres as the Australian Agent may select.

"Interest Commencement Date" means the date of issue (the "**Issue Date**") of the Australian Covered Bonds (as specified in the Final Terms) or such other date as may be specified as such in the Final Terms.

"Interest Determination Date" means, in respect of any Interest Period, the date falling such number (if any) of Banking Days in such city(ies) as may be specified in the Final Terms prior to the first day of such Interest Accrual Period, or if none is specified the first day of such Interest Period.

"Interest Payment Date" means the date or dates specified as such in the Final Terms and, as the same may be adjusted in accordance with the Business Day Convention, if any, specified in the Final Terms or if the Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Issue Date of the 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 Final Terms) as published by the International Swaps and Derivatives Association, Inc.).

"Outstanding Principal Amount" means, in respect of an Australian Covered Bond, its principal.

"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 Final Terms.

"Reference Banks" means such banks as may be specified in the Final Terms as the Reference Banks, or, if none are specified or if "Not Applicable" is specified in the Final Terms, "Reference Banks" has the meaning given in the ISDA Definitions, *mutatis mutandis*.

"Reference Rate" means the relevant LIBOR or EURIBOR rate or the BBSW Rate specified in the applicable Final Terms.

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the "Relevant Screen Page" in the applicable Final Terms, or such other page, section or other part as may replace it in that information service (or any successor page thereto or any page of any successor information service, as applicable), in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

"Relevant Time" means the time as of which any rate is to be determined as specified in the Final Terms (which in the case of LIBOR means London time or in the case of EURIBOR means Central European Time or in the case of the BBSW Rate means Sydney Time) or, if none is specified, at which it is customary to determine such rate.

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

"TARGET2 Business Day" means, a day in which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor is open.

"Toronto Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Toronto.

Linear Interpolation

- 5.10** Where "**Linear Interpolation**" is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than

the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

6. Redemption and Purchase

- 6.01** Unless previously redeemed, or purchased and cancelled or unless such Australian Covered Bond is stated in the Final Terms as having no fixed maturity date, each Australian Covered Bond shall be redeemed at its Final Redemption Amount specified in the applicable Final Terms in the Specified Currency on the Final Maturity Date.

Early Redemption for Taxation Reasons

- 6.02** If, in relation to any Series of Australian Covered Bonds (i) as a result of any amendment to, clarification of, or change including any announced proposed change in the laws or regulations, or the application or interpretation thereof of Canada, the United Kingdom or any political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of 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 Australian Covered Bonds or any other date specified in the Final Terms, (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an "administrative action"); or (iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any administrative action or any interpretation or pronouncement that provides for a position with respect to such administrative action that differs from the theretofore generally accepted position, in each of case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, administrative action, interpretation or pronouncement is made known, which amendment, clarification, change or administrative action is effective or which interpretation, pronouncement or administrative action is announced on or after the date of issue of the Australian Covered Bonds, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or administrative action is effective and applicable), the Issuer would be required to pay additional amounts as provided in Condition 8, and such circumstances are evidenced by the delivery by the Issuer to the 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), (ii) or (iii) above prevail, the Issuer may, at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of Floating Rate Australian Covered Bonds, on an Interest Payment Date) to the Holders of the Australian Covered Bonds in accordance with Condition 13 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Australian Covered Bonds at their Outstanding Principal Amount or such Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the Final Terms, together with accrued interest (if any) thereon, provided, however, that no such notice of redemption may

be given earlier than 90 days (or, in the case of Floating Rate Australian 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 Condition 6.06.

Call Option

6.03 If a Call Option is specified in the Final Terms as being applicable, then the Issuer may, having given the appropriate notice to the Holders in accordance with Condition 13, which Notice shall be irrevocable, and shall specify the date fixed for redemption, redeem all, or if so specified in the applicable Final Terms, some only of the 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 Final Terms together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any 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 Condition 6.06.

6.04 The appropriate notice referred to in Condition 6.03 is a notice given by the Issuer to the Holders of the Australian Covered Bonds of the relevant Series in accordance with Condition 13, 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 30 days nor more than 60 days after the date on which such notice is given and which shall be such date or the next of such dates ("**Call Option Date(s)**") or a day falling within such period ("**Call Option Period**"), as may be specified in the Final Terms and which is, in the case of 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 Condition 6.03:

- such redemption must be for an amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms; and

- in the case of a partial redemption of Australian Covered Bonds, the Australian Covered Bonds to be redeemed shall be drawn by lot in such Australian city as the Australian Agent may specify, or identified in such other manner or in such other place as the Australian Agent may approve and deem appropriate and fair,

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 Final Terms 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 Final Terms (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 Final Terms in whole (but not in part only) on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than 45 days before the Optional Redemption Date deposit during normal business hours at the specified office of the Australian Agent a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of the Australian Agent. No option exercised may be withdrawn (except as provided in the Agency Agreement).

The Holder of an Australian Covered Bond may not exercise such Put Option (i) 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 Condition 6.02 or 6.03, or (ii) following an Issuer Event of Default.

Purchase of Australian Covered Bonds

- 6.07** The Issuer or any of its subsidiaries may at any time, but will at no time be obligated to purchase Covered Bonds in the open market or otherwise and at any price. If purchases are made by tender, tenders must be available to all Holders of the relevant Covered Bonds alike.

Further Provisions applicable to Redemption Amount

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

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

Redemption due to Illegality

- 6.09** 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 Conditions.

7. Events of Default

Pursuant to the Trust Deed, the Holders may take, or require the Bond Trustee to take, certain actions provided for in the Trust Deed upon the occurrence of certain Events of Default specified in the Trust Deed.

8. Taxation

8.01 All payments (whether in respect of principal, interest or otherwise) in respect of the Australian Covered Bonds by or on behalf of the Issuer will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of 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 thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Australian Covered Bonds (as the case may be), in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any 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 (for these purposes "connection" includes but is not limited to any present or former connection between such holder (or between a fiduciary, seller, beneficiary, member or shareholder of, or possessor of power over such holder if such holder is an estate, trust, partnership, limited liability company or corporation) and such jurisdiction) otherwise than the mere holding of (but not the enforcement of) such 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 or any other person entitled to payments under the Australian Covered Bonds being a person with whom the Issuer is not dealing at arm's length (within the meaning of the Income Tax Act (Canada)), or being a person who is, or does not deal at arm's length with any person who is a "specified shareholder" of the Issuer for the purposes of the thin capitalization rules in the *Income Tax Act* (Canada); or
- (c) for which payment is made (otherwise than by reason of default by the Issuer) more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to an additional amount on a claim for payment being made on the thirtieth such day; or
- (d) 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

- (e) in respect of any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or governmental charge; or
- (f) where any combination of items (a) - (e) applies;

nor will such additional amounts be payable with respect to any payment in respect of the Australian Covered Bonds to a holder that is a fiduciary or partnership or to any person other than the sole beneficial owner of such Australian Covered Bond to the extent that the beneficiary or seller with respect to such fiduciary, or member of such partnership or beneficial owner thereof would not have been entitled to receive a payment of such additional amounts had such beneficiary, seller, member or beneficial owner received directly its beneficial or distributive share of such payment.

For the purposes of this Condition 8, the term "Holder" shall be deemed to refer to the beneficial holder for the time being of the Australian Covered Bond.

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 on or prior to such due date, the date on which, the full amount of such moneys shall have been so received and notice to that effect shall have been duly given to the Holders in accordance with Condition 13.

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 the Issuer is located, references in Condition 6.02 and 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), provided, for the avoidance of doubt, that the Issuer shall not be considered to be subject generally to the taxing jurisdiction of the United States for purposes of this Condition 8.03 solely because payments in respect of the Covered Bonds, Receipts and Coupons are subject to a U.S. federal withholding Tax imposed under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any regulations or agreements thereunder or any official interpretations thereof.

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 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 or 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 Condition 5 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

8.05 Should any payments made by the Guarantor under the Covered Bond Guarantee be 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, or, in the case of payments made by the Guarantor under the Covered Bond Guarantee in

respect of Australian Covered Bonds issued by a branch of the Issuer located outside of Canada, the country in which such branch is located or any political subdivision thereof or by any authority or agency therein or thereof having the power to tax, the Guarantor will not be obliged to pay any additional amounts as a consequence.

9. Payments

- 9.01** 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 Event of Default or Potential Event of Default or following receipt by the Bond Trustee of any money which it proposes to pay under clause 11 of the Trust Deed) to the Bond Trustee, subject in all cases to all applicable laws and regulations (without prejudice to Condition 8). Payments to Holders in respect of the Australian Covered Bonds will be made: (i) 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 (ii) 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.

The Issuer is regarded as having made payment on an Australian Covered Bond to an account upon the giving of all necessary instructions for the transfer of the relevant funds to the account so long as: (a) the payment is actually made in accordance with such instructions; or (b) if instructions for the transfer are not given effect to in accordance with normal banking procedures because the account does not exist or is not an account to which the relevant payment may be made or because the details of the account do not match the details recorded in the Register, the Issuer cancels the transfer instruction and pays the relevant amount to an account in Australia specified by the relevant Holder (net of any applicable deduction or withholding) upon being furnished by the Holder with appropriate account details and evidence of entitlement satisfactory 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 (i) any fiscal or other laws and regulations applicable thereto, and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to the provisions of Condition 8 (Taxation)), any law implementing an intergovernmental approach thereto. 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.

In this Condition, "Business Day" means any day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney; and "Record Date"

means, in the case of payments of principal or interest, close of business in Sydney on the date which is the eighth calendar day before the due date of the relevant payment of principal or interest.

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.

9.02 No commissions or expenses shall be charged to the Holders of Australian Covered Bonds in respect of such payments.

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 unless a claim for payment in respect of the Australian Covered Bonds is made within two years after the Relevant Date (as defined in Condition 8.02).

11. The Australian Agent and the Calculation Agent

11.01 The Australian Agent and the Calculation Agent and their respective specified office are specified in the Final Terms. Each of the Issuer (in respect of itself only) and the Guarantor (in respect of itself only) reserves the right, without approval of the Bond Trustee, at any time to vary or terminate the appointment of the Australian Agent or the Calculation Agent and to appoint another Australian Agent or Calculation Agent provided that it will at all times maintain an Australian Agent to carry on the functions of registrar, and paying agent and a Calculation Agent where required by the Terms and Conditions applicable to any Australian Covered Bonds. The Australian Agent and the Calculation Agent reserve the right at any time to change its 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 or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 13.

11.02 The Australian Agent and the Calculation Agent act solely as agents of the Issuer and the Guarantor and, in certain circumstances of the Bond Trustee, and save as provided in the Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any 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.

11.03 Notwithstanding the foregoing, the Australian Agent shall have the right to decline to act as the Australian Agent with respect of any Australian Covered Bonds issued pursuant to the Programme that are payable and/or dischargeable by the Issuer by the payment or delivery of securities and/or other property or any combination of cash, securities and/or property whereupon the Issuer or an affiliate thereof shall either (i) act as paying agent or (ii) engage another financial institution to act as paying agent in respect of such Australian Covered Bonds. The Final Terms relating to such Australian Covered Bonds shall include the relevant details regarding the applicable paying agent.

12. Meetings of Holders of the Australian Covered Bonds, Modification and Waiver

The Trust Deed contains provisions for convening meetings of the Holders of the Australian Covered Bonds and other covered bonds issued under the Programme 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 rights of Holders under these Terms and Conditions are subject to modification, waiver or other action pursuant to these provisions.

13. Notices

Notices to Holders 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 the Holders on the date of such publication.

Notices to Holders 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, 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 validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day.

Notwithstanding the foregoing provisions of this Condition 13, if the Australian Covered Bond is held by Austraclear and entered in the Austraclear System, notices to Holders may, or a copy of any notice published or given in accordance with foregoing provisions of this Condition 13 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.

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

14. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Australian Covered Bonds, create and issue further Australian Covered Bonds having the same terms and conditions as such Australian 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 Australian Covered Bonds of any particular Series.

15. Currency Indemnity

The currency in which the Australian 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 Australian 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 an Australian Covered Bond in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge (the "**Discharge Amount**") 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).

16. 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.

17. Branch of Account

The Issuer may change the Branch of Account that applies for the purpose of the *Bank Act* (Canada) in accordance with and subject to the Trust Deed.

18. Substitution

Pursuant to the Trust Deed, another person may be substituted for the Issuer as the issuer of the Australian Covered Bonds, and the Issuer may be released from liability in respect of the Australian Covered Bonds and any such substitution shall take effect for the purpose of the Australian Deed Poll and these Conditions.

19. Rating Agency Confirmation

19.01 By subscribing for or purchasing Australian Covered Bond(s), each Holder of Australian Covered Bonds shall be deemed to have acknowledged and agreed that a credit rating of a Series of Australian Covered Bonds by the Rating Agencies is an assessment of credit risk and does not address other matters that may be of relevance to Holders of Australian Covered Bonds, including, without limitation, in the case of a confirmation by each Rating Agency that any action proposed to be taken by the Issuer, the Guarantor, the Seller, the Servicer, the Cash Manager, the Bond Trustee or any other party to a Transaction Document will not result in a reduction or withdrawal of the rating of the Australian Covered Bonds in effect immediately before the taking of such action (a "**Rating Agency Confirmation**"), whether such action is either (i) permitted by the terms of the relevant Transaction Document or (ii) in the best interests of, or not prejudicial to, some or all of the Holders of Australian Covered Bonds.

19.02 In being entitled to have regard to the fact that a Rating Agency has confirmed that the then current rating of the relevant Series of Australian Covered Bonds would not be reduced or withdrawn, each of the Issuer, the Guarantor, the Bond Trustee, and the Secured Creditors (including the Holders of Australian Covered Bonds) is deemed to have acknowledged and agreed that a Rating Agency Confirmation does not impose or extend any actual or contingent liability on the Rating Agencies to the Issuer, the Guarantor, the Bond Trustee, the Secured Creditors (including the Holders of Australian Covered Bonds) or any other person or create any legal relations between the Rating Agencies and the Issuer, the Guarantor, the Bond Trustee, the Secured Creditors (including the Holders of Australian Covered Bonds) or any other person whether by way of contract or otherwise.

19.03 By subscribing for or purchasing Australian Covered Bond(s), each Holder of Australian Covered Bonds shall be deemed to have acknowledged and agreed that:

- (a) a Rating Agency Confirmation may or may not be given at the sole discretion of each Rating Agency;
- (b) depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Rating Agency Confirmation in the time available, or at all, and the Rating Agency shall not be responsible for the consequences thereof;

- (c) a Rating Agency Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the Australian Covered Bonds forms a part; and
- (d) a Rating Agency Confirmation represents only a restatement of the opinions given, and shall not be construed as advice for the benefit of any Holder of Australian Covered Bonds or any other party.

20. Indemnification of Bond Trustee and Bond Trustee contracting with the Issuer and/or the Guarantor

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

21. Law and Jurisdiction

The Trust Deed (which includes for greater certainty, the Supplemental Trust Deed), the Agency Agreement (which includes for greater certainty, the Supplemental Agency Agreement) and the other Transaction Documents (except for the Australian Deed Poll) are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The 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 and courts of appeal from them are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Australian Covered Bonds, the Australian Deed Poll and these Terms and Conditions and that accordingly any suit, action or proceedings arising out of or in connection with the Australian Covered Bonds, the Australian Deed Poll and these Terms and Conditions (together referred to as "**Australian Proceedings**") may be brought in such courts.

For so long as any Australian Covered Bonds are outstanding, the Issuer will maintain an agent (originally as specified in the relevant Final Terms) to accept service of process on its behalf in New South Wales in respect of any legal action or proceedings as may be brought in the courts of New South Wales, Australia or the federal courts of Australia. If such agent ceases to act the Issuer will appoint another agent.