



THE BANK OF NOVA SCOTIA
Global Wholesale Operations
Derivative Products
44 King St. West, Toronto, Ontario, Canada M5H 1H1

Interest Rate Swap Confirmation

July 30, 2021

To: EQB Covered Bond (Legislative) Guarantor Limited Partnership,
acting by its managing general partner, EQB Covered Bond (Legislative) GP Inc.
66 Wellington Street West, Suite 5300
TD Bank Tower
Toronto, Ontario
Canada M5K 1E6

Attn: Alex Prokoudine
Fax: (416) 515-7001
Email: aprokoudine@eqbank.ca

From: The Bank of Nova Scotia

Reference ID: SEG703

Re: CAD 2,000,000,000 Global Legislative Covered Bond Programme unconditionally and irrevocably guaranteed as to payments by EQB Covered Bond (Legislative) Guarantor Limited Partnership, acting by its managing general partner, EQB Covered Bond (Legislative) GP Inc.

Dear Sir or Madam,

The purpose of this letter is to confirm the terms and conditions of the transaction entered into between The Bank of Nova Scotia (“**Party A**”) and EQB Covered Bond (Legislative) Guarantor Limited Partnership, acting by its managing general partner, EQB Covered Bond (Legislative) GP Inc. (“**Party B**”) on the Trade Date specified below (the “**Transaction**”). This document constitutes a “**Confirmation**” as referred to in the Agreement as specified below.

This Confirmation evidences a complete binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of July 27, 2021 (identified on page 1 thereof as the “Interest Rate 2002 Master Agreement”), as amended and supplemented from time to time, between you and us (the “**Agreement**”). All provisions contained in the Agreement shall govern this Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction. The definitions and provisions contained in the 2006 ISDA Definitions (as published by the International Swaps and Derivatives

Association, Inc.) (the “**Definitions**”) are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions and Construction Agreement dated July 27, 2021, by and among, *inter alios*, Party B and certain other parties (as amended or supplemented from time to time, the “**Master Definitions and Construction Agreement**”); and (iii) the Definitions. Capitalized terms used but not defined herein shall have the respective meanings given to them in the Master Definitions and Construction Agreement. For the purposes of the Definitions, references herein to a “Transaction” shall be deemed to be references to a “Swap Transaction”.

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date: July 30, 2021

Effective Date: July 29, 2021

Termination Date: Unless terminated earlier by an Interest Rate Swap Early Termination Event, the earlier of:

- (a) the Final Maturity Date for the final Tranche or Series of Covered Bonds then outstanding (provided that the Issuer has not given prior written notice to Party A and Party B that it intends to issue additional Covered Bonds following such date) or, if Party B notifies Party A, prior to the Final Maturity Date for such final Tranche or Series of Covered Bonds then outstanding, of the inability of Party B to pay in full Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such final Tranche or Series of Covered Bonds then outstanding, the final date on which an amount representing the Final Redemption Amount for such final Tranche or Series of Covered Bonds then outstanding is paid (but in any event not later than the Extended Due for Payment Date for such Tranche or Series of Covered Bonds);
- (b) the date on which the Notional Amount is reduced to zero (as a result of the reduction for the amount of any Early Redemption Amount paid pursuant to Condition 7.02 in respect of the final Tranche or Series of Covered Bonds then outstanding or any Final Redemption Amount paid pursuant to Condition 6.01 in respect of the final Tranche or Series of Covered Bonds then outstanding following the Final Maturity Date for such Tranche or Series of Covered Bonds, provided in each case that the Issuer has not given prior written notice to Party A and Party B that it intends to issue additional Covered Bonds following such date); and
- (c) the date of redemption pursuant to Condition 6.02 or 6.12 in respect of any final Tranche or Series of Covered

Bonds then outstanding (provided that the Issuer has not given prior written notice to Party A and Party B that it intends to issue additional Covered Bonds following such date).

Business Day Convention: Following, except for the purposes of determining the Calculation Date.

Business Day: Toronto.

Receipt Ratio: In respect of each Guarantor Calculation Period, the fraction, the numerator of which is the aggregate amount of payments on account of interest in respect of all Loans actually received by Party B during such period, and the denominator of which is such amounts that become due in that Guarantor Calculation Period on all Loans, in accordance with the terms of such Loans and as at the first day in such period, to receive during such period, all as calculated by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Notional Amount: In respect of each Guarantor Calculation Period, the sum of (i) an amount in Canadian Dollars equal to the Average Loan Balance multiplied by the Receipt Ratio, (ii) the balance of the GIC Account and (iii) without double counting, the principal balance of the Substitute Assets, in each case, on the last day of the relevant Guarantor Calculation Period.

Payment Dates: In respect of each Guarantor Calculation Period, the Guarantor Payment Date following the last day of such Guarantor Calculation Period, subject to the Business Day Convention.

Calculation Period: Each Guarantor Calculation Period.

Guarantor Calculation Period: Each period from, but excluding, the last Canadian Business Day of each month to, and including, the last Canadian Business Day of the next succeeding month, provided that (i) the first Guarantor Calculation Period begins on, and includes, the Cut-Off Date in respect of the initial Purchase Date and (ii) the final Guarantor Calculation Period shall end on, but exclude, the Termination Date.

Blended Amounts

Blended Rate Payer: Party B.

Party B Payment Amount: On each Payment Date, Party B shall pay to Party A in accordance with the then-applicable Priority of Payments an amount equal to (a) the sum of:

(i) the amount of interest received by Party B under the Loans;

(ii) the amount of interest received by Party B on the GIC Account; and

(iii) the amount of interest received by Party B in respect of any Substitute Assets; less

(b) any Guarantor Expenses paid by Party B;

in each of (a)(i), (a)(ii), (a)(iii) and (b) during the immediately preceding Guarantor Calculation Period.

Party B Day Count Fraction: Actual/Actual (ISDA) as defined in the Terms and Conditions of the Covered Bonds.

Floating Amounts

Floating Rate Payer: Party A.

Floating Rate Payer Calculation Amount: Notional Amount.

Floating Rate Option: CAD-BA-CDOR.

Designated Maturity: 1 Month.

Party A Reset Date: The first Business Day of each Guarantor Calculation Period

Party A Spread: On the Trade Date, ■■■ per cent per annum, and thereafter, in respect of a Portfolio Adjustment (defined below), the spread calculated in accordance with the Spread Determination Procedure and which satisfies the Rating Agency Condition.

Party A Payment Amount: In respect of a Payment Date, Party A will pay to Party B the product of:

- (a) the Floating Rate Payer Calculation Amount;
- (b) the Party A Day Count Fraction in respect of the relevant Guarantor Calculation Period; and
- (c) the sum of the Floating Rate Option and the Party A Spread in respect of the relevant Guarantor Calculation Period.

Party A Day Count Fraction: Actual / 365 (fixed).

Other Provisions

Calculation Agent: Party A.

Spread Determination Procedure: At any time when it is proposed that:

- (a) any Loan shall be sold from the Covered Bond Portfolio (other than a Loan repurchased by the Seller as a result of a breach of representation or warranty made with respect to such Loan in the Mortgage Sale Agreement) including in respect of a Payment in Kind;
- (b) any Loan shall be acquired by Party B and included in the Covered Bond Portfolio; or
- (c) the interest rate applicable to any Loan shall be adjusted in accordance with the Servicing Agreement,

(each, a “**Portfolio Adjustment**”), then Party B (or the Servicer on behalf of Party B) shall notify Party A (which notice shall include sufficient information for Party A to make the determinations required by this section) and request that Party A determine (i) the amount by which the Party A Spread would change (such revised Party A Spread, the “**Adjusted Spread**”) as a result of such Portfolio Adjustment and (ii) the estimated Partial Termination Payment (if any) payable by either party in respect of such Portfolio Adjustment.

Following notification of the Adjusted Spread and estimated Partial Termination Payment, Party B shall determine whether to proceed with the proposed Portfolio Adjustment. No Portfolio Adjustment may be made if the Adjusted Spread taking into account the estimated Partial Termination Payment (if any) payable by Party A to Party B or by Party B to Party A) in respect of such Portfolio Adjustment would be insufficient to ensure that Party B has sufficient funds to (i) make any payments of interest due on the Intercompany Loan or following a Covered Bond Guarantee Activation Event, all non-termination payments when due under all Covered Bond Swaps then outstanding and all payments (other than payments of principal) when due in respect of any Covered Bonds for which no Covered Bond Swap has been entered into; (ii) meet the Asset Coverage Test or the Amortization Test, as applicable after giving effect to such payment, (iii) pay any other Guarantor expenses then due and payable in priority to the payment of the Partial Termination Payment in accordance with the relevant Priorities of Payment, and (iv) retain an amount equal to ■ bps of additional spread.

With effect from and including the date (the “**Portfolio Adjustment Date**”) on which any Portfolio Adjustment is completed, and provided that (a) Party B has not disputed Party A’s calculation of the Adjusted Spread and (b) the Adjusted Spread satisfies the requirements set out in the above paragraph, the Party A Spread shall be the related Adjusted Spread.

The Partial Termination Payment (if any) is payable on the Payment Date immediately following the Portfolio Adjustment Date (or, if the Portfolio Adjustment Date is a Payment Date, such date).

Partial Termination Payment:

Upon a Portfolio Adjustment pursuant to the Spread Determination Procedure above, an amount, as determined by Party A, will be payable as follows:

The Partial Termination Payment (if any) is equal to the difference in (a) the present value of the projected cash flows yielding the Floating Rate Option plus Spread (as determined on the most recent Floating Rate Payer Payment Date) associated with the portion of the Portfolio that is being sold and discounted at the then-current forward rates derived from the Canadian dollar swap market minus (b) the present value of the projected cash flows yielding the effective rate associated with such portion of the Portfolio that is being sold and discounted at the then-current forward rates derived from the Canadian dollar swap market, in each of (a) and (b), taking into account the remaining life of the underlying loans of such portion of the Portfolio, including reasonable prepayment and liquidation assumptions, and assuming that Party B is the sole Affected Party. If such difference is positive, Party A will pay such difference to Party B; if such difference is negative, Party B will pay the absolute value of such difference to Party A. The projected cash flows will be determined in a commercially reasonable manner by Party A. The Partial Termination Payment will be determined by Party A as soon as practicable after Party B notifies Party A of the specific details of the sale. Party B is obligated to provide Party A with at least 5 Business Days' notice of any planned sale of all or part of the Portfolio.

Account Details

Account for payments to Party A:

To be advised separately

Account for payments to Party B:

Bank: [REDACTED]
SWIFT: [REDACTED]
Beneficiary account: EQB Covered Bond (Legislative) Guarantor Limited Partnership
Beneficiary account number: [REDACTED]

or such other account as Party B may direct.

Contact Details for notices

Party A As set out in Part 4 of the Agreement.

Party B As set out in Part 4 of the Agreement.

Confirmation

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of this Confirmation and returning it to us. We are delighted to have executed this Transaction with you and look forward to working with you again.

Time of trading is available upon request.

Yours sincerely,

THE BANK OF NOVA SCOTIA

By: "Jackson Cheung"
Name: Jackson Cheung
Title: Authorized Signatory

By: "Danica Allen"
Name: Danica Allen
Title: Authorized Signatory

Confirmed as of the date first written above:

EQB COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP,
acting by its managing general partner, EQB Covered Bond (Legislative) GP Inc.

By: "Alex Prokoudine"
Name: Alex Prokoudine
Title: Vice-President

By: "Michael Mignardi"
Name: Michael Mignardi
Title: Secretary