

**THIRD AMENDING AGREEMENT TO
MASTER DEFINITIONS AND CONSTRUCTION AGREEMENT**

THIS THIRD AMENDING AGREEMENT TO MASTER DEFINITIONS AND CONSTRUCTION AGREEMENT (this “**Agreement**”) is made as of the 12th day of September, 2017.

BY AND AMONG

- (1) **NATIONAL BANK OF CANADA**, a bank named in Schedule I to the *Bank Act* (Canada), whose executive office is at 600 De La Gauchetière Street West, Montréal, Québec, Canada H3B 4L2 in its capacities as Issuer, Seller, Servicer, Cash Manager, Interest Rate Swap Provider and Covered Bond Swap Provider;
- (2) **NBC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario whose registered office is at 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, Ontario, M5K 1E6, by its managing general partner **NBC COVERED BOND (LEGISLATIVE) GP INC.**;
- (3) **COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company formed under the laws of Canada, whose registered office is at 1500 Robert-Bourassa Boulevard, Suite 700, Montréal, Québec, Canada, H3A 3S8, in its capacities as Bond Trustee and Custodian;
- (4) **NBC COVERED BOND (LEGISLATIVE) GP INC.**, a corporation incorporated under the laws of Canada, whose registered office is at 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, Ontario, M5K 1E6;
- (5) **8603413 CANADA INC.**, a corporation incorporated under the laws of Canada whose registered office is at 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, Ontario, M5K 1E6; and
- (6) **DELOITTE LLP**, a limited liability partnership formed under the laws of the Province of Québec, acting through its offices located at 1190, Canadiens-de-Montréal Avenue, Suite 500, Montréal, Québec, H3B 0M7.

WHEREAS the parties entered into a master definitions and construction agreement made as of October 31, 2013, as amended on June 30, 2014 and April 7, 2016 (collectively, the “**Master Definitions and Construction Agreement**”);

AND WHEREAS the parties hereto have agreed to amend the Master Definitions and Construction Agreement pursuant to the terms of this Agreement in accordance with Section 3 of the Master Definitions and Construction Agreement, Section 8.02 of the Security Agreement and Clause 21.2 of the Trust Deed;

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

ARTICLE 1 – AMENDMENTS

1.01 Amendments

(1) The definition of “2017 New Guide OC Valuation Implementation Date” is added to Article 1 of the Master Definitions and Construction Agreement in alphabetical order as follows:

“**2017 New Guide OC Valuation Implementation Date**” means the date agreed to by the Issuer and the Guarantor and notified in writing by them to the Bond Trustee and the Asset Monitor on which the requirements of Section 4.3.8 of the CMHC Guide will become effective under the Programme, which date shall be no later than January 1, 2018;

(2) The definition of “Account Bank Threshold Ratings” in Article 1 of the Master Definitions and Construction Agreement is deleted in its entirety and replaced by the following:

“**Account Bank Threshold Ratings**” means the threshold ratings P-1 (in respect of Moody’s), A or F1 (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), and A or R-1 (low) (in respect of DBRS, provided that, for greater certainty, only one of such ratings from DBRS is required to be at or above such ratings), as applicable, of, in the case of Moody’s, the short term deposit rating, in the case of Fitch, the issuer default rating, and in the case of DBRS, the unsecured, unsubordinated and unguaranteed debt obligations, in each case, of the Account Bank by the Rating Agencies;

(3) The definition of “Asset Monitor” in Article 1 of the Master Definitions and Construction Agreement is amended by deleting the words:

“Deloitte s.e.n.c.r.l.”

and replacing them with the following:

“Deloitte LLP”;

(4) The definition of “Cash Management Deposit Ratings” in Article 1 of the Master Definitions and Construction Agreement is deleted in its entirety and replaced by the following:

“**Cash Management Deposit Ratings**” means the threshold ratings P-1 (in respect of Moody’s), F1 or A (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), and BBB(low) (in respect of DBRS), as applicable, of, in the case of Moody’s, the short term deposit rating, in the case of Fitch, the issuer default rating, and in the case of DBRS, the unsecured, unsubordinated and unguaranteed debt obligations, in each case, of the Cash Manager by the Rating Agencies;

(5) The definition of “Cash Manager Required Ratings” in Article 1 of the Master Definitions and Construction Agreement is deleted in its entirety and replaced by the following:

“Cash Manager Required Ratings” means the threshold ratings P-2(cr) (in respect of Moody’s), F2 (in respect of Fitch), and BBB(low) (in respect of DBRS), as applicable, of, in the case of Moody’s, the short term counterparty risk assessment, in the case of Fitch, the issuer default rating, and in the case of DBRS, the unsecured, unsubordinated and unguaranteed debt obligations, in each case, of the Cash Manager by the Rating Agencies;

(6) The definition of “Cover Pool Collateral” is added to Article 1 of the Master Definitions and Construction Agreement in alphabetical order as follows:

“Cover Pool Collateral” has the meaning given to it in Schedule 11 to the Guarantor Agreement;

(7) The definition of “Guide OC Minimum” is added to Article 1 of the Master Definitions and Construction Agreement in alphabetical order as follows:

“Guide OC Minimum” means 103% or such other percentage defined as the “Regulatory OC Minimum” in the CMHC Guide;

(8) The definition of “Level of Overcollateralization” is added to Article 1 of the Master Definitions and Construction Agreement in alphabetical order as follows:

“Level of Overcollateralization” has the meaning given to it in Schedule 11 of the Guarantor Agreement;

(9) The definition of “OC Valuation” is added to Article 1 of the Master Definitions and Construction Agreement in alphabetical order as follows:

“OC Valuation” has the meaning given to it in Schedule 11 of the Guarantor Agreement;

(10) The definition of “Originator’s Underwriting Policy” is added to Article 1 of the Master Definitions and Construction Agreement in alphabetical order as follows:

“Originator’s Underwriting Policy” means the underwriting policy applied from time to time by the Originator in the ordinary course of the Originator’s business to loans and their related security which are beneficially owned solely by the Originator;

(11) The definition of “ratings” is added to Article 1 of the Master Definitions and Construction Agreement in alphabetical order as follows:

“**ratings**” includes, in respect of any Person, a rating or assessment (a) by a Rating Agency in respect of (i) such Person’s senior long-term or short-term rating of the unsecured, unsubordinated and unguaranteed debt obligations, (ii) short-term deposit rating, or (iii) issuer default rating, or (b) by a Rating Agency of the counterparty risk rating of such Person, including the critical obligations rating (in the case of DBRS), the derivative counterparty rating if one is assigned (in the case of Fitch) or the counterparty risk assessment (in the case of Moody’s), and in the event such relevant Rating Agency replaces such rating or assessment with a successor rating or assessment that uses a substantially similar methodology for assessing counterparty risk, such successor rating or assessment, in each case as the context requires or permits;

(12) The definition of “Reserve Fund Required Amount” in Article 1 of the Master Definitions and Construction Agreement is deleted in its entirety and replaced by the following:

“**Reserve Fund Required Amount**” means Nil, unless the ratings from one or more Rating Agencies of the Issuer’s short-term, unsecured, unsubordinated and unguaranteed debt obligations fall below the Reserve Fund Required Amount Ratings and then an amount equal to the Canadian Dollar Equivalent of scheduled interest due on all outstanding Series of Covered Bonds over the next three months together with an amount equal to three-twelfths of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (d) of the Pre-Acceleration Revenue Priority of Payments;

(13) The definition of “Reserve Fund Required Amount Ratings” in Article 1 of the Master Definitions and Construction Agreement is deleted in its entirety and replaced by the following:

“**Reserve Fund Required Amount Ratings**” means the threshold ratings P-1(cr) (in respect of Moody’s), R-1 (low) and A(low) (in respect of DBRS; for greater certainty, the ratings from DBRS are only required to be at or above one of such ratings), and F1 or A (in respect of Fitch, provided that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of, in the case of Moody’s, the short term counterparty risk assessment, in the case of Fitch, the issuer default rating, and in the case of DBRS, the unsecured, unsubordinated and unguaranteed debt obligations, in each case, of the Issuer by the Rating Agencies;

(14) The definition of “Seller’s Underwriting Policy” is added to Article 1 of the Master Definitions and Construction Agreement in alphabetical order as follows:

“**Seller’s Underwriting Policy**” means the underwriting policy applied from time to time by the Seller in the ordinary course of the Seller’s business to loans and their related security which are beneficially owned solely by the Seller;

(15) The definition of “Servicer Deposit Threshold Ratings” in Article 1 of the Master Definitions and Construction Agreement is deleted in its entirety and replaced by the following:

“**Servicer Deposit Threshold Ratings**” means the threshold ratings P-1(cr) (in respect of Moody’s), BBB(low) (in respect of DBRS) and F1 or A (in respect of Fitch, provided

that, for greater certainty, only one of such ratings from Fitch is required to be at or above such ratings), as applicable, of, in the case of Moody's, the short term counterparty risk assessment, in the case of Fitch, the issuer default rating, and in the case of DBRS, the unsecured, unsubordinated and unguaranteed debt obligations, in each case, of the Servicer;

(16) The definition of "Trading Value" in Article 1 of the Master Definitions and Construction Agreement is amended by deleting the words:

"(with currency translations undertaken using or at the average close of day foreign exchange rates posted on the Bank of Canada website for the month in relation to which the calculation is made)"

and replacing them with the following:

"(with currency translations undertaken using the average foreign exchange rates posted on the Bank of Canada website for the month in relation to which the calculation is made)"

(17) Section 3.1 of the Master Definitions and Construction Agreement is deleted in its entirety and replaced by the following:

Subject to Section 8.02 of the Security Agreement (Amendment to Transaction Documents), any amendments or waivers of the provisions of this Master Definitions and Construction Agreement will be made only with the prior written consent of each party to this Master Definitions and Construction Agreement. Subject to Section 3.2 below and to the following sentence, each proposed amendment or waiver of this Agreement that is considered by the Guarantor to be a material amendment or waiver shall be subject to satisfaction of the Rating Agency Condition. For certainty, any amendment to (a) a Ratings Trigger that (i) lowers the ratings specified therein; or (ii) changes the applicable rating type, in each case as provided for in this Agreement, or (b) the consequences of breaching a Ratings Trigger, or changing the applicable rating type, provided for in this Agreement that makes such consequences less onerous, shall, with respect to each affected Rating Agency only, be deemed to be a material amendment and shall be subject to confirmation of the satisfaction of the Rating Agency Condition from each affected Rating Agency. The Guarantor (or the Cash Manager on its behalf) shall deliver notice to the Rating Agencies of any amendment or waiver which does not require satisfaction of the Rating Agency Condition provided that failure to deliver such notice shall not constitute a breach of the obligations of the Guarantor under this Agreement.

ARTICLE 2– MISCELLANEOUS

2.01 Further Assurances

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

2.02 Other Amendments

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

2.03 Governing Law

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

2.04 Interpretation

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

[SIGNATURE PAGES FOLLOW]

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

NATIONAL BANK OF CANADA

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

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

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

**NBC COVERED BOND (LEGISLATIVE)
GP INC.**

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

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

Per: _____ *(signed)*
Name: Nathalie Gagnon
Title: Corporate Trust Officer

Per: _____ *(signed)*
Name: Ana Kamami
Title: Associate Trust Officer

8603413 CANADA INC.

Per: _____ *(signed)*
Name: Toni De Luca
Title: Authorized Signatory

DELOITTE LLP

Per: _____ *(signed)*
Name: Carl Magnan
Title: Audit Partner