

**AMENDING AGREEMENT TO
TRUST DEED**

THIS AMENDING AGREEMENT TO TRUST DEED (this “**Agreement**”) is made as of the 17th day of December, 2014.

BY AND AMONG

- (1) **NATIONAL BANK OF CANADA**, a bank named in Schedule I to the *Bank Act* (Canada), in its capacity as Issuer;
- (2) **NBC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario, by its managing general partner **NBC COVERED BOND (LEGISLATIVE) GP INC.**, in its capacity as Guarantor; and
- (3) **COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company formed under the laws of Canada, in its capacity as Bond Trustee.

WHEREAS the parties entered into a trust deed made as of October 31, 2013 (the “**Trust Deed**”);

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

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

ARTICLE 1 – AMENDMENTS

1.01 **Amendments**

(1) Clause 2.1 of the Trust Deed is amended by deleting the second paragraph thereof in its entirety and replacing it with the following:

“By not later than the third Business Day preceding each proposed Issue Date, the Issuer shall deliver or cause to be delivered to the Bond Trustee a draft of the applicable Final Terms and drafts of all (if any) legal opinions to be given in relation to the relevant issue (with executed copies of each to follow forthwith prior to issuance) and shall notify the Bond Trustee in writing without delay of the relevant Issue Date and the nominal amount of the Covered Bonds to be issued. Upon the issue of the relevant Covered Bonds, such Covered Bonds shall become constituted hereby without further formality.”

(2) Section 8 of the schedule attached to the Trust Deed as Schedule 1 – *Terms and Conditions of the Covered Bonds* is deleted in its entirety and replaced with the following:

8. Taxation

8.01 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Covered Bonds, Receipts and Coupons 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 Covered Bonds, Receipts or Coupons 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 Covered Bonds, Receipts or Coupons (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 Covered Bond, Receipt or Coupon:

- (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 Covered Bond, Receipt or Coupon 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 Covered Bond, Receipt or Coupon; 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 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 purposes of the thin capitalization rules in the *Income Tax Act* (Canada); or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directives; or
- (d) presented for payment by or on behalf of a Holder who would be able to avoid such withholding or deduction by presenting the relevant Covered Bond, Receipt or Coupon to another Paying Agent in a member state of the European Union; or

- (e) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day; or
- (f) 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
- (g) in respect of any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or governmental charge;
- (h) for or on account of any withholding tax or deduction imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (or any amended or successor version), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, whether currently in effect or as published and amended from time to time (the "**FATCA Withholding Tax Rules**"); or
- (i) where any combination of items (a) – (h) applies;

nor will such additional amounts be payable with respect to any payment in respect of the Covered Bonds, Receipts and Coupons to a holder that is a fiduciary or partnership to the extent that the beneficiary or seller with respect to such fiduciary, or member of such partnership would not have been entitled to receive a payment of such additional amounts had such beneficiary, seller or member received directly its beneficial or distributive share of such payment.

For the purposes of this Condition 8.01, the term "**Holder**" shall be deemed to refer to the beneficial holder for the time being of the Covered Bonds.

8.02 For the purposes of these Terms and Conditions, the "**Relevant Date**" means, in respect of any Covered Bond, Receipt or Coupon, 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 Issuing and Paying Agent, or as the case may be, the Registrar on or prior to such due date, the date on which, the full amount of such moneys shall have been so received and notice to that effect shall have been duly given to the Holders in accordance with Condition 14.

8.03 If the Issuer and/or the Guarantor become 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, Condition 8.01 and Condition 8.05, as applicable, to

Canada or the country in which the relevant branch is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s).

8.04 Any reference in these Terms and Conditions to any payment due in respect of the Covered Bonds, Receipts or Coupons 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 a Covered Bond, any Instalment Amount or Final Redemption Amount, any Excess Proceeds which may be payable by the Bond Trustee under or in respect of the 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 behalf of Canada, any province or territory or political subdivision 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 Covered Bonds, Receipts or Coupons 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.

(3) Section 9.06 of the schedule attached to the Trust Deed as Schedule 1 – *Terms and Conditions of the Covered Bonds* is amended to add the word “Final” before “Maturity Date”.

(4) Section 9.11 of the schedule attached to the Trust Deed as Schedule 1 – *Terms and Conditions of the Covered Bonds* is deleted in its entirety and replaced with the following:

“Payments of amounts due (whether principal, interest or otherwise) in respect of Covered Bonds will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency (or in the case of USD, an account to which USD may be credited or transferred) specified by the payee. In the case of Bearer Covered Bonds, if payments are made by transfer, such payments will only be made by transfer to an account maintained by the payee outside of the United States. In no event will payment of amounts due in respect of Bearer Covered Bonds be made by a cheque mailed to an address in the United States. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws and regulations. For the avoidance of doubt, if any withholding is required under the FATCA Withholding Tax Rules, the Issuer will not be required to pay any additional amount under Condition 8 on account of such withholding.”

(5) Section 22 of the schedule attached to the Trust Deed as Schedule 1 – *Terms and Conditions of the Covered Bonds* is deleted in its entirety and replaced with the following:

“The Trust Deed, Agency Agreement, the Covered Bonds and Receipts, Coupons and Talons related thereto and the other Transaction Documents (other than certain provisions of the Security Agreement relating to real property located outside of the Province of Ontario, which are governed by the law of the jurisdiction in which such property is located, and certain documents entered into pursuant to the Security Agreement, which are governed by, and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein) 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.”

(6) Schedule 3 – *Forms of Registered Global and Definitive Bonds* is amended as follows:

- (a) the following clause is deleted from its entirety where it occurs in (i) Part 2 – Form of Rule 144A Global Covered Bond and (ii) Part 3 – Form of Registered Definitive Covered Bond:

“AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH COVERED BONDS”.

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 Trust Deed 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 Trust Deed (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 Trust Deed (prior to its amendments hereby).

[SIGNATURE PAGE FOLLOWS]

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

NATIONAL BANK OF CANADA

Per: “*Éric Girard*”
Name: Éric Girard
Title: Authorized Signatory

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

Per: “*Éric Girard*”
Name: Éric Girard
Title: Authorized Signatory

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

Per: “*Carole Bédard*”
Name: Carole Bédard
Title: Authorized Signatory

Per: “*Nathalie Gagnon*”
Name: Nathalie Gagnon
Title: Authorized Signatory