

**DEBENTURE PLEDGE AGREEMENT** entered into as of January 28, 2014.

**BY:** **CCDQ COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario, herein acting and represented by its managing general partner, **CCDQ CB (LEGISLATIVE) MANAGING GP INC.**, whose registered office is at Box 48, Suite 5300, Toronto Dominion Bank Tower, Toronto, Ontario, M5K 1E6,

(the “**Grantor**”)

**IN FAVOUR OF:** **COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company formed under the laws of Canada with a place of business at 1500 University Street, Suite 700, Montréal, Québec, Canada, H3A 3S8 in its capacity as Bond Trustee for and on behalf of all present and future Secured Creditors (as such term is defined in the Master Definitions and Construction Agreement, as hereinafter defined),

(in such aforesaid capacity and any successor thereto in such capacity, the “**Bond Trustee**”)

**WHEREAS** the Grantor has created, executed and issued a debenture dated as of the date hereof (as amended, restated, renewed, re-issued, supplemented or modified from time to time, the “**Debenture**”) to and in favour of the Bond Trustee in the principal amount of NINE BILLION DOLLARS in the lawful currency of Canada (Cdn\$9,000,000,000) pursuant to a certain deed of hypothec entered into on January 28, 2014 by the Grantor in favour of Computershare Trust Company of Canada, as *fondé de pouvoir*; and

**WHEREAS** the Grantor has agreed to pledge the Debenture to the Bond Trustee as a general and continuing collateral security for the due and punctual payment, performance and fulfilment of the Obligations (as hereinafter defined).

**NOW THEREFORE THIS AGREEMENT WITNESSETH THAT** in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. DEFINITIONS AND INTERPRETIVE PROVISIONS**

1.1 Definitions

Capitalized terms not otherwise defined herein have the meaning ascribed thereto whether directly or by reference in the Master Definitions and Construction Agreement (as such term is hereinbelow defined). The following words or expressions whenever used in this debenture pledge agreement (as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Agreement**”), including in the preamble above which forms an integral part of this Agreement, shall have the following meanings:

1.1.1 “**Master Definitions and Construction Agreement**” means that certain master definitions and construction agreement dated as of January 28, 2014 among, *inter alia*, La

Caisse centrale Desjardins du Québec, the Grantor and the Bond Trustee, as amended, supplemented, restated, replaced or otherwise modified from time to time; and

- 1.1.2 “**Obligations**” means, collectively, the payment and performance of (i) all debts, liabilities and obligations of any and every kind, nature and description, whether, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time due or accruing due, owing by the Grantor to the Bond Trustee and any of the other Secured Creditors under the Transaction Documents to which it is a party, including, without limitation, under the Covered Bond Guarantee however or wherever incurred, and in any currency, and whether incurred by the Grantor alone or with another or others and whether as principal or surety, and (ii) all reasonable expenses, costs and charges incurred by or on behalf of the Bond Trustee (including all reasonable legal fees, court costs, receiver’s, mandatary’s or agent’s remuneration and other expenses) to recover the Obligations or incurred in connection with other lawful exercises of the powers conferred by the Transaction Documents.

## 1.2 Interpretation

This Agreement shall be interpreted in accordance with the following:

- 1.2.1 words denoting the singular include the plural and vice versa, and words denoting any gender include all genders;
- 1.2.2 the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement; and
- 1.2.3 the word “including” shall mean “including without limitation”, and “includes” shall mean “includes without limitation”.

## 2. PLEDGE AND BOND TRUSTEE’S RIGHTS

- 2.1 As a general and continuing collateral security for the due and punctual payment, performance and fulfillment of the Obligations, the Grantor hereby pledges and hypothecates the Debenture to the Bond Trustee, subject to and in accordance with the terms hereof. The hypothec with delivery (or pledge) hereby granted is in the amount of NINE BILLION DOLLARS in the lawful currency of Canada (Cdn\$9,000,000,000), the whole with interest from the date of this Agreement at the rate of twenty-five percent (25%) per annum, calculated and compounded annually and not in advance with interest on overdue interest calculated at the same rate and in the same manner.
- 2.2 Notwithstanding that the Debenture is payable on demand, the Bond Trustee shall not demand payment thereunder unless an Event of Default (as defined in the Deed of Hypothec) has occurred and is continuing. The Bond Trustee agrees that it shall only have the right to demand payment from the Grantor under the Debenture of an aggregate amount which may not in any manner whatsoever be in excess of the aggregate amount of the outstanding Obligations, in principal, interest and costs. The rights of the Bond Trustee herein stipulated with respect to the Debenture shall be in addition to, and not exclusive of, all other rights and remedies which the Bond Trustee has or may otherwise enforce or exercise.
- 2.3 The Bond Trustee may charge on its own behalf and pay to others reasonable sums for services rendered (expressly including legal advice and services) in connection with realizing, collecting,

selling, transferring, delivering and/or obtaining payment for the Debenture and may deduct the amount of such charges and payments from the proceeds thereof. The balance of such proceeds may be held by the Bond Trustee in lieu of the Debenture and shall be applied on account of the Obligations, without prejudice to the claims of the Bond Trustee for any deficiency.

**3. COVENANT**

The Grantor hereby covenants and agrees that it shall deliver to the Bond Trustee any instrument of indebtedness that is supplemental to, or in replacement of, the Debenture immediately upon issuing same or coming into possession thereof, together with any power of attorney, document and confirmation that the Bond Trustee may reasonably request in order to effect the transfer of such instrument into the name of the Bond Trustee.

**4. ADDITIONAL PROVISIONS**

- 4.1 If any material provision of this Agreement is, or becomes, illegal, invalid or unenforceable, such provision shall be severed from this Agreement and be ineffective to the extent only of such illegality, invalidity or unenforceability. The remaining provisions hereof shall be unaffected by such deletion and shall continue to be valid and enforceable.
- 4.2 The parties acknowledge that the Grantor has granted to Computershare Trust Company of Canada, as *fondé de pouvoir*, a deed of hypothec in the Province of Quebec charging the universality of property of the Grantor and securing, *inter alia*, the payment of the Debenture.
- 4.3 The parties acknowledge and agree that the Debenture may be held by any Person designated by the Bond Trustee from time to time.
- 4.4 The Bond Trustee shall not be obliged to exhaust its recourses against the Grantor, any other parties or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Debenture in such manner as it may consider appropriate.
- 4.5 The Bond Trustee may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Grantor and with other parties, sureties or securities as it may deem fit, without prejudice to the Obligations or the rights of the Bond Trustee in respect of the Debenture. The Bond Trustee shall not (a) be liable or accountable for any failure to collect, realize or obtain payment in respect of the Debenture; (b) be bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Debenture or for the purpose of preserving any rights of the Bond Trustee or of the Grantor in respect thereof, (c) be responsible for any loss occasioned by any sale or other dealing with the Debenture or by the retention thereof or failure to sell same or otherwise deal therewith or (d) be bound to protect the Debenture from depreciating in value or becoming worthless.
- 4.6 If another Person is appointed as a successor to the Bond Trustee, whether on a voluntary basis or otherwise, the Bond Trustee shall assign the Debenture to its successor, and such successor shall become vested with all rights, powers, privileges, obligations and duties of the Bond Trustee hereunder, and the Bond Trustee shall be discharged from its duties and the obligations hereunder. This provision shall apply, *mutatis mutandis*, to and be binding upon each and every successor Bond Trustee.

- 4.7 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- 4.8 This Agreement shall be governed by, and interpreted in accordance with, the laws of the Province of Quebec and the laws of Canada applicable therein, without giving effect to any conflicts of law rules thereof.
- 4.9 In the event of any conflict, contradiction or inconsistency between the provisions of this Agreement and those of the Trust Deed, the provisions of the latter shall prevail to the extent of such conflict, contradiction or inconsistency.
- 4.10 The Grantor acknowledges that it has required that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto be drawn up in English. *Le constituant reconnaît avoir exigé la rédaction en anglais de la présente convention ainsi que de tous documents exécutés, avis donnés et poursuite judiciaires intentées, directement ou indirectement, relativement ou à la suite de la présente convention.*

[signature page follows]

**IN WITNESS WHEREOF** the parties hereto have duly executed this Agreement as of the date first written above.

**CCDQ COVERED BOND (LEGISLATIVE)  
GUARANTOR LIMITED PARTNERSHIP**, by  
its managing general partner, **CCDQ CB  
(LEGISLATIVE) MANAGING GP INC.**, as the  
Grantor



Per: \_\_\_\_\_  
Name: Lionel Gauvin  
Title: President

Per: \_\_\_\_\_  
Name: Jacques Descôteaux  
Title: Secretary

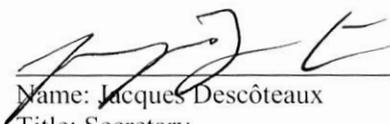
**COMPUTERSHARE TRUST COMPANY OF  
CANADA**, as the Bond Trustee

Per: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first written above.

**CCDQ COVERED BOND (LEGISLATIVE)  
GUARANTOR LIMITED PARTNERSHIP**, by  
its managing general partner, **CCDQ CB  
(LEGISLATIVE) MANAGING GP INC.**, as the  
Grantor

Per: \_\_\_\_\_  
Name: Lionel Gauvin  
Title: President

Per:  \_\_\_\_\_  
Name: Jacques Descôteaux  
Title: Secretary

**COMPUTERSHARE TRUST COMPANY OF  
CANADA**, as the Bond Trustee

Per: \_\_\_\_\_  
Name:  
Title:

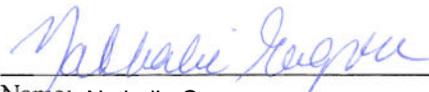
**IN WITNESS WHEREOF** the parties hereto have duly executed this Agreement as of the date first written above.

**CCDQ COVERED BOND (LEGISLATIVE)  
GUARANTOR LIMITED PARTNERSHIP**, by  
its managing general partner, **CCDQ CB  
(LEGISLATIVE) MANAGING GP INC.**, as the  
Grantor

Per: \_\_\_\_\_  
Name: Lionel Gauvin  
Title: President

Per: \_\_\_\_\_  
Name: Jacques Descôteaux  
Title: Secretary

**COMPUTERSHARE TRUST COMPANY OF  
CANADA**, as the Bond Trustee

Per:   
Name: Nathalie Gagnon  
Title: Corporate Trust Officer

  
Carole Bédard  
Corporate Trust Officer