

NOTICE TO ISSUERS

3 May 2024

Regarding fallbacks for securities referencing the Canadian Dollar Offered Rate (CDOR)

Dear Issuers,

As you may be aware, the calculation and publication of all tenors of the Canadian Dollar Offered Rate (“**CDOR**”) will permanently cease immediately following a final publication by Refinitiv Benchmark Services (UK) Limited (“**RBSL**”) on Friday, June 28, 2024 (“**Final CDOR Publication Date**”). No CDOR or synthetic CDOR will be published after this date.

All securities that refer to CDOR, and that have an interest rate reset date after the Final CDOR Publication Date, must be transitioned to another benchmark interest rate (“**Fallback Rate**”) ahead of such interest reset date. The Canadian Overnight Repo Rate Average (“**CORRA**”) ¹ has generally been used in the Canadian market as the replacement for CDOR. CARR [recommended](#) in July 2021 that the Fallback Rate for floating rate notes or capital securities referencing CDOR should be the CORRA-based rate developed by ISDA for CDOR based derivatives. The ISDA fallback rate is calculated and published by Bloomberg for CDOR on its FBAK page. ²

If your organization has outstanding floating rate notes or capital securities that refer to CDOR and have an interest rate reset date after the Final CDOR Publication Date, and would like to request that CDS notify its participants via CDS Bulletin of the transition from CDOR to a Fallback Rate for such securities, please complete the “**DIRECTION TO CDS REGARDING CDOR SECURITIES**”, attached as Exhibit A hereto (the “**Direction**”) for each impacted security. ³ A bulletin publication fee of CAD \$1,125 (plus applicable taxes) per security will be charged to the issuer by CDS for this service. Please note that the SCHEDULE A to **DIRECTION TO CDS REGARDING THE FALLBACK RATE FOR CDOR REFERENCING SECURITIES** is provided as a separate word template attachment. Please send all Directions to CDS Clearing and Depository Services Inc. (“**CDS Clearing**”) prior to **May 24, 2024** to the following email address: sies-cainfo@tmx.com.

Once in receipt of a Direction, CDS Clearing will, in the normal course, publish a bulletin (the text of which is attached as Exhibit B hereto (the “**Bulletin**”)) by means of the CDS Bulletin Service, which is distributed to all CDS participants and to data providers and other subscribers. The purpose of the Bulletin is to inform such subscribers that the relevant securities are being transitioned to a Fallback Rate and that the terms that will be applicable to the Fallback Rate. CARR considers this notification important because some third-party data providers may not

¹ A credit spread adjustment to reflect the historical difference between CORRA and CDOR is usually applied.

² The Bloomberg FBAK rates incorporate a spread adjustment between CDOR and CORRA that was locked-in on May 16, 2022 when RBSL announced that they would cease to publish CDOR after June 28, 2024.

³ This notice applies to any floating rate notes and capital securities that reference CDOR, excluding NHA MBS or structured securities.

implement a security's fallback language on their platform until they are notified by the security's issuer.

Please note that the Bulletin provides notice regarding the transition from CDOR to a Fallback Rate but does not effect such transition. Each issuer is responsible for ensuring that the relevant governing documents for its floating rate notes or capital securities that refer to CDOR can effectively transition to a Fallback Rate. This process may involve amending the terms of such governing documents pursuant to the terms thereof (which may include obtaining security holder consent). CARR encourages affected issuers to obtain independent legal advice with respect to the relevant securities and notes that this notice does not constitute legal advice.

If you have any questions related to this request, please contact CARR at CARR-WG@bankofcanada.ca.

Sincerely,

The Canadian Alternative Reference Rate working group (CARR)

<https://www.bankofcanada.ca/markets/canadian-alternative-reference-rate-working-group/>

EXHIBIT A to NOTICE TO ISSUERS

[Include Issuer Letterhead]

**DIRECTION TO CDS CLEARING AND DEPOSITORY SERVICES INC. REGARDING
THE FALLBACK RATE FOR CDOR REFERENCING SECURITIES**

[Date]

CDS Clearing and Depository Services Inc.

100 Adelaide Street West, Suite 300

Toronto, Ontario

M5H 1S3

Email: SIES-CAINFO@TMX.COM

RE: Security [insert Security's ISIN number]

To CDS Clearing and Depository Services Inc. (“CDS”),

[Issuer name] (the “**Issuer**” or “**we**”) requests that CDS publish a CDS Bulletin, in a form consistent with Exhibit B hereto, referencing the security and the terms with respect to such security as reflected in Schedule A hereto.⁴ We acknowledge that CDS will charge, and we will pay, the applicable fee for such publication.

Sincerely,

[Issuer name]

⁴ The terms of the Relevant Security will be governed by the applicable legal documents pursuant to which the Relevant Security was issued and not the terms set forth in Schedule A to the Direction. Schedule A to the Direction is a summary of the terms that will be incorporated to implement CORRA, or other rates, as the reference rate.

**SCHEDULE A to DIRECTION TO CDS REGARDING THE FALLBACK RATE FOR
CDOR REFERENCING SECURITIES**

Please paste here the applicable sections from the Schedule A word template that have been completed with the required fallback data.

EXHIBIT B to NOTICE TO ISSUERS

BULLETIN TO SECURITY HOLDERS REGARDING THE FALLBACK RATES FOR CDOR REFERENCING SECURITIES

[Date]

Regarding fallbacks for securities referencing the Canadian Dollar Offered Rate (CDOR)

Re: Security [insert Security's ISIN number] issued by [insert name of issuer] (the "Issuer") referencing CDOR.

As you may be aware, the calculation and publication of all tenors of the Canadian Dollar Offered Rate ("CDOR") will permanently cease immediately following a final publication by Refinitiv Benchmark Services (UK) Limited on Friday, June 28, 2024 ("Final CDOR Publication Date"). No CDOR or synthetic CDOR will be published after this date.

All securities that refer to CDOR and have an interest rate reset date after the Final CDOR Publication Date must be transitioned to another benchmark interest rate ("Fallback Rate") ahead of such interest reset date. The Canadian Overnight Repo Rate Average ("CORRA")⁵ has generally been used in the Canadian market as the replacement for CDOR. CARR [recommended](#) in July 2021 that the Fallback Rate for floating rate notes or capital securities referencing CDOR should be the CORRA-based rate developed by ISDA for CDOR based derivatives. These ISDA fallback rates are calculated and published by Bloomberg on the FBAK page.⁶

The Issuer has requested, pursuant to the direction attached as Annex A hereto (the "Direction"), that CDS notify its Participants and other subscribers to the CDS Bulletin Service that the security set forth in Schedule A to the Direction (the "Relevant Security") will be transitioned from CDOR to the benchmark interest rate set forth in Schedule A to the Direction. Schedule A to the Direction sets out additional terms with respect to the Relevant Security in connection with the interest rate transition.⁷

If you have any questions about this transition from CDOR to the relevant Fallback Rate, please reach out to the Issuer for more information.

⁵ A credit spread adjustment to reflect the historical difference between CORRA and CDOR is usually applied.

⁶ The Bloomberg FBAK rates incorporate a spread adjustment between CDOR and CORRA that was locked-in on May 16, 2022 when RBSL announced that they would cease to publish CDOR after June 28, 2024.

⁷ The terms of the Relevant Security will be governed by the applicable legal documents pursuant to which the Relevant Security was issued and not the terms set forth in Schedule A to the Direction. Schedule A to the Direction is a summary of the terms that will be incorporated to implement CORRA as the reference rate.

**ANNEX A to BULLETIN TO SECURITY HOLDERS REGARDING CDOR
SECURITIES**

***[CDS to attach relevant DIRECTION TO CDS CLEARING AND DEPOSITORY SERVICES
INC. REGARDING THE FALLBACK RATE FOR CDOR REFERENCING SECURITIES]***