

**Export Development Canada
(An agent of Her Majesty in right of Canada)**



**USD20,000,000,000
Programme for the
Issuance of Debt Instruments**

Application has been made to the Financial Services Authority in its capacity as competent authority (the “**UK Listing Authority**”) under the Financial Services and Markets Act 2000, as amended (the “**FSMA**”), for debt instruments (the “**Instruments**”) issued under the programme described herein (the “**Programme**”) during the period of twelve months following the date of this document to be admitted to the official list of the UK Listing Authority (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Instruments to be admitted to trading on the London Stock Exchange’s regulated market (the “**Regulated Market**”). The Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (“**MiFID**”). Instruments may also be listed and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system within the European Economic Area which is not a regulated market for purposes of MiFID, subject to compliance with the requirements of such stock exchange.

There are certain risks related to an investment in the Instruments which investors should ensure they fully understand. See “Risk Factors” at page 18 hereof.

Any person (an “**Investor**”) intending to acquire or acquiring any Instruments from any person (an “**Offeror**”) should be aware that, in the context of an offer to the public as defined in section 102B of the FSMA, Export Development Canada (“**EDC**” or the “**Issuer**”) may be responsible to the Investor for the Prospectus under section 90 of the FSMA, only if the Issuer has authorised the Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of the FSMA in the context of the public offering, and, if so, who that person is. If the Investor is in any doubt whether it can rely on the Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

An Investor intending to acquire or acquiring any Instruments from an Offeror will do so, and offers and sales of the Instruments to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements with Investors (other than the Manager(s) identified in the applicable Final Terms) in connection with the offer or sale of the Instruments. The Issuer will not be a party to such terms or arrangements with Investors (other than the Manager(s)) and, accordingly, this Prospectus and any applicable Final Terms will not contain such information and an Investor must obtain such information from the Offeror.

December 21, 2011

This Prospectus supersedes the prospectus of the Issuer related to the Programme dated December 21, 2010, except that Instruments issued on or after the date of this document which are to be consolidated and form a single series with Instruments issued prior to the date of this document will be subject to the Conditions (as defined herein) of the Instruments applicable on the date of issue of the first Tranche of Instruments of such Series. Those Conditions are incorporated by reference in, and form part of, this document.

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”, which term includes any relevant implementing measures in each Relevant Member State (as defined herein) unless otherwise specified).

EDC has prepared this document for the purpose of giving information with regard to the Programme, the Instruments to be issued thereunder, itself as the issuer of such Instruments and Canada. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The previous paragraph should be read in conjunction with the fourth paragraph on the front page of this Prospectus.

“**Prospectus**” means this document, together with all the documents incorporated by reference herein. This Prospectus is to be read in conjunction with any supplements hereto, as may be approved by the UK Listing Authority from time to time, and all documents deemed incorporated herein and in any such supplement by reference (see “Documents Incorporated by Reference”) and shall be read and construed on the basis that such documents are so incorporated and form part of this Prospectus. This document will, in relation to each Tranche of Instruments issued under the Programme, be supplemented by final terms (the “**Final Terms**”) in the form set out commencing either on page 56 or page 74 hereof. In relation to any Tranche of Instruments, this Prospectus should also be read and construed together with the applicable Final Terms.

Copies of Final Terms for Instruments that are offered to the public in the European Economic Area or admitted to trading on a regulated market in the European Economic Area in circumstances requiring publication of a prospectus in accordance with the Prospectus Directive will be available without charge from the executive offices of the Issuer and the specified office of each Paying Agent set out in this Prospectus and can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of EDC (see “Terms and Conditions of the Instruments”).

Tranches of Instruments to be issued under the Programme may be rated or unrated. Where a Tranche of Instruments is rated, such rating will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Where the rating of certain Series of Instruments to be issued under the Programme is specified in the applicable Final Terms, whether or not each credit rating applied for in relation to relevant Series of Instruments will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009 (the “**CRA Regulation**”) will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, is not refused and has not been withdrawn or suspended).

Moody’s Investors Service, Inc. (“**Moody’s**”) has rated the Programme Aaa. Standard & Poor’s Financial Services LLC (“**S&P**”) has rated the Programme AAA. In addition, EDC has received a rating of AAA from S&P.

Neither Moody’s nor S&P (the “**non-EU CRAs**”) is established in the European Union or has applied for registration under the CRA Regulation. However, Standard and Poor’s Credit Market Services Europe Ltd. and

Moody's Investors Service Ltd., which are affiliates of S&P, and Moody's respectively, are established in the European Union and registered under the CRA Regulation and each disclosed an intention to endorse credit ratings of their affiliated non-EU CRAs. While notification of the corresponding final endorsement decisions has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated that ratings issued in third countries may continue to be used in the EU by relevant market participants for a transitional period ending on 31 January 2012 (which may be extended to 30 April 2012).

No representation or warranty is made or implied by the Arranger or any of its affiliates and neither the Arranger nor its affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the Arranger nor any Purchaser has separately verified the information contained in this Prospectus.

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Instruments in any member state of the European Economic Area (the "**Member States**" and each, a "**Member State**") which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), including each Relevant Member State that has implemented amendments to Article 3(2) of the Prospectus Directive with regard to persons to whom an offer of securities is addressed and the denomination per unit of the offer of securities, will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Instruments. Accordingly, any person making or intending to make an offer in that Relevant Member State of Instruments which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of those Instruments may only do so (i) in circumstances in which no obligation arises for the Issuer or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any dealer or Purchaser (as defined under "Subscription and Sale") have authorised, nor do they authorise, the making of any offer of Instruments in circumstances in which an obligation arises for the Issuer or any dealer or Purchaser to publish a prospectus or supplement a prospectus for such offer.

Subject as provided in the applicable Final Terms, the only persons authorized to use this Prospectus in connection with an offer of the Instruments are the Managers named in the applicable Final Terms and any other persons that may be named in the applicable Final Terms as the financial intermediaries, as the case may be.

EDC intends to request, pursuant to Section 87 of the FSMA and Section 5.3.2 of the Prospectus Rules Instrument 2005 (the "**Prospectus Rules**"), that the UK Listing Authority provide the competent authority in various Relevant Member States as may be agreed with the relevant Purchaser(s), and indicated in any applicable Final Terms (as defined herein), with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive, together with a copy of the Prospectus accompanied by any translation of the Summary of the Programme required by such Member States.

No dealer, salesman or other person has been authorised to give any information or to make any representation other than as contained in this Prospectus (as the same may be supplemented from time to time) or any Final Terms and, if given or made, any such information or representation should not be relied on as having been authorised by EDC or any Purchaser.

Neither the delivery of this Prospectus or any Final Terms nor the offering, sale or delivery of any Instrument shall, in any circumstances, create any implication that the information contained herein is true subsequent to the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial situation of EDC or Canada since the date hereof or, as the case may be, the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Neither this Prospectus nor any Final Terms nor any financial statements nor any further information constitutes an offer or an invitation to subscribe for or to purchase any Instruments or are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or a statement of opinion (or a report of either of these things) by EDC that any Purchaser(s) or any recipient of this Prospectus or any Final Terms should subscribe for, or purchase, any Instruments. Neither this Prospectus nor any information incorporated by reference herein nor any further information supplied in connection with the Instruments or the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any Purchaser(s) that any recipient of this Prospectus or any information incorporated by reference herein or any further information supplied in connection with the Instruments or the Programme should subscribe for or purchase any Instruments. Each Investor contemplating purchasing Instruments should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness and the condition (financial or otherwise) of EDC and Canada.

The distribution of this Prospectus or any Final Terms and the offering, sale and delivery of Instruments in certain countries and jurisdictions may be restricted by law. In particular, no action has been taken by the Issuer (other than the approval of this Prospectus by the UK Listing Authority and the request to the UK Listing Authority for certificates of approval (together with any translation of the summary to this Prospectus as may be required) to be delivered to the competent authorities in those Members States of the EEA set out in the applicable Final Terms) which would permit a public offering of the Instruments or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Instruments may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the Prospectus Directive and any other applicable laws and regulations. Persons into whose possession this Prospectus comes are required by EDC to inform themselves about, and to observe, any such restrictions. In particular, Instruments have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Instruments in bearer form which are subject to United States tax law requirements. Subject to certain exceptions relating to sales made to “Qualified Institutional Buyers” in reliance on Rule 144A under the Securities Act as more fully described under the heading “Subscription and Sale” herein, Instruments may not be offered, sold or, in the case of Instruments issued in bearer form, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). Instruments shall be subject to restrictions on transfer as set forth under the heading “Transfer Restrictions” herein. In addition, no offer to the public may be made in Austria, France or any other Member State of the EEA where the competent authority of that Member State requires any action in addition to delivery of certificates of approval (and translations of the summary) to the competent authorities in those Members States unless and until the Issuer advises such action has been taken.

For a description of these and certain further restrictions on offers, sales and deliveries of the Instruments and distributions of this Prospectus and other offering material relating to the Instruments and any related Final Terms, in the United States of America, Japan, Switzerland and the European Economic Area (including the United Kingdom) see “Subscription and Sale”.

Instruments may be issued in bearer form or in registered form. Each Tranche of a Series of Instruments in bearer form will be represented on issue by a temporary global instrument in bearer form (each a “**temporary Global Instrument**”) or a permanent global instrument in bearer form (each a “**permanent Global Instrument**”) and together with a temporary Global Instrument, collectively referred to as “**Global Instruments**”). The temporary Global Instrument representing the interest in a Tranche of Instruments will be exchangeable, in whole or in part, for a permanent Global Instrument, or if so indicated in the applicable Final Terms, definitive Instruments, representing such interest on or after the day that is 40 days after the later of the commencement of the offering of the particular Tranche and the relevant issue date, upon certification as to non-U.S. beneficial ownership and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the applicable Final Terms) Instruments in registered form in accordance with its terms.

Each such permanent global Instrument will be exchangeable for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the applicable Final Terms) registered form in accordance with its terms.

Instruments in definitive bearer form will, if interest-bearing, either have interest coupons (“**Coupons**”) attached or have a grid for recording the payment of interest endorsed thereon and will, if the principal thereof is repayable by instalments, have a grid for recording the payment of principal endorsed thereon.

In respect of each Tranche of Bearer Instruments represented by a Global Instrument, which the applicable Final Terms indicates are not to be issued in new global note (“**NGN**”) form, EDC will deliver a temporary Global Instrument, which will be deposited on or before the relevant issue date therefor with a depositary or a common depositary for Euroclear Bank S.A./N.V., (“**Euroclear**”) and/or Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system. In respect of each Tranche of Bearer Instruments represented by a Global Instrument, which the applicable Final Terms indicates are to be issued in NGN form a temporary Global Instrument will be delivered on or prior to the issue date of the relevant Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear and/or Clearstream, Luxembourg.

Instruments issued in registered form (“**Registered Instruments**”) may be held through DTC or Euroclear and Clearstream, Luxembourg or another agreed clearing system as specified in the applicable Final Terms. Registered Instruments may not be exchanged for Instruments in bearer form. Each Tranche of Registered Instruments will be represented on issue by a global registered Instrument (a “**Global Registered Instrument**”).

If the applicable Final Terms specify the Registered Instruments are not intended to be held in a manner which would allow Eurosystem eligibility, the Global Registered Instrument will be deposited on or prior to the relevant Issue Date with a depositary or common depositary of and registered in the name of a nominee or common nominee for Euroclear and Clearstream, Luxembourg or any other agreed clearing system. If the applicable Final Terms specify the Registered Instruments are intended to be held in a manner which would allow Eurosystem eligibility (being the new safekeeping structure (“**NSS**”)), the Global Registered Instrument will be delivered on or prior to the relevant Issue Date to and registered in the name of a nominee of a common safekeeper for Euroclear and Clearstream, Luxembourg.

This Prospectus and the applicable Final Terms have been prepared for use in connection with the offer and sale of Instruments outside the United States to Non-U.S. persons in reliance on Regulation S and within the United States to “Qualified Institutional Buyers” in reliance on Rule 144A promulgated under the Securities Act (“**Rule 144A**”). Prospective investors are hereby notified that sellers of the Instruments may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES, AS AMENDED (“RSA 421-B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

References herein to “**USD**” means the lawful currency of the United States of America; to “**euro**” or “**€**” each means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended; and to “**£**” or “**Pounds Sterling**” each means the lawful currency of the United Kingdom.

All references in this Prospectus to the “**European Economic Area**” or “**EEA**” are to the member states of the European Union together with Iceland, Norway and Liechtenstein.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF INSTRUMENTS UNDER THE PROGRAMME, THE MANAGER(S) (IF ANY) NAMED AS STABILISING MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE

FINAL TERMS MAY OVER-ALLOT INSTRUMENTS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE INSTRUMENTS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF INSTRUMENTS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF INSTRUMENTS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF THE INSTRUMENTS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Prospectus and any decision to invest in the Instruments should be based on a consideration of this Prospectus as a whole, including the information and documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to EDC in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

*The terms and conditions (the “**Conditions**”) of any particular Tranche of Instruments will be the terms and conditions substantially in the form set out under “Terms and Conditions of the Instruments” as modified, amended, supplemented or replaced by the Final Terms applicable thereto and, in respect of any Instruments represented by an Instrument in global form (a “**Global Instrument**”), by the provisions of such Global Instrument. Words and expressions defined in the Conditions and in the applicable Final Terms shall have the same meanings in this summary.*

Issuer:

EDC was established as a corporation on October 1, 1969 by the *Export Development Act* (Canada) for the purposes of supporting Canada’s export trade and Canadian capacity to engage in that trade and to respond to international business opportunities by the provisions of loans, guarantees, insurance and such other agreements or undertakings necessary or desirable to fulfil such purposes.

The necessary authority of the Parliament of Canada for the borrowing of money and the issuance of securities by EDC is contained in the *Export Development Act* (Canada), which provides that EDC is for all purposes an agent of Her Majesty in right of Canada.

Authorizations:

All borrowings of EDC under the Programme, are subject to the requirements for borrowing set out in Section 127 of the *Financial Administration Act* (Canada) and the Standing Resolution Authorizing The Issuance of Debt Instruments as adopted by the Board of Directors of EDC on December 9, 2010, which came into effect on December 27, 2010, as amended, replaced or superseded from time to time (the “**Standing Resolution**”), in accordance with which EDC must obtain the approval (which may be given for a specified transaction or a specified class of transactions) of the Minister of Finance of Canada for the terms and conditions of each issue of Instruments.

Payment and Enforcing Payment:

The payment of all moneys borrowed by EDC and interest thereon and of the principal of and interest on all securities issued by EDC is a charge on and payable out of the Consolidated Revenue Fund of Canada (“**CRF**”) under the *Financial Administration Act* (Canada).

The CRF is the aggregate of all public moneys, such as tax revenues, which are on deposit to the credit of the Receiver General for Canada. The Receiver General is the public officer who receives or collects public moneys for and on behalf of Canada.

The holders of Instruments may enforce payment against Her Majesty in right of Canada by suit in the Federal Court of Canada or a provincial court of competent jurisdiction, no governmental or other consent being required for such enforcement. A judgement obtained in an action brought against Her Majesty in right of Canada is not capable of being enforced by execution, but is payable out of the CRF.

Enforcement of Instruments in Global Form:

For Instruments in global form, individual investor's rights will be governed by a deed of covenant dated December 21, 2011 (as amended, supplemented or restated), which is available for inspection at the specified office of the Fiscal Agent.

Risk Factors:

There are certain risk factors which are material for the purpose of assessing the market risks associated with Investments issued under the Programme, including: the Instruments may not be a suitable investment for all Investors; Investors may be subject to risks related to the structure of a particular issue of Instruments; there is no active trading market for the Instruments; the Instruments are subject to modification and waiver of conditions in certain circumstances; the denomination of Instruments may not involve integral multiples and definitive Instruments may be illiquid and difficult to trade; interest payments may be subject to withholding tax in certain jurisdictions; the laws governing the Instruments may change; there are no assurances Instruments issued in new global note ("NGN") form will be eligible collateral for monetary policy of the Eurosystem; Investors may not be able to sell their Instruments at prices that will provide them with a yield comparable to similar investments that have a more highly developed secondary market; Investors may be subject to exchange rate risks and/or exchange controls; Investors may be subject to interest rate risks; credit ratings might not reflect all risks; legal investment considerations may restrict certain investments

Purchasers should consult their own financial and legal advisers about risks associated with an investment in a particular Tranche of Investments and the suitability of investing in Instruments in light of their particular circumstances.

Fiscal Agent:

The Bank of New York Mellon

Arranger:

HSBC Bank plc

Issuance in Series:

Instruments will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. Instruments of each Series will all be subject to identical terms, save that a Series may comprise Instruments in bearer form and Instruments in registered form. Each Series may be issued in Tranches on different issue dates and at different prices and with different interest commencement dates.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material in the United States of America, the European Economic Area (including the United Kingdom), Japan and Switzerland, see the section entitled

“Subscription and Sale”. Any further restrictions required in connection with any particular Tranche of Instruments will be specified in the Final Terms relating to such Tranche.

Terms and Conditions:

The Conditions applicable to each Tranche will be agreed between EDC and the relevant Purchaser(s) at, or prior to, the time of issuance of such Tranche, and will be specified in the applicable Final Terms. Final Terms will be prepared for each Tranche of Instruments, a copy of which will, for Instruments admitted to the Official List (the “**Official List**”) of the United Kingdom Listing Authority (“**UK Listing Authority**”) and to trading on the London Stock Exchange plc’s Regulated Market (the “**Regulated Market**”), be delivered to the UK Listing Authority and the London Stock Exchange on or before the closing date of such Instruments. The Regulated Market is a regulated market for purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (“**MiFID**”).

Programme Amount:

The aggregate principal amount of Instruments which may be outstanding at any time under the Programme will not exceed USD 20 billion (or the equivalent in other currencies).

Final Terms or Drawdown Prospectus:

Instruments issued under the Programme may be issued either (1) pursuant to this Prospectus and associated Final Terms or (2) pursuant to a drawdown prospectus (each a “**Drawdown Prospectus**”) prepared in connection with a particular Tranche of Instruments. For a Tranche of Instruments which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement the Conditions and must be read in conjunction with this Prospectus. The terms and conditions applicable to any particular Tranche of Instruments which is the subject of Final Terms are the Conditions as supplemented, amended and/or replaced to the extent described in the applicable Final Terms. The terms and conditions applicable to any particular Tranche of Instruments which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the applicable Drawdown Prospectus. For a Tranche of Instruments which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Drawdown Prospectus.

Currencies:

Instruments may be denominated in any currency(ies) as may be agreed between EDC and the relevant Purchaser(s), subject to all applicable legal, regulatory and/or central bank or monetary authority requirements. Payments for Instruments may, subject to such requirements, be made in and/or linked to, any currency(ies) other than the currency in which such Instruments are denominated.

Form of Instruments:

Instruments may be issued in bearer or registered form. For each Tranche of Instruments issued in bearer form which are stated in the applicable Final Terms not to be issued in NGN form, EDC will deliver a temporary global Instrument, which will be deposited on or before the relevant issue date therefor with a depository or a common

depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. For each Tranche of Instruments issued in bearer form which are stated in the applicable Final Terms to be issued in NGN form EDC will deliver a temporary global Instrument, which will be delivered on or before the issue date of the relevant Tranche to a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

A temporary global Instrument will be exchangeable for a permanent global Instrument or, if specified in the applicable Final Terms, for Instruments in definitive bearer form and/or (for a Series comprising both bearer and registered Instruments and if specified in the applicable Final Terms) registered form in accordance with its terms. Each permanent global Instrument will be exchangeable for Instruments in definitive bearer form and/or (for a Series comprising both bearer and registered Instruments and if specified in the applicable Final Terms) registered form in accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, either have interest coupons (“**Coupons**”) attached or have a grid for recording the payment of interest endorsed thereon and will, if the principal thereof is repayable by instalments, have a grid for recording the payment of principal endorsed thereon. Instruments in registered form may not be exchanged for Instruments in bearer form.

Instruments offered in the United States shall be in registered form. Registered Instruments offered in the United States to Qualified Institutional Buyers in reliance on Rule 144A will be represented by one or more global instruments (the “**144A Global Notes**”, also referred to as “**Restricted Notes**”). Registered Instruments offered outside the United States in reliance on Regulation S will be represented by one or more global instruments (the “**Regulation S Global Notes**” also referred to as “**Unrestricted Notes**” and, collectively with the 144A Global Notes, the “**Global Notes**”).

Global Notes may be (1) held by or on behalf of DTC for the benefit of participants in DTC or (2) held by or on behalf of Euroclear and Clearstream, Luxembourg and (a) if the applicable Final Terms specify the Global Notes are intended to be held in a manner which would allow Eurosystem eligibility (being the new safekeeping structure (“**NSS**”)), deposited on or before the relevant Issue Date with and registered in the name of a nominee of the common safekeeper for Euroclear and Clearstream, Luxembourg; or (b) if the applicable Final Terms specify the Global Notes are not intended to be held in a manner which would allow Eurosystem eligibility, deposited on or before the relevant Issue Date with and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg or (3) held by or on behalf of such other agreed clearing system as specified in the applicable Final Terms.

Regulation S Global Notes and 144A Global Notes will bear a legend setting forth transfer restrictions and may not be transferred except in compliance with such transfer restrictions. Transfers of interests from a 144A Global Note to a Regulation S Global Note and from a Regulation S Global Note to a 144A Global Note are subject to

certification requirements as described under “Terms and Conditions of the Instruments — Form and Denomination — Transfer of Instruments in the Form of Global Notes” and “Transfer Restrictions.”

Issue Price: Instruments may be issued at par or at a discount or premium to par, or at such other price or on such other basis as agreed.

Maturities: Instruments shall have no minimum or maximum maturity subject, in relation to specific currencies, to compliance with all applicable legal, regulatory and/or central bank or monetary authority requirements. Instruments (including Instruments denominated in Pounds Sterling), which have a maturity of less than one year will, if the issue proceeds are to be accepted in the United Kingdom have a minimum denomination and a minimum redemption value of £100,000 (or its equivalent in other currencies) unless they are issued to a limited class of professional investors or another applicable exemption from Section 19 of FSMA is available.

Redemption: Unless previously redeemed for taxation reasons or purchased and cancelled, Instruments will be redeemed at their principal amount or at such other redemption amount (detailed in a formula or otherwise) on their maturity date (or at such other date) as specified in the applicable Final Terms. Definitive Instruments will be in such denominations as specified in the applicable Final Terms.

Early Redemption: Early redemption will be permitted for taxation reasons as mentioned in “Terms and Conditions of the Instruments — Early Redemption for Taxation Reasons” herein and will also be permitted to any further extent specified in the applicable Final Terms.

Interest: Instruments may be interest-bearing (fixed, floating or a combination thereof) or non-interest-bearing.

Fixed Rate Instruments: Fixed Rate Instruments shall bear interest payable in arrear on the date or dates in each year and at the rate or rates specified in the applicable Final Terms.

Floating Rate Instruments: Floating Rate Instruments will bear interest at a rate determined (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant specified currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (as amended and updated as at the Issue Date of the first Tranche of Instruments of the relevant Series, or such other date as is specified in the applicable Final Terms); or (b) by reference to a reference rate appearing on an agreed screen page of a commercial quotation service; or (c) on such other basis specified in the applicable Final Terms, in each case as adjusted by any applicable margin. Interest Periods will be specified in the applicable Final Terms.

Details of the interest rate applicable to the then current Interest Period for any Floating Rate Instruments will, so long as such Instruments are listed on the Official List and admitted to trading on

the Regulated Market, be available from the UK Listing Authority.

Index-Linked Instruments: Payments (whether for principal or interest and whether at maturity or otherwise) for Index-Linked Instruments will be calculated by reference to such index and/or formula as EDC and the relevant Purchaser(s) may agree as indicated in the applicable Final Terms..

Zero Coupon Instruments: Zero Coupon Instruments may be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Instruments: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Instruments will be made in such currencies, and based on such rates of exchange, as EDC and the relevant Purchaser(s) may agree as indicated in the applicable Final Terms.

Denominations: Instruments will be issued in such denominations as agreed among EDC, the relevant Purchaser(s) and as indicated in the applicable Final Terms save that the minimum denomination of each Instrument will be such as may be allowed or required from time to time by the relevant central bank or monetary authority (or equivalent body, however called) or any laws or regulations applicable to the relevant Specified Currency.

Instruments which have a maturity of less than one year may be subject to restrictions on their denomination and distributions. See “Maturities” above.

Status: The Instruments constitute direct unconditional obligations of EDC and as such constitute direct unconditional obligations of Her Majesty in right of Canada. The Instruments will be issued on an unsubordinated basis and as among themselves, the Instruments of each Series will rank *pari passu* and will be payable rateably without any preference or priority.

Taxation: Payments for Instruments will be made by EDC without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the government of Canada or any political subdivision thereof, or any authority or agency therein having power to tax, unless such taxes, duties, assessments or charges are required by law or by the administration or official interpretation thereof to be withheld or deducted. In that event, subject to customary exemptions, EDC will pay such additional amounts as will result in the holder of Instruments or Coupons receiving such amounts as they would have received in respect of such Instruments or Coupons had no such withhold or deduction been required, all and save as mentioned in “Terms and Conditions of the Instruments — Taxation” herein.

Governing Law: The Instruments and all related contractual documentation will be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Listing: Application has been made to the UK Listing Authority for Instruments issued under the Programme during the 12 month period after the date of this Prospectus to be admitted to the Official List and admitted to trading on the Regulated Market. The Regulated Market is a regulated market for purposes of MiFID.

Instruments may be listed or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between EDC and the relevant Purchaser(s) and specified in the applicable Final Terms or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, all as stated in the applicable Final Terms.

In certain circumstances, EDC may terminate the listing or admission to trading of Instruments admitted to trading on a stock exchange in the European Economic Area which is a regulated market for the purposes of MiFID and seek an alternate listing or admission to trading on a stock exchange that is outside the European Economic Area or on a stock exchange that is not a regulated market for the purposes of MiFID. EDC is not under any obligation to holders of Instruments to maintain any listing of the Instruments. See “Risk Factors”.

Cross-Default None

Negative Pledge: None

Clearing Systems: Euroclear, Clearstream, Luxembourg, DTC (for Restricted Global Notes or as otherwise set forth in the applicable Final Terms) or other clearing systems specified in the applicable Final Terms.

DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus shall be read and construed in conjunction with the following documents (which have been previously published and which have been filed with Morningstar plc (appointed by the United Kingdom Financial Services Authority to act as the National Storage Mechanism)), which shall be incorporated in, and form part of, this Prospectus:

- (i) EDC's Annual Report for the year ended December 31, 2010;
- (ii) Exhibit D to Canada's Form 18-K filed with the United States Securities Exchange Commission ("SEC") on December 20, 2011 (the remainder of Canada's Form 18-K is either not relevant for investors or covered elsewhere in the Prospectus);
- (iii) Annual Financial Report of the Government of Canada – Fiscal Year 2010-2011 released October 12, 2011;
- (iv) Update of Economic and Fiscal Projections dated November 8, 2011; and
- (v) the sections entitled "Terms and Conditions of the Instruments" set out in the Issuer's base prospectuses dated December 21, 2010, December 22, 2009, December 29, 2008 and January 25, 2008 (the remainder of the Issuer's base prospectuses dated December 21, 2010, December 22, 2009, December 29, 2008 and January 25, 2008 are either not relevant for investors or covered elsewhere in the Prospectus); for the avoidance of doubt, the applicable Final Terms for a Tranche of Instruments will indicate the Terms and Conditions applicable to such Tranche of Instruments and, unless otherwise specified in the applicable Final Terms, the Terms and Conditions of all Instruments issued after the date hereof shall be those set out in this Prospectus,

provided that any statement contained in a document all or the relative portion of which is incorporated by reference shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein or in any supplement hereto, including any document incorporated herein or therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

Information, documents or statements expressed to be incorporated by reference into or form part of the documents noted above shall not form part of this Prospectus.

Copies of this Prospectus and the documents incorporated by reference herein and any supplementary prospectus approved under the Prospectus Rules, together with any documents incorporated therein by reference, can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of EDC; and can be obtained on written request and without charge from the principal executive offices of EDC at Export Development Canada, 150 Slater Street, Ottawa, Ontario, Canada K1A 1K3, Attention: Treasury Division, and from the office of the Paying Agent, The Bank of New York Mellon, One Canada Square, London E14 5AL, or any other Paying Agent at the address specified at the end of this Prospectus.

The financial information of EDC incorporated by reference or otherwise included in this Prospectus as at the date hereof has been prepared in accordance with Canadian generally accepted accounting principles and has not been prepared in accordance with the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No. 1606/2002 of the European Parliament and the European Council of the European Union. EDC adopted International Financial Reporting Standards commencing 1 January, 2011.

SUPPLEMENTAL PROSPECTUSES

If at any time there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus (as amended and supplemented by any prior Supplements), which is capable of affecting the assessment of any Instruments, EDC will prepare or procure the preparation of a Supplement which shall amend and/or supplement this Prospectus (as amended and supplemented) or publish a new Prospectus (in each case in accordance with the Prospectus Directive) for use in connection with any subsequent issue of Instruments.

If the Conditions of the Instruments (as set out in this Prospectus, as amended and supplemented) are modified or amended in a manner which would make this Prospectus (as amended and supplemented) inaccurate or misleading, a further Prospectus (a “**Drawdown Prospectus**”) will be prepared to the extent required by law.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression “necessary information” means, in relation to any Tranche of Instruments, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Instruments. In relation to the different types of Instruments which may be issued under the Programme, EDC has endeavoured to include in this Prospectus all of the necessary information except for information relating to the Instruments which is not known at the date of this Prospectus and which can only be determined at the time of an individual issue of a Tranche of a Series of Instruments.

Any information relating to the Instruments which is not included in this Prospectus and which is required in order to complete the necessary information in relation to a Tranche of a Series of Instruments may be contained either in the relevant Final Terms, a Supplement (as described above) or in a Drawdown Prospectus incorporating by reference various sections of this Prospectus. Such information will be contained in a relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Prospectus in which case such information, together with all of the other necessary information in relation to the relevant Series of Instruments, may be contained in either a Supplement (to be read together with the Prospectus and the applicable Final Terms) or in a Drawdown Prospectus (or may be contained in any other document in a manner permitted under the Prospectus Directive).

For a Tranche of Instruments which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Prospectus and must be read in conjunction with this Prospectus. The terms and conditions applicable to any particular Tranche of Instruments which is the subject of Final Terms are the Terms and Conditions as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Instruments which is the subject of a Drawdown Prospectus will be the Terms and Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Instruments which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Instruments, or (2) by a registration document (the “**Registration Document**”) containing the necessary information relating to the Issuer and a securities note (the “**Securities Note**”) containing the necessary information relating to the

relevant Instruments. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or inaccuracy relating to the information included in the Registration Document which arises or is noted between the date of the Registration Document and the date of the Securities Note which is capable of affecting the assessment of the relevant Instruments will be included in the Securities Note.

In the case of a Tranche of Instruments which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being set out, specified, stated, shown, indicated or otherwise provided for in the applicable Final Terms shall be read and construed as a reference to such information being set out, specified, stated, shown, indicated or otherwise provided for in the relevant Drawdown Prospectus and, as applicable, each other reference to Final Terms in this Prospectus shall be read and construed as a reference to such Drawdown Prospectus.

Instruments may not be a suitable investment for all investors

Each potential investor in any Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Instruments, the merits and risks of investing in the relevant Instruments and the information contained or incorporated by reference in this Prospectus or any applicable supplementary prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Instruments and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Instruments, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Instruments and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Instruments are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Instruments which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of such Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Instruments are legal investments for it, (2) Instruments can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

RISK FACTORS

Any investment in the Instruments involves risks, including the factors discussed in this section.

All factors which EDC believes at the date of this Prospectus may be material for the purpose of assessing risks related to EDC and the risks associated with Instruments issued under the Programme are described below. All of these factors are contingencies which may or may not occur and EDC is not in a position to express a view on the likelihood of any such contingency occurring or the likelihood or extent to which any such contingency may affect the ability of EDC to pay interest, principal or other amounts in connection with the Instruments.

As at the date of this Prospectus, EDC believes that the factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but EDC does not represent that the statements below regarding the risks associated with Instruments issued under the Programme are exhaustive and there may be other factors unknown or considered to be immaterial to EDC at this time. Additional risks and uncertainties including those not presently known to EDC or that it currently believes to be immaterial, could also adversely affect the ability of EDC to pay interest, principal or other amounts in connection with the Instruments. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and any applicable supplementary prospectus (including any documents deemed to be incorporated by reference herein or therein) and reach their own views prior to making any investment decision. Words and expressions defined in “Terms and Conditions of the Instruments” below or elsewhere in this Prospectus have the same meanings in this section. In this section, Global Notes and Global Instruments are referred to collectively as “Global Instruments”.

Factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme

The Instruments may be redeemed prior to maturity

Unless in the case of any particular Tranche of Instruments the applicable Final Terms specify otherwise, in the event that the Issuer would be obliged to pay additional amounts in respect of any Instruments due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Canada, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Instruments in accordance with the Conditions of the Instruments as supplemented, amended and/or replaced to the extent described in the applicable Final Terms.

Risks related to the structure of a particular issue of Instruments

A wide range of Instruments may be issued under the Programme. A number of these Instruments may entail significant risks not associated with investments in unconventional security and may have features which contain particular risks for potential investors. Set out below is a description of certain such features.

Instruments subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Instruments. During any period when the Issuer may elect to redeem Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Instruments where the applicable Final Terms provide for a Call Option when its cost of borrowing and prevailing interest rates are lower than the interest rate on the Instruments. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index-Linked Instruments and Dual Currency Instruments

The Issuer may issue Instruments with principal, premium or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other financial variables (each, a “**Relevant Factor**”). In addition, the Issuer may issue Instruments with principal or interest payable in one or more currencies which may be different

from the currency in which the Instruments are denominated. Potential investors should be aware that:

- (i) the market price of such Instruments may be volatile;
- (ii) they may receive no interest or they may receive interest at a rate that is less than that payable on a conventional fixed rate or floating rate debt security issued at the same time;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) if the principal of and/or premium on such an Instrument is so indexed, the amount of principal and/or premium payable in respect thereof may be less than the original purchase price of such Instrument and less than the nominal or face amount of such Instruments, and the amount of principal and/or premium payable may even be zero;
- (vi) they should be willing to hold these Instruments until the maturity date as the secondary market for such Instruments may be limited or non-existent and if there is a limited secondary market then the lack of demand may reduce the market price at which Instruments may be sold prior to maturity;
- (vii) the market price will be affected by a number of factors independent of the creditworthiness of the Issuer and will depend on the value of the applicable Relevant Factor as well as the volatility of the applicable Relevant Factor, the time remaining to the maturity of such Instruments, the amount outstanding of such Instruments, market interest rates and the market for other types of related and unrelated financial instruments;
- (viii) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and may depend on a number of interrelated factors over which the Issuer has no control, including economic, financial and political events;
- (ix) if a Relevant Factor is applied to Instruments in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (x) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of the relevant currencies, commodities, interest rates, equities, index or other financial variables should not be taken as an indication of future performance of such currencies, commodities, interest rates, equities, index, or other financial variables during the term of any Instrument. Prospective investors should consult their own financial and legal advisers as to the risks entailed by an investment in such Instruments and the suitability of such Instruments in light of their particular circumstances.

Considerations relevant for Index-Linked Instruments or other variable-linked Instruments where an equity security, basket of equity securities or an equity index, commodity price, commodity basket price or commodity index is the Relevant Factor

Owning Instruments with principal, premium or interest determined by reference to an equity, equity basket or index or to a commodity price, commodity basket or commodity index is not the same as

owning the reference equity securities or commodities. Accordingly, the market value of such Instruments may not have a direct relationship with the market price of the reference equity securities, commodities or index and changes in the market price of the reference equity securities, commodities or index may not result in a comparable change in the market value of the Instruments. For example, the market value of such Instruments may not increase even if the price of the reference equity securities, commodities or index increases. It is also possible for the price of the reference equity securities, commodities or index to increase while the market price of such Instruments declines.

The Issuer may hedge the obligations under the Instruments by purchasing or selling the reference equity securities, or options on those securities, commodities or other contracts, instruments or other derivative instruments with returns linked to or related to changes in the value of the reference equity securities, commodities or equity or commodity index and may also adjust these hedges by, among other things, purchasing or selling the reference equity securities, equity options, commodities, contracts, instruments or other derivative instruments at any time and from time to time. Any of these hedging activities may affect the price of the reference equity securities, commodities or index and, therefore, the value of associated Instruments. It is possible that the Issuer could receive substantial returns from these hedging activities while the value of the reference equity securities or index may decline.

The Issuer will not pledge or otherwise hold the reference equity securities, equity options, commodities, contracts, instruments or derivative instruments for the benefit of holders of the Instruments (“**Holders**”) in order to enable Holders to exchange Instruments for the associated reference equity securities, equity options, commodities, contracts, instruments or derivative commitments under any circumstances.

Significant aspects of the tax treatment of such Instruments may be uncertain and prospective investors should consult their tax advisers about their own tax situation.

Additional considerations relevant for Index-Linked Instruments where an equity security, basket of equity securities or equity index is the Relevant Factor

Holders will not have voting rights or rights to receive dividends or other distributions or any other rights that holders of the reference equity securities would have and will not have any beneficial interest in or right to acquire the reference equity securities or any derivative instruments related thereto.

The Calculation Agent (as defined in the applicable Final Terms) may not be required to make an adjustment for every event that can affect the reference index or equity securities. If an event occurs that does not require the Issuer to adjust the amount payable at maturity in respect of the reference equity security or reference index of equity securities, the market price of the associated Instruments and the amount of interest or the principal amount payable at the maturity may be materially and adversely affected.

The Issuer may, at present or in the future, engage in business with issuers of reference equity securities or their competitors, including making loans to, or equity investments in, issuers of reference equity securities or their competitors. These activities may present a conflict between the Issuer’s obligations and the interests of Holders. These activities could affect the price of the reference equity securities or index and, therefore, the value of the associated Instruments.

If the Issuer is not affiliated with the issuers of the reference equity securities, the Issuer will have no ability to control or predict the actions of these issuers, including any corporate actions of the type that would require the Issuer to adjust the amount payable on the Instruments, and will have no ability to control the public disclosure of these corporate actions or any other events or circumstances affecting the issuers of the reference equity securities. The issuers of the reference equity securities will have no obligation to consider the interests of Holders in taking any corporate actions that might

affect the value of the associated Instruments. The issuers of the reference equity securities may take actions that will adversely affect the value of the associated Instruments. None of the money paid for the Instruments will go to the issuers of the reference equity securities.

The Issuer does not assume any responsibility for the adequacy or accuracy of the information about the issuers of the reference equity securities contained in any terms supplement or in any publicly available filings made by the issuers of the reference equity securities. Prospective investors should make their own investigation into the relevant issuers of the reference equity securities.

Partly Paid Instruments

The Issuer may issue Instruments where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Instruments with a multiplier or other leverage factor

Instruments with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Instruments

Inverse Floating Rate Instruments have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Instruments typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Instruments are more volatile because an increase in the reference rate not only decreases the interest rate of the Instruments, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Instruments.

Fixed/Floating Rate Instruments

Fixed/Floating Rate Instruments may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than the then prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Instruments.

Instruments issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Instruments generally

Set out below is a brief description of material risks relating to the Instruments generally:

Canadian Usury Laws

All Instruments issued under the Programme are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The *Criminal Code* (Canada) prohibits the receipt of “interest” at a “criminal rate” (namely, an effective annual rate of interest of 60%). Accordingly, the provisions for the payment of interest or a redemption amount in excess of the aggregate principal amount of the Instruments may not be enforceable if the provision provides for the payment of “interest” in excess of an effective annual rate of interest of 60%.

Modification and waivers

The Conditions of the Instruments contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders (and to modify or waive certain terms and conditions of the Instruments or covenants and agreements made by the Issuer) including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

The Conditions also provide that the Fiscal Agency Agreement (as defined below), the Instruments and any Receipts and Coupons attached to the Instruments may be amended by the Issuer and the Agent without the consent of the Holder of any Instrument, Receipt or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein or to provide for substitution of the Issuer (ii) to make any further modifications of the terms of the Fiscal Agency Agreement necessary or desirable to allow for the issuance of any additional Instruments (which modifications shall not be materially adverse to Holders of outstanding Instruments) or (iii) in any manner which the Issuer and the Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the Holders of the Instruments, Receipts and Coupons. The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, the Instruments and any Receipts and Coupons attached to the Instruments, if to do so could not reasonably be expected to be prejudicial to the interests of the Holders.

There is no active trading market for the Instruments

Instruments issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche of Instruments, such Tranche is to be consolidated with and form a single series with a Tranche of Instruments which is already issued). If the Instruments are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and/or Canada. Although application has been made for the Instruments issued under the Programme to be admitted to listing on the Official List of the UK Listing Authority and to trading on the Regulated Market, there is no assurance that such application will be accepted, that any particular Tranche of Instruments will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Instruments.

Because the Global Instruments are held by or on behalf of Euroclear and Clearstream, Luxembourg and/or DTC, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Instruments issued under the Programme may be represented by one or more Global Instruments. Such Global Instruments will be deposited with a common depository or common safekeeper for Euroclear and Clearstream, Luxembourg and/or a custodian of DTC. Except in the circumstances described in the relevant Global Instrument, investors will not be entitled to receive Definitive Instruments. Euroclear, Clearstream, Luxembourg and/or DTC will maintain records of the beneficial

interests in the Global Instruments. While the Instruments are represented by one or more Global Instruments, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and/or DTC.

While Instruments are represented by one or more Global Instruments, the Issuer will, subject to the terms set out herein, discharge its payment obligations under the Instruments by making payments to the common depository or common safekeeper for Euroclear and Clearstream, Luxembourg and/or the custodian for DTC for distribution to their account holders. A holder of a beneficial interest in a Global Instrument must rely on the procedures of Euroclear and Clearstream, Luxembourg and/or DTC to receive payments under the relevant Instruments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Instruments.

Holders of beneficial interests in the Global Instruments will not have a direct right to vote in respect of the relevant Instruments. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg and/or DTC to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Instruments will not have a direct right under the Global Instruments to take enforcement action against the Issuer in the event of a default under the relevant Instruments but will have to rely upon their rights under the Deed of Covenant.

No obligation to maintain listing

Not all Instruments will be listed on the Regulated Market and the Issuer may, in certain circumstances, seek to delist Instruments which are listed on the Regulated Market or another securities exchange or market, provided that in such cases the Issuer will be required to use its reasonable endeavours to obtain and maintain a listing of such Instruments on an alternative stock exchange or exchanges or market (which may be outside the European Economic Area).

These circumstances include any future law, rule of the London Stock Exchange or any other securities exchange or any EU Directive imposing other requirements (including new corporate governance requirements) on the Issuer or any of its affiliates that the Issuer in good faith determines are impractical or unduly burdensome in order to maintain the continued listing of any Instruments issued under the Programme on the London Stock Exchange or the relevant exchange.

The Issuer may, in its sole discretion, determine that it is impractical or unduly burdensome to maintain such listing and seek to terminate the listing of such Instruments provided it uses all reasonable endeavours to seek an alternative admission to listing, trading and/or quotation of such Instruments by another listing authority, securities exchange and/or quotation system that it deems appropriate. However, if such alternative listing is not available or, in the opinion of the Issuer is impractical or unduly burdensome, an alternative listing may not be obtained.

Although there is no assurance as to the liquidity of any Instruments as a result of the listing on the Regulated Market, delisting such Instruments may have a material effect on the ability of investors to (a) continue to hold such Instruments or (b) resell the Instruments in the secondary market.

Instruments where denominations involve integral multiples: definitive Instruments

In relation to any issue of Instruments which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Instruments may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a Definitive Instrument in respect of such holding (should Definitive Instruments be printed) and would need to purchase a principal amount of Instruments such that its holding amounts to a Specified Denomination.

If Definitive Instruments are issued, Holders should be aware that Definitive Instruments which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), each Member State is required to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person within its jurisdiction to an individual resident in or to certain other persons established in that other Member State. However, during the current transitional period Luxembourg and Austria are instead required (unless during such period they elect otherwise) to operate a withholding system (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The transitional period is to terminate at the end of the first full fiscal year after agreement on exchange of information is reached between the European Union and certain non-EU countries. A number of non-EU countries (including Switzerland) and certain dependent or associated territories of certain Member States have adopted similar measures (in the case of Switzerland, a withholding system has been adopted).

If a payment were to be made or collected through a Member State (or through any non-EU country or certain dependent or associated territories of certain Member States which have adopted similar measures) which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer, nor any Paying Agent, nor any other person would be obliged to pay additional amounts with respect to any Instruments as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to any law implementing the Savings Directive or any other directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described herein.

Change of Law

The conditions of the Instruments are based on the laws of the Province of Ontario and the federal laws of Canada applicable therein in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Province of Ontario or the federal laws of Canada applicable therein or administrative practice after the date of this Prospectus.

Bearer Instruments in NGN form and Registered Global Notes held under the NSS

Bearer Instruments in NGN form and Registered Global Instruments held under the NSS allow for the possibility of Instruments being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the “**Eurosystem**”) and intra-day credit operations by the Eurosystem either upon issue or at any or all items during their life. However, in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Instruments meet such Eurosystem eligibility criteria.

Risks related to the market generally

Set out below is a brief description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Risks relating to the secondary market generally

Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors or are not admitted to trading on the Regulated Market or another established securities exchange. These types of Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Instruments.

In addition, investors should be aware of the prevailing and widely reported global credit market conditions which continue at the date of this Prospectus.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Instruments in the Specified Currency (as defined herein) or in any currency or currencies other than the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency or such other currency that the Instruments may be payable in. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency (or such other currency) or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Specified Currency (or such other currency) or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency (or other currency) would decrease (1) the Investor's Currency-equivalent yield on the Instruments, (2) the Investor's Currency-equivalent value of the principal payable on the Instruments and (3) the Investor's Currency-equivalent market value of the Instruments.

Government and monetary authorities may impose (as some have done in the past) exchange controls or monetary policies that could adversely affect an applicable currency exchange rate or interest rate. As a result, investors may receive less interest or principal than expected, or no interest or principal or receive payments in a significantly devalued Specified Currency or such other currency that the Instruments may be payable in.

In addition, if the Issuer is due to make a payment in a currency (the "**original currency**") other than United States dollars in respect of any Instrument, Coupon or Receipt and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency's replacement or disuse or other circumstances beyond the relevant Issuer's control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in United States dollars as described under the Conditions. The exchange rate applied in such circumstances could result in a reduced payment to the holder and such payment amount may be zero.

Interest rate risks

Investment in Fixed Rate Instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Instruments.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Instruments. The ratings may not reflect the potential impact of all risks related to the Issuer or to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

TERMS AND CONDITIONS OF THE INSTRUMENTS

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the applicable Final Terms, shall be applicable to the Instruments of each Series. The Final Terms in relation to any Tranche of Instruments may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these terms and conditions, replace and/or supplement the terms and conditions for such Tranche. Either (i) the full text of these terms and conditions together with the applicable provisions of the applicable Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions) shall be endorsed on all bearer Instruments in definitive form or on the certificates relating to Registered Instruments in definitive form.

All capitalised terms used but not defined herein shall have the meanings given to them in the applicable Final Terms.

The Instruments are issued, unless other arrangements are specified in the applicable Final Terms, in accordance with a fiscal agency agreement (the “**Fiscal Agency Agreement**,” which expression shall include any amendments or supplements thereto) dated December 21, 2011 and made between EDC, The Bank of New York Mellon, London office, in its capacity as fiscal agent (the “**Fiscal Agent**”, which expression shall include any successor to The Bank of New York Mellon, London office in its capacity as such) and as second alternative registrar (the “**Second Alternative Registrar**”, which expression shall include any successor to The Bank of New York Mellon, London office in its capacity as such), The Bank of New York Mellon, New York office, in its capacity as principal registrar (the “**Principal Registrar**”, which expression shall include any successor to The Bank of New York Mellon, New York office, in its capacity as such), The Bank of New York Mellon (Luxembourg) S.A. in its capacity as first alternative registrar (the “**First Alternative Registrar**”, which expression shall include any successor to The Bank of New York Mellon (Luxembourg) S.A. in its capacity as such) and certain other financial institutions named therein in their capacities as paying agents (the “**Paying Agents**”, which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Fiscal Agency Agreement). The Instruments have the benefit of a deed of covenant (the “**Deed of Covenant**”, which expression shall include any amendments or supplements thereto or restatements thereof) dated December 21, 2011 executed by EDC. A copy of each of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection at the specified office of each of the Paying Agents, the Principal Registrar, the First Alternative Registrar and the Second Alternative Registrar. All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of and to be bound by all of the provisions of the Fiscal Agency Agreement and the Deed of Covenant insofar as they relate to the relevant Instruments.

The Instruments are issued in series (each a “**Series**”), and each Series may comprise one or more tranches (each a “**Tranche**”) of Instruments issued on the same or different dates. All Instruments of the same Series shall have identical terms, other than in respect of the issue price, issue date and first payment of interest (save that a Series may comprise Instruments in more than one denomination and Instruments in bearer form and Instruments in registered form). Tranches may be issued on different issue dates and at different issue prices and, after the applicable Exchange Date (as defined herein), each such Tranche will be consolidated and form a single Series with the outstanding Instruments of that Series. The specific terms of each Tranche will be set forth in the applicable Final Terms. In the case of a Tranche offered to the public or admitted to trading on a regulated market in any member state of the European Economic Area (each a “**Member State**”) in circumstances requiring publication of a prospectus in accordance with Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State) (the “**Prospectus Directive**”) and in relation to which application has been made to the Financial Services Authority in its capacity as competent authority (the “**UK**

Listing Authority”) under the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) for admission to the official list of the UK Listing Authority (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for admission to trading on the London Stock Exchange’s Regulated Market (the “**Regulated Market**”), the applicable Final Terms will be lodged with the UK Listing Authority and the London Stock Exchange and (i) can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of EDC and (ii) will be available for inspection and copies of which may be obtained free of charge at the specified office of the Issuer and the Fiscal Agent or, as the case may be, the Registrar. In the case of a Tranche of Instruments that is not offered to the public nor admitted to trading on a regulated market in the European Economic Area in circumstances requiring publication of a prospectus in accordance with the Prospectus Directive, copies of the Final Terms will only be available for inspection by a Holder (as defined in Condition 2.01 and Condition 2.02) of or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant) in respect of, such Instruments.

References in these Conditions to Instruments are to Instruments of the relevant Series, any references to Coupons are to Coupons relating to Instruments of the relevant Series and references to the applicable Final Terms are to Part A of the Final Terms(s) prepared in relation to the Instruments of the relevant Tranche or Series.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Bearer Instruments in new global note (“**NGN**”) form or Registered Instruments intended to be held in a manner which would allow Eurosystem eligibility (being the new safekeeping structure (“**NSS**”) and hereinafter referred to as “**held under the NSS**”), be deemed to include a reference to any successor operator and/or successor clearing system and/or any additional or alternative clearing system approved by the Issuer, the Fiscal Agent or (in the case of Registered Instruments) the Registrar and specified in the applicable Final Terms.

1. Form and Denomination

1.01 Instruments are issued in bearer form or in registered form, as specified in the applicable Final Terms. Bearer Instruments shall be issued in the NGN form if so specified in the applicable Final Terms.

Form of Bearer Instruments

1.02 Each Tranche of Instruments issued in bearer form (“**Bearer Instruments**”) will be represented upon issue by a temporary global Instrument (a “**Temporary Global Instrument**”) in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement. In the case of an exchange for Instruments in registered form (“**Registered Instruments**”) at any time and without any requirement for certification, but otherwise, on or after the date (the “**Exchange Date**”) which is not earlier than forty days after the original issue date of the relevant Tranche and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing systems) has been received, interests in the Temporary Global Instrument may be exchanged for:

- (i) interests in a permanent global Instrument (a “**Permanent Global Instrument**”) representing the Instruments of that Tranche and in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement; or
- (ii) if so specified in the applicable Final Terms, definitive Bearer Instruments (“**Definitive Instruments**”) and/or (in the case of a Series comprising both Bearer Instruments and Registered Instruments and if so specified in the applicable Final Terms) definitive Registered

Instruments in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement.

1.03 Instruments which are stated in the applicable Final Terms to be issued in NGN form will be delivered on or prior to the issue date of the relevant Tranche to the Common Safekeeper for Euroclear and/or Clearstream, Luxembourg. Instruments which are stated in the applicable Final Terms not to be issued in NGN form may be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system.

1.04 If any date on which payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by the Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing systems) has been received by Euroclear or Clearstream, Luxembourg or any other relevant clearing system. Payments of principal or interest (if any) on a Permanent Global Instrument will be made through Euroclear and Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.

1.05 Interests in a Permanent Global Instrument will be exchanged by EDC in whole (but not in part only), at the option of the Holder (as defined in Condition 2.01) of such Permanent Global Instrument, for Definitive Instruments and/or (in the case of a Series comprising both Bearer and Registered Instruments and if so specified in the applicable Final Terms) Registered Instruments, (a) if an Event of Default (as defined in Condition 6.01) occurs in respect of any Instrument of the relevant Series; or (b) if any of Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently; or (c) if so specified in the applicable Final Terms, at the option of the Holder of such Permanent Global Instrument upon such Holder's request, in all cases free of charge to the Holder of such Instrument. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than forty-five days before the date upon which the delivery of such Definitive Instruments and/or Registered Instruments is required, deposit the relevant Permanent Global Instrument with the Fiscal Agent at its specified office with the form of exchange notice endorsed thereon duly completed. If default is made by EDC in the required delivery of Definitive Instruments and/or Registered Instruments and such default is continuing at 6:00 p.m. (London time) on the thirtieth day after the day on which the relevant notice period expires or, as the case may be, such Permanent Global Instrument becomes so exchangeable, such Permanent Global Instrument will become void in accordance with its terms but without prejudice to the rights of the Relevant Account Holders with Euroclear or Clearstream, Luxembourg or any other relevant clearing system in relation thereto under the Deed of Covenant.

1.06 For so long as any of the Instruments is represented by Temporary Global Instruments and/or Permanent Global Instruments held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as a Relevant Account Holder (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Instruments standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Fiscal Agent, the Principal Registrar, First Alternative Registrar, the Paying Agent and any other Paying Agent as the Holder of such principal amount of such Instruments for all purposes other than, save as specifically otherwise provided in the relevant Temporary Global Instruments and/or Permanent Global Instruments or the Deed of Covenant, as the case may be, with respect to the payment of principal or interest on the Instruments, for which purpose the bearer of the relevant Temporary Global Instrument and/or Permanent Global Instrument or registered Holder of a Permanent Global Instrument shall be

treated by the Issuer, the Fiscal Agent, the Principal Registrar, First Alternative Registrar, the Paying Agent and any other Paying Agent as the holder of such principal amount of such Instruments in accordance with and subject to the terms of the Temporary Global and/or a Permanent Global Instrument or the Deed of Covenant, as the case may be, and the expression “Holder” and related expressions shall be construed accordingly. Similar rights as those made available to Relevant Account Holders in the preceding sentence may be made available to Relevant Account Holders in other relevant clearing systems as more fully provided in the Final Terms. Instruments which are represented by a Temporary Global Instrument and/or a Permanent Global Instrument will be transferable only in accordance with the then current rules and procedures of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, as the case may be.

1.07 Interest-bearing Definitive Instruments will, if so specified in the applicable Final Terms, have attached thereto at the time of their initial delivery Coupons, the presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Instruments, the principal amount of which is repayable by instalments (“**Instalment Instruments**”) which are Definitive Instruments, will have endorsed thereon a grid for recording the repayment of principal.

Form of Registered Instruments

1.08 Registered Instruments in the form of global instruments (“**Global Notes**”) which are issued and sold pursuant to Rule 144A (“**Restricted Notes**”) will initially be represented by interests in either a Restricted Note in fully registered global form deposited with a common depository for, and registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg on its Issue Date (each a “**European Restricted Global Note**”) or a Restricted Note in fully registered global form deposited with a custodian for, and registered in the name of a nominee of, DTC on its Issue Date (a “**DTC Restricted Global Note**”), in either case without Coupons.

Registered Instruments in the form of Global Notes which are sold in an “offshore transaction” within the meaning of Regulation S (“**Unrestricted Notes**”) will initially be represented by interests in either an Unrestricted Note in fully registered global form deposited with either (a) a common depository for, and registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg if the applicable Final Terms indicate such Instruments are not to be held in the NSS, or (b) a common safekeeper for, and registered in the name of a nominee of Euroclear and Clearstream, Luxembourg if the applicable Final Terms indicate such Instruments are to be held in the NSS (each a “**European Unrestricted Global Note**” together with any European Restricted Global Notes, the “**European Global Notes**”) or an Unrestricted Note in fully registered global form deposited with a custodian for, and registered in the name of a nominee of, DTC (a “**DTC Unrestricted Global Note**” together with any DTC Restricted Global Notes, the “**DTC Global Notes**”). Global Notes will bear a legend as described under “Transfer Restrictions.”

1.09 Registered Instruments will not be exchangeable for Bearer Instruments.

Denomination of Bearer Instruments

1.10 Bearer Instruments will be in the denomination or denominations specified in the applicable Final Terms (each such denomination being a “**Specified Denomination**”). Bearer Instruments of one denomination will not be exchangeable, after their initial delivery, for Bearer Instruments of any other denomination.

Denomination of Registered Instruments

1.11 Registered Instruments will be in the minimum denomination specified in the applicable Final Terms or (unless otherwise specified in the applicable Final Terms) integral multiples thereof.

1.12 Registered Instruments denominated in United States Dollars will, if so specified in the applicable Final Terms, be the subject of an application by EDC to DTC for the acceptance of such

Registered Instruments into DTC's book-entry settlement system. If such application is accepted, one or more DTC Global Notes, in denominations equivalent in aggregate to the aggregate principal amount of relevant Registered Instruments which are to be held in such system, will be issued to DTC and registered in the name of Cede & Co., or such other person as may be nominated by DTC for the purpose, as nominee for DTC provided that no DTC Global Note may have a denomination of more than USD500,000,000 and that, subject to such restriction, DTC Global Notes will always be issued in the largest possible denomination. Thereafter, such registered nominee will be the holder of record and entitled to rights in respect of each DTC Global Note. Accordingly, each person having a beneficial interest in a DTC Global Note must rely on the procedures of the institutions having accounts with DTC to exercise any rights of such person. So long as Registered Instruments are traded through DTC's book-entry settlement system, ownership of a beneficial interest in the relevant DTC Global Note will (unless otherwise required by applicable law or regulatory requirement) be shown on, and transfers of such beneficial interest may be effected only through, records maintained by (i) DTC or its registered nominee (as to Participant-interests); or (ii) institutions having accounts with DTC.

Currency of Instruments

1.13 Instruments may be denominated in any currency (the "**Specified Currency**"), subject to compliance with all applicable legal and/or regulatory and/or central bank or monetary authority (or equivalent body, however called) requirements. Payments in respect of Instruments may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the Specified Currency.

Instruments in the Form of Individual Definitive Registered Instruments

1.14 Registration of title to Registered Instruments in a name other than a depository or its nominee for Euroclear and Clearstream, Luxembourg or for DTC will not be permitted unless (i) in the case of DTC Global Notes, DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the DTC Global Notes, or ceases to be a "clearing agency" registered under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC, (ii) in the case of European Global Notes, Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer will cause sufficient individual definitive Registered Instruments ("**Definitive Registered Instruments**") to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holder(s). Instruments in the form of individual Definitive Registered Instruments will only be available, in the case of Unrestricted Notes, in amounts specified in the applicable Final Terms, and, in the case of Restricted Notes, in amounts of USD100,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Purchaser(s)), or higher integral multiples of USD1,000, and in any event, solely in certain limited circumstances above.

1.15 For the purposes of these Conditions, references to Instruments shall, as the context may require, be deemed to be Temporary Global Instruments, Permanent Global Instruments, Definitive Instruments or, as the case may be, Registered Instruments.

2. Title and Transfers

2.01 Title to Bearer Instruments and Coupons passes by delivery. References herein to the "Holder" of Bearer Instruments or Coupons are to the bearers of such Bearer Instruments or such Coupons.

2.02 Title to Registered Instruments passes by registration in the register, which is kept by the Principal Registrar, or, if the applicable Final Terms so specifies, the First Alternative Registrar or the Second Alternative Registrar. For the purposes of these Conditions, "**Registrar**" means, in relation to

any Series of Registered Instruments, the Principal Registrar, the First Alternative Registrar or, as the case may be, the Second Alternative Registrar. References to “Holders” of Registered Instruments are to the persons in whose names such Registered Instruments are so registered in the relevant register.

2.03 The Holder of any Instrument or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

Transfer of Registered Instruments and Exchange of Bearer Instruments for Registered Instruments

2.04 A Registered Instrument may, upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement, together with any additional provisions set forth in any applicable Final Terms, be transferred in whole or in part only (provided that each such part (including the balance not transferred) is the minimum denomination specified in the applicable Final Terms or an integral multiple thereof or (if so specified in the Final Terms) an integral amount in excess of such minimum denomination) upon the surrender of the Registered Instrument to be transferred, together with the form of transfer endorsed thereon duly completed and executed, at the specified office of the Registrar. A new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.

2.05 If so specified in the applicable Final Terms, the Holder of Bearer Instruments may exchange the same for the same aggregate principal amount of Registered Instruments upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement. In order to exchange a Bearer Instrument for a Registered Instrument, the Holder thereof shall surrender such Bearer Instrument at the specified office outside the United States of the Fiscal Agent or of the Registrar together with a written request for the exchange. Each Bearer Instrument so surrendered must be accompanied by all unmatured Coupons appertaining thereto, other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined in Condition 2.07) where the exchange date would, but for the provisions of Condition 2.06, occur between the Record Date (as defined in Condition 8B.03) for such payment of interest and the date on which such payment of interest falls due.

2.06 Each new Registered Instrument to be issued upon the transfer of a Registered Instrument or the exchange of a Bearer Instrument for a Registered Instrument will, within three Relevant Banking Days of the transfer date (as defined in this Condition 2.06) or, as the case may be, the exchange date, be available for delivery at the specified office of the Registrar. For these purposes, a form of transfer or request for exchange received by the Registrar or the Fiscal Agent after the Record Date (as defined in Condition 8B.03) in respect of any payment due in respect of Registered Instruments shall be deemed not to be effectively received by the Registrar or the Fiscal Agent until the day following the due date for such payment.

2.07 For the purposes of these Conditions,

- (i) “**Relevant Banking Day**” means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Instrument for a Registered Instrument where such request for exchange is made to the Fiscal Agent, in the place where the specified office of the Fiscal Agent is located;
- (ii) the “**exchange date**” shall be the Relevant Banking Day following the day on which the relevant Bearer Instrument shall have been surrendered for exchange in accordance with Condition 2.05; and

- (iii) the “**transfer date**” shall be the Relevant Banking Day following the day on which the relevant Registered Instrument shall have been surrendered for transfer in accordance with Condition 2.04 and all reasonable requirements of EDC and the Registrar shall have been satisfied in respect of such transfer.

2.08 The issue of new Registered Instruments on transfer or on the exchange of Bearer Instruments for Registered Instruments will be effected without charge by or on behalf of EDC or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

2.09 Upon the transfer, exchange or replacement of Registered Instruments of any Series bearing the private placement legend (the “**Private Placement Legend**”) set forth in the form of Registered Instrument scheduled to the Fiscal Agency Agreement, the Registrar shall deliver only Registered Instruments that also bear such legend unless either:

- (i) such transfer, exchange or replacement occurs one or more years after the later of (1) the original issue date of such Registered Instruments or (2) the last date on which EDC or any of its affiliates (as defined below), as notified to the Registrar by EDC as provided in the immediately following paragraph, was the beneficial owner of such Registered Instrument (or any predecessor of such Instrument); or
- (ii) there is delivered to the Registrar an opinion reasonably satisfactory to EDC of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws.

2.10 EDC covenants and agrees that it will not acquire any beneficial interest, and will cause its “affiliates” (as defined in paragraph 1 of Rule 144 under the Securities Act) not to acquire any beneficial interest, in any Registered Instrument bearing the Private Placement Legend unless it notifies the Registrar of such acquisition. The Registrar and all Holders of Instruments shall be entitled to rely without further investigation on any such notification (or lack thereof).

3. Status

3.01 The Instruments constitute direct, unconditional obligations of EDC and as such constitute direct and unconditional obligations of Her Majesty in right of Canada. Payments of principal of and interest on the Instruments are a charge on and payable out of the Consolidated Revenue Fund of Canada. The Consolidated Revenue Fund is the aggregate of all public moneys, such as tax revenues, which are on deposit to the credit of the Receiver General for Canada (the public officer who receives or collects public moneys for and on behalf of Canada). As among themselves, the Instruments of each Series will rank *pari passu* and will be payable rateably without any preference or priority.

4. Interest

4.01 Instruments may be interest-bearing or non-interest-bearing or a combination of the two, as specified in the applicable Final Terms. In the case of non-interest-bearing Instruments (“**Zero Coupon Instruments**”), a Reference Price and Amortisation Yield or Accrual Yield will, unless otherwise agreed, be specified in the applicable Final Terms. The Final Terms in relation to each Tranche of interest-bearing Instruments shall specify which of Conditions 4A, 4B, 4C and/or 4D shall be applicable and Condition 4E will be applicable to each Tranche of interest-bearing Instruments as specified therein, save, in each case, to the extent inconsistent with the applicable Final Terms. In relation to any Tranche of interest-bearing Instruments, the applicable Final Terms may specify actual amounts of interest payable rather than, or in addition to, a rate or rates at which interest accrues.

4A. Interest - Fixed Rate

4A.01 Instruments in relation to which this Condition 4A is specified in the applicable Final Terms as being applicable shall bear interest from their Issue Date or other such Interest Commencement Date as specified in the applicable Final Terms at the rate or rates per annum (or otherwise, as specified in the applicable Final Terms) equal to the Rate(s) of Interest specified in the applicable Final Terms. Such interest will be payable in arrear on such dates (in this Condition 4A, each an “**Interest Payment Date**”) as are specified in the applicable Final Terms and on the Maturity Date.

4A.02 Interest payable in respect of each Interest Period (as defined in Condition 8C.03) shall be calculated in accordance with Condition 4E.

4A.03 Unless otherwise specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on, but excluding such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

4B. Interest - Floating Rate

4B.01 Instruments in relation to which this Condition 4B is specified in the applicable Final Terms as being applicable, shall bear interest in the manner and at the rate or rates per annum (or otherwise, as specified in the applicable Final Terms) determined in accordance with this Condition 4B.

4B.02 Such Instruments shall bear interest from their Issue Date or such other Interest Commencement Date as specified in the applicable Final Terms. Such interest will be payable in arrear on each date specified as a Specified Interest Payment Date in the applicable Final Terms (each an “**Interest Payment Date**”) or, if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, “**Interest Payment Date**” shall mean each date which falls the number of months or other period specified in the applicable Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, subject in each case to adjustment in accordance with the applicable Business Day Convention. The amount of interest payable shall be determined in accordance with Condition 4E.

4B.03 The Final Terms in relation to each Series of Instruments in relation to which this Condition 4B is specified as being applicable shall specify which page (the “**Relevant Screen Page**”) on the Reuters Screen (as defined below) or, in the case of Final Terms in relation to a Series of Instruments issued pursuant to Rule 144A, the Bloomberg Screen (defined below) or any other information vending service shall be applicable. For these purposes, “**Reuters Screen**” means the Reuters 3000 Xtra Services (or such other service or services as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto) and “**Bloomberg Screen**” means the display page so designated on the Bloomberg service (or such other page as may replace that page on that service), or such other service as may be nominated as the information vendor.

4B.04 The rate of interest (the “**Rate of Interest**”) applicable to such Instruments for each Interest Period (as defined in Condition 8C.03) shall be determined by the Rate Setting Agent (as defined in Condition 4E.09) on the following basis:

- (i) the Rate Setting Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean, rounded, if necessary, to the nearest ten thousandth of a percentage point (.00005 being rounded upwards) of the rates for deposits) in the Specified Currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of the Relevant Time on the date specified in the applicable Final Terms or, if none is so specified, (i) the first day of such Interest Period if the Specified Currency is Pounds Sterling, (ii) the day falling two TARGET Business Days (as defined herein) prior to the first day of such

Interest Period if the Specified Currency is euro, and (iii) the day falling on the second London Banking Day (as defined below) prior to the first day of the relevant Interest Period if the Specified Currency is not Pounds Sterling or euro (the “**Interest Determination Date**”);

- (ii) if, on any Interest Determination Date no such rate for deposits so appears or if fewer than two such rates for deposits so appear, or if the Relevant Screen Page is unavailable, the Rate Setting Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the Specified Currency are offered by four major banks in the London interbank market (or in the Euro-zone interbank market in the case of EURIBOR), selected by the Rate Setting Agent, at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market (or in the Euro-zone interbank market in the case of EURIBOR) for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the Relevant Time; and
- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Rate Setting Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (iv) if fewer than two rates are so quoted, the Rate Setting Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (as defined in Condition 8C.03) (or, in the case of Instruments denominated in euro, in such financial centre or centres as the Rate Setting Agent may select) selected by the Rate Setting Agent, at approximately 11.00 a.m. Relevant Financial Centre time (or local time at such other financial centre or centres as aforesaid) on the Interest Determination Date for loans in the relevant currency to leading European banks for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the Relevant Time,

and the Rate of Interest applicable to such Instruments during each Interest Period (as defined in Condition 8C.03) will be the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of rates) so determined provided, however, that if the Rate Setting Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Instruments during such Interest Period will be the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of rates) determined in relation to such Instruments in respect of the last preceding Interest Period.

For purposes of these Conditions: (i) “**Relevant Time**” means the time as of which any rate is to be determined as specified in the applicable Final Terms or, if none is specified, at which it is customary to determine such rate; and (ii) “**Euro-zone**” means those Member States that are participating in the European Economic and Monetary Union whose lawful currency is the euro.

4B.05 The Rate Setting Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the amount of interest (the “**Interest Amount**”) payable in respect of the Calculation Amount of such Instruments specified in the applicable Final Terms for the relevant Interest Period. The Interest Amount shall be calculated in accordance with Condition 4E.

4C. Interest — ISDA Rate Indices

4C.01 Instruments in relation to which this Condition 4C is specified in the applicable Final Terms as being applicable shall bear interest at the rates per annum determined in accordance with this Condition 4C.

4C.02 Each such Instrument shall bear interest from its Issue Date or from such Interest Commencement Date as specified in the applicable Final Terms. Such interest shall be payable in arrear on such date and in such amounts as would have been payable (regardless of any event of

default or termination event or tax event thereunder) by EDC had it entered into a swap transaction governed by an agreement in the form of either the 1992 ISDA Master Agreement or the 2002 ISDA Master Agreement (as indicated in the applicable Final Terms), both as published by the International Swaps and Derivatives Association, Inc., (as amended, supplemented and updated as at the Issue Date of the first Tranche of Instruments of the relevant Series, or such other date as is specified in the applicable Final Terms) and the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (as amended and updated as at the Issue Date of the first Tranche of Instruments of the relevant Series, or such other date as is specified in the applicable Final Terms) (the “**ISDA Definitions**”) applied with the Holder of such Instruments under which:

- the Floating Rate Option is as specified in the applicable Final Terms;
- the Reset Date is either (i) if the applicable Floating Rate Option is based on the London Interbank Offered Rate (“**LIBOR**”) or EURIBOR for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms;
- EDC is the Fixed Rate Payer or, as the case may be, the Floating Rate Payer;
- the Rate Setting Agent is the Calculation Agent;
- the Designated Maturity, is a period as specified in the applicable Final Terms;
- the Effective Date was the Issue Date or such Interest Commencement Date as may be specified in the applicable Final Terms;
- the Interest Period is the Calculation Period;
- the nominal amount of such Instrument was the Calculation Amount; and
- all other terms were as specified in the applicable Final Terms.

For purposes of this Condition 4C.02, “Floating Rate,” “Floating Rate Option,” “Designated Maturity,” “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

4D. Interest — Other Rates

Index-Linked Instruments and Dual Currency Instruments

4D.01 Instruments (including index-linked Instruments (“**Index-Linked Instruments**”)) which bear interest at a rate determined by reference to an index and/or formula and dual currency instruments (“**Dual Currency Instruments**”) where the rate or amount of interest falls is to be determined by reference to a Rate of Exchange in relation to which this Condition 4D is specified in the applicable Final Terms as being applicable shall bear interest at the rate or rates calculated on the basis specified in, and be payable in arrear in the amounts and manner determined in accordance with, the applicable Final Terms.

Interest on Partly Paid Instruments

4D.02 In the case of partly paid Instruments (“**Partly Paid Instruments**”) (other than Partly Paid Instruments which are Zero Coupon Instruments), interest will accrue as aforesaid on the paid-up nominal amount of such Instruments and otherwise as specified herein or in the applicable Final Terms.

4E. Interest — Supplemental Provisions

4E.01 Conditions 4E.02 to 4E.011 shall be applicable, as appropriate, in relation to all Instruments which are interest-bearing.

Margin, Maximum/Minimum Rates of Interest, Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts

4E.02 If any Margin is specified in the applicable Final Terms (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods in the case of (B), calculated in accordance with Condition 4B above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.

4E.03 If any Maximum Rate of Interest/Amount of Interest or Minimum Rate of Interest/Amount of Interest, Instalment Amount, Early Redemption Amount or Final Redemption Amount is specified in the applicable Final Terms, then any Rate of Interest, Amount of Interest, Instalment Amount, Early Redemption Amount or Final Redemption Amount shall be subject to such maximum or minimum, as the case may be. For greater certainty, “Rate of Interest” in this Condition 4E.03 means the rate of interest after adjustment for the applicable Margin.

Calculations and Rounding

4E.04 The amount of interest payable per Calculation Amount in respect of any Instrument for any Interest Period shall be equal to the product of the Rate(s) of Interest (adjusted as required by Conditions 4E.02 and 4E.03), the Calculation Amount specified in the applicable Final Terms and the Day Count Fraction for such Interest Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such Instrument for such period shall equal such Interest Amount (or be calculated in accordance with such formula). In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

4E.05 For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest sub-unit of the relevant Specified Currency (with halves being rounded up or otherwise in accordance with applicable market convention).

4E.06 For these purposes “**sub-unit**” means with respect to any currency other than the euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

Business Day Conventions

4E.07 The Final Terms in relation to each Series of Instruments shall specify which of the following conventions (the “**Business Day Convention**”), if any, shall be applicable for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day:

- (i) the “**FRN Convention**” in which case interest shall be payable on each Interest Payment Date which numerically corresponds to the date of issue or such other date as specified in the applicable Final Terms or, as the case may be, the preceding Interest Payment Date in the calendar month which is the number of months specified in the applicable Final Terms after the calendar month in which such date of issue other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred, provided that:
 - (A) if there is no such numerically corresponding day in the calendar month in which an Interest Payment Date should occur, then the relevant Interest Payment Date will be the last day which is a Business Day (as defined in Condition 8C.03) in that calendar month;

- (B) if an Interest Payment Date would otherwise fall on a day which is not a Business Day, then the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) such date of issue or such other date as aforesaid or the preceding Interest Payment Date occurred on the last day in a calendar month which was a Business Day, then all subsequent Interest Payment Dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which such date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred;
- (ii) the “**Modified Following Business Day Convention**” in which case interest shall be payable in arrears on each Interest Payment Date provided that, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date will be the first preceding day which is a Business Day;
 - (iii) the “**Following Business Day Convention**” in which case interest shall be payable in arrears on each an Interest Payment Date provided that, if any Interest Payment Date falls on a date which is not a Business Day (as specified in the applicable Final Terms), the relevant Interest Payment Date will be the first following day which is a Business Day; or
 - (iv) such other convention as may be specified in the applicable Final Terms.

If “No Adjustment” or “Unadjusted” is indicated in the applicable Final Terms, the relevant date shall not be adjusted in accordance with any Business Day Convention.

Notification of Rates of Interest, Interest Amounts and Interest Payments Dates

4E.08 The Rate Setting Agent will cause each Rate of Interest, Interest Payment Date, final day of a Calculation Period, Interest Amount, or any other item, determined or calculated by it to be notified to EDC and the Paying Agents and, in the case of Registered Instruments, the Registrar (from whose respective specified offices such information will be available) as soon as practicable after such determination or calculations but in any event not later than the fourth Business Day thereafter and in the case of Instruments admitted to the Official List and to trading on the London Stock Exchange or listed on any other stock exchange, cause all such determinations or calculations to be notified to the UK Listing Authority and the London Stock Exchange and/or any other stock exchange on which the Instruments of the relevant Series may, for the time being, be listed by the time required by such stock exchange provided that, in the case of Instruments listed on any stock exchange(s), the requirements of such stock exchange(s) are complied with. The Rate Setting Agent will be entitled to amend any Interest Amount, Interest Payment Date or final day of a Calculation Period (or to make appropriate alternative arrangements by way of adjustment) without notice in the event of the extension or abbreviation of the relevant Interest Period or Calculation Period and such amendment will be notified in accordance with the first two sentences of this Condition 4E.08.

4E.09 The determination by the Rate Setting Agent of all items falling to be determined by it pursuant to these Conditions shall, in the absence of manifest error, be final and binding on all parties. As used herein, the “**Rate Setting Agent**” means the Fiscal Agent or such other agent as may be specified in the applicable Final Terms.

Accrual of Interest

4E.10 Interest shall accrue on the Nominal Amount of each Instrument or, in the case of an Instalment Instrument, on each instalment of principal or, in the case of a Partly Paid Instrument, on

the paid-up principal amount of such Instrument or otherwise as indicated in the applicable Final Terms. Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Instrument, in respect of each instalment of principal (an “**Instalment Amount**”), on the due date for payment thereof unless upon due presentation or surrender thereof (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment), payment in full of the Final Redemption Amount or the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue thereon (as well after as before any demand or judgement) at the rate then applicable to the Nominal Amount of the Instruments or such other rate as may be specified in the applicable Final Terms. Interest shall accrue until the date on which, upon due presentation of the relevant Instrument (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment), the relevant payment is made or, if earlier, the seventh day after the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 13 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Act (Canada) Disclosure

4E.11 For the purposes of disclosure pursuant to the *Interest Act* (Canada) and not for any other purpose, where in any Instrument a rate of interest is to be calculated on the basis of a period other than a calendar year, the annual rate of interest to which such rate of interest as determined by such calculation is equivalent is such rate as so calculated multiplied by a fraction, the numerator of which is the actual number of days in the particular calendar year in respect of which the calculation is made, and the denominator of which is the number of days used in the calculation.

4F. Interest – Day Count Fractions

“**Day Count Fraction**” means, in respect of the calculation of any Interest Amount on any Instrument for any period of time (the “**Calculation Period**”), such day count fraction as specified in the applicable Final Terms and;

- (i) if “**Actual/Actual (ICMA)**” is specified in the applicable Final Terms, it means:
 - (A) where the Calculation Period is equal to or shorter than the Regular Period (as defined below) during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (B) where the Calculation Period is longer than one Regular Period, the sum of:
 - (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year.

“**Regular Period**” means:

- (A) in the case of Instruments where interest is scheduled to be paid only by means of regular payments, each period from and including the Issue Date or Interest Commencement Date (as specified in the applicable Final Terms) to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (B) in the case of Instruments where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (C) in the case of Instruments where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.
- (ii) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is specified in the applicable Final Terms, it means: the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, it means: the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/360**” is specified in the applicable Final Terms, it means: the actual number of days in the Calculation Period divided by 360;
- (v) if “**Actual/365 Sterling**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;
- (vi) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, it means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, and D₁ is greater than 29, in which case D₂ will be 30;

- (vii) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, it means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (viii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where,

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₁ will be 30; or

- (ix) such other basis as is specified in the applicable Final Terms (including, without limitation, if the Interest Payment Dates do not fall at regular intervals between the Issue Date and the Maturity Date).

5. Redemption and Purchase

Redemption at Maturity

5.01 Unless previously redeemed, or purchased and cancelled, each Instrument shall be redeemed at its final redemption amount (the “**Final Redemption Amount**” which shall be its Nominal Amount or such other Final Redemption Amount as may be specified in or determined in accordance with the applicable Final Terms) on the Maturity Date specified in the applicable Final Terms (or, in the case of Instalment Instruments, in such number of instalments and in such amounts and on such dates as may be specified in the applicable Final Terms).

Early Redemption for Taxation Reasons

5.02 If, in relation to any Series of Instruments and as a result of any change in or amendment to applicable law (which change or amendment becomes effective on or after the date of issue of such Instruments or any earlier date specified in the applicable Final Terms), EDC determines that it would, on the occasion of the next payment in respect of such Instruments, be required to pay additional amounts in accordance with Condition 7, then EDC may (but shall not, unless it has given the appropriate notice, be obliged to), upon the expiry of the appropriate notice, redeem all (but not some only) of the Instruments comprising the relevant Series at their Nominal Amount (or at such other Early Redemption Amount as may be specified in the applicable Final Terms), together with accrued interest (if any) thereon.

Issuer’s Optional Early Redemption (“Call Option”)

5.03 If this Condition 5.03 is specified in the applicable Final Terms as being applicable, then EDC may, upon the expiry of the appropriate notice and subject to such conditions as may be specified in the applicable Final Terms, redeem all (but not, unless and to the extent that the applicable Final Terms specifies otherwise, some only) of the Instruments of the relevant Series at their call optional redemption amount (the “**Optional Redemption Amount**”) (which shall be their Nominal Amount or such other Optional Redemption Amount on such dates (“**Optional Redemption Date(s)**”) all as may be specified in or determined in accordance with the applicable Final Terms) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon.

The Appropriate Notice

5.04 The appropriate notice referred to in Conditions 5.02 and 5.03 is a notice given by EDC to the Fiscal Agent, Euroclear and/or Clearstream, Luxembourg (in the case of Bearer Instruments), the Registrar (in the case of Registered Instruments) and the Holders of the Instruments of the relevant Series, which notice shall be signed by one duly authorised officer of EDC and shall specify:

- the Series of Instruments subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount (being the “**Minimum Redemption Amount**” or “**Maximum Redemption Amount**”, in each case as specified in the applicable Final Terms, as the case may be) of the Instruments of the relevant Series which are to be redeemed;
- the Optional Redemption Date, which shall be a Business Day (as defined in Section 8C.03) which is not more than sixty days and not less than thirty days (or such other or lesser Notice Period as may be specified in the applicable Final Terms) after the date on which such notice

is validly given and which is (in the case of Instruments which bear interest at a floating rate) a date upon which interest is payable; and

- the Optional Redemption Amount at which such Instruments are to be redeemed.

Any such notice shall be irrevocable, and the delivery thereof shall oblige EDC to make the redemption therein specified.

Partial Redemption

5.05 If the Instruments of a Series are to be redeemed in part only on any date in accordance with Condition 5.03:

- in the case of Bearer Instruments, (i) the Definitive Instruments to be redeemed shall be individually drawn by lot in such European city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair or (ii) in the case of Global Instruments to be redeemed, shall be selected in accordance with the rules of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), subject in each case always to compliance with all applicable laws and the requirements of any stock exchange or other relevant authority on which the relevant Instruments may be listed; and
- in the case of Registered Instruments, the Registered Instruments shall be redeemed (so far as may be practicable) pro rata to their Nominal Amounts, subject always to compliance with all applicable laws and the requirements of any stock exchange or other relevant authority on which the relevant Instruments may be listed and provided always that the amount redeemed in respect of each Instrument shall be equal to the minimum Specified Denomination thereof or an integral multiple thereof (or, if specified in the applicable Final Terms, an integral amount in excess of the minimum Specified Denomination).

So long as the Instruments are listed on the London Stock Exchange and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Instruments, cause to be published in a leading newspaper of general circulation in London a notice specifying the aggregate Nominal Amount of Instruments outstanding and a list of the Instruments drawn for redemption but not surrendered.

Optional Early Redemption (“Put Option”)

5.06 If this Condition 5.06 is specified in the applicable Final Terms as being applicable, then EDC shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the Optional Redemption Date (or the next of the Optional Redemption Dates specified in the applicable Final Terms) at its Optional Redemption Amount specified in, or determined in accordance with, the applicable Final Terms, less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Instrument under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date so specified (or such other Notice Period as may be specified in the applicable Final Terms), deposit the relevant Instrument (together, in the case of an interest-bearing Definitive Instrument, with each unmatured Coupon appertaining thereto) with, in the case of a Bearer Instrument, any Paying Agent or, in the case of a Registered Instrument, the Registrar together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar or, in the case of a Permanent Global Instrument, with the form of redemption notice endorsed thereon duly completed.

Purchase of Instruments

5.07 EDC may at any time purchase Instruments in the open market or otherwise and at any price provided that, in the case of interest-bearing Definitive Instruments, each unmatured Coupon appertaining thereto is purchased therewith.

Cancellation of Redeemed and Purchased Instruments

5.08 All unmatured Instruments purchased in accordance with this Condition 5 and, in the case of interest-bearing Definitive Instruments, any unmatured Coupons attached thereto or surrendered or purchased therewith may, at the option of EDC, be cancelled. Instruments which are purchased by EDC and not cancelled may be held or resold by EDC without limitation.

5.09 All Instruments redeemed as aforesaid will be cancelled forthwith and any Instruments purchased by EDC as aforesaid may, at the option of EDC, be cancelled. Any Instruments to be cancelled shall be cancelled together with all unmatured Coupons attached thereto or surrendered or purchased therewith, and may not be resold or reissued.

Early Redemption

5.10 For the purpose of Condition 5.02 above and Condition 6, each Instrument will be redeemed at the Early Redemption Amount:

(i) calculated in the case of a Zero Coupon Instrument, at an amount (the “**Amortised Face Amount**”) equal to the product of:

(A) the Reference Price, as set out in the applicable Final Terms; and

(B) the sum of one (1) and the Accrual Yield, raised to the power of x , where “ x ” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Instruments to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Instrument becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms; and

(ii) which, in respect of any Instrument (other than the Instruments described in (i) above), shall be the Final Redemption Amount (which shall be its Nominal Amount) unless otherwise specified in the applicable Final Terms.

Late Payment on Zero Coupon Instruments

If the amount payable in respect of any Zero Coupon Instrument upon redemption of such Zero Coupon Instrument pursuant to Conditions 5.01, 5.02, 5.03 or 5.06 above or upon its becoming due and repayable as provided in Condition 6 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Instrument shall be the amount calculated as provided in Condition 5.10(i) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Instrument becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Instrument have been paid; and

- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Instrument has been received by the Fiscal Agent and notice to that effect has been given to the Holders of the Instruments in accordance with Condition 13.

6. Events of Default

6.01 Unless otherwise specified in the applicable Final Terms, the following events or circumstances (each an “**Event of Default**”) shall be events of default in relation to the Instruments of any Series, namely:

- (i) default by EDC in the payment of any amount payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of any Instrument, when and as the same shall become due and payable, if such default shall not have been cured within fourteen days after written notice of such default, given by the Holder of such Instrument (who shall also send at the same time a copy of such notice to the Fiscal Agent), shall have been received by EDC; or
- (ii) EDC shall fail duly to perform or observe any other term, undertaking or agreement contained in any of such Instruments for a period of thirty days after the date on which written notice of such failure, requiring EDC to remedy the same, shall first have been given to EDC by the Holder of any such Instrument.

6.02 If any Event of Default shall occur in relation to any Series of Instruments, any Holder of an Instrument of the relevant Series may, by written notice to EDC, at the specified office of the Fiscal Agent, declare that such Instrument and (if the Instrument is interest-bearing) all interest then accrued on such Instrument shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Instrument under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which EDC will expressly waive, anything contained in such Instruments to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Instruments of the relevant Series shall have been cured.

7. Taxation

7.01 All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Instruments will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of the government of Canada or any province, territory or political subdivision thereof or any authority or agency therein or thereof having power to tax, unless such taxes, duties, assessments or charges are required by law or by the administration or official interpretation thereof to be withheld or deducted. In that event, EDC will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder of any Instrument or Coupon after such withholding or deduction shall equal the respective amounts which would have been receivable in the absence of such withholding or deduction, except that no such additional amounts shall be payable in respect of payment in respect of any Instrument or Coupon:

- (i) to, or to a third party on behalf of, a Holder of an Instrument or Coupon who is liable to such taxes, duties, assessments or charges in respect of such Instrument or Coupon by reason of his having some connection with Canada other than the mere holding or ownership as a non-resident of Canada of such Instrument or Coupon; or
- (ii) 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 on the taxation of

savings income or any other Directive implementing the conclusion 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

- (iii) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Instrument or Coupon to another Paying Agent in a member state of the European Union; or
- (iv) presented for payment more than thirty days after the Relevant Date (as defined in Condition 7.02), except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days.

7.02 For the purposes of these Conditions, the “**Relevant Date**” means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent or, as the case may be, the Registrar on or prior to such due date, it means the first date on which the full amount of such moneys having been so received and having available for payment to Holders of Instruments and of Coupons, notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 13.

7.03 For the purposes of these Conditions, references to (i) “**principal**” shall be deemed to include any premium payable in respect of the Instruments, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition 7.

8. Payments

8A. Payments — Bearer Instruments

8A.01 This Condition 8A is applicable in relation to Instruments specified in the applicable Final Terms as being Bearer Instruments.

8A.02 Payments of amounts (other than interest) due in respect of Bearer Instruments will be made against presentation and (save in the case of a partial redemption which includes, in the case of an Instalment Instrument, payment of any instalment other than the final instalment) surrender of the relevant Bearer Instruments at the specified office of any of the Paying Agents.

8A.03 Payment of amounts in respect of interest on Bearer Instruments will be made:

- (i) in the case of a Temporary Global Instrument or Permanent Global Instrument, against presentation of the relevant Temporary Global Instrument or Permanent Global Instrument at the specified office of any of the Paying Agents outside the United States and (unless otherwise specified in the applicable Final Terms), in the case of a Temporary Global Instrument, upon due certification as required therein;
- (ii) in the case of Definitive Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Instruments at the specified office of any of the Paying Agents outside the United States; and
- (iii) in the case of Definitive Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the

relevant Definitive Instruments, in either case at the specified office of any of the Paying Agents outside the United States.

8A.04 If the due date for payment of any amount due in respect of any Bearer Instrument is not both a Relevant Financial Centre Day (as defined in Condition 8C.03) and a Local Banking Day (as defined in Condition 8C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and, thereafter will be entitled to receive payment by cheque on any Local Banking Day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the Specified Currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4E.10.

8A.05 Each Definitive Instrument initially delivered with Coupons attached thereto should be presented and (save in the case of partial payment which includes, in the case of an Instalment Instrument, payment of any instalment other than the final instalment) surrendered for final redemption together with all unmatured Coupons appertaining thereto, failing which:

- (i) in the case of Definitive Instruments which bear interest at a fixed rate or rates, the amount of any missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the amount of such missing Coupons which the redemption amount so paid bears to the total redemption amount due) will be deducted from the final redemption amount, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within two (2) years of the Relevant Date applicable to payment of such final redemption amount; and
- (ii) in the case of Definitive Instruments which bear interest at, or at a Margin above or below, a floating rate, all unmatured Coupons relating to such Definitive Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 8A.05 notwithstanding, if any Definitive Instruments which bear interest at a fixed rate or rates should be issued with a Maturity Date and a fixed rate or fixed rates such that, on the presentation for payment of any such Definitive Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

8A.06 For the purposes of these Conditions, the “**United States**” means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

8B. Payments — Registered Instruments

8B.01 This Condition 8B is applicable in relation to Instruments specified in the applicable Final Terms as being Registered Instruments.

8B.02 Payment of amounts (whether in respect of principal, redemption amount, interest or otherwise and including accrued interest) due in respect of Registered Instruments on the final redemption of Registered Instruments will be made against presentation and, save in the case of partial payment of the amount due upon final redemption by reason of insufficiency of funds, surrender of the relevant Registered Instruments at the specified office of the Registrar. If the due date for payment of the Final Redemption Amount of any Registered Instrument is not both a Relevant Financial Centre Day (as defined in Condition 8C.03) and a Local Banking Day (as defined in Condition 8C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and, thereafter will be entitled to receive payment by cheque on any Local Banking Day, and, will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4E.10.

8B.03 Payment of amounts (whether principal, redemption amount or interest or otherwise and including accrued interest) due (other than in respect of the final redemption of Registered Instruments) in respect of Registered Instruments will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at opening of business (local time in the place of the specified office of the Registrar) (i) in relation to Registered Instruments in global form, the first Relevant Banking Day (as defined in Condition 2.07) before the due date for payment thereof or (ii) in relation to Registered Instruments in definitive form on the fifteenth Relevant Banking Day (as defined in Condition 2.07) before the due date for such payment (the “**Record Date**”).

8B.04 Notwithstanding the provisions of Condition 8C.02, payment of amounts (whether in respect of principal, redemption amount, interest or otherwise and including accrued interest) due (other than in respect of final redemption of Registered Instruments) in respect of Registered Instruments will be made by cheque and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 2.07) not later than the relevant date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account in the relevant currency.

8C. Payments — General Provisions

8C.01 Save as otherwise specified herein, this Condition 8C is applicable in relation to Instruments whether in bearer form or in registered form.

8C.02 Payments of amounts due (whether in respect of principal, redemption amount, interest or otherwise) in respect of Instruments will be made by (a) transfer to an account specified by the payee; or (b) cheque. Payments in respect of Instruments may be made in the Specified Currency or in such other currency or currencies referred to under Condition 1.13. The unconditional and irrevocable payment in full by EDC to any Holder (including any Relevant Account Holder) shall discharge EDC from all corresponding portion of the relevant Instrument. Payments will, without prejudice to the provisions of Condition 7, be subject in all cases to any applicable fiscal or other laws and regulations.

8C.03 For the purposes of these Conditions:

- (i) “**Business Day**” means a day:
 - (A) in relation to Instruments denominated or payable in euro, a TARGET Business Day, provided that if EDC determines with the agreement of the Fiscal Agent that the then

market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and EDC shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as EDC, in consultation with the Fiscal Paying Agent, may determine;

- (B) in relation to Instruments payable in any other currency, on which commercial banks are open for business and foreign exchange markets settle payments in the Relevant Financial Centre (as defined below) in respect of the relevant currency; and
 - (C) in either case, on which commercial banks are open for general business and foreign exchange markets settle payments in any place specified in the applicable Final Terms (a “**Business Centre**”);
- (ii) “**Interest Period**” means the period beginning on (and including) such date of issue or other such date as specified in the applicable Final Terms and ending on (but excluding) the first Interest Payment Date and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date;
 - (iii) “**Local Banking Day**” means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in the place of presentation of the relevant Instrument or as the case may be, Coupon;
 - (iv) “**London Banking Day**” means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
 - (v) “**Relevant Financial Centre**” means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of “**Business Day**” in the ISDA Definitions;
 - (vi) “**Relevant Financial Centre Day**” means a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and in any additional Financial Centre specified in the applicable Final Terms and, in the case of payment in euro, a TARGET Business Day;
 - (vii) “**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system or any successor thereto;
 - (viii) “**TARGET Business Day**” means any day on which TARGET2 is open for the settlement of payments in euro; and
 - (ix) references herein to “**USD**” and “**U.S. dollars**” means the lawful currency of the United States of America; to “**euro**” or “**€**” each means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended; and to “**£**” or “**Pounds Sterling**” each means the lawful currency of the United Kingdom,

and in the case of paragraphs (i) to (viii) of this Condition 8C.03, as the same may be modified in the applicable Final Terms.

8C.04 Unless specified otherwise in the applicable Final Terms, if EDC is due to make a payment in a currency (the “**original currency**”) other than United States Dollars in respect of any Instrument, Coupon or Receipt and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency’s replacement or disuse or other

circumstances beyond EDC's control, EDC will be entitled to satisfy its obligations in respect of such payment by making payment in United States Dollars on the basis of the spot exchange rate (the "United States Dollar FX Rate") at which the original currency is offered in exchange for United States Dollars in the London foreign exchange market (or, at the option of EDC or the Fiscal Agent (or other Rate Setting Agent as set out in the applicable Final Terms), in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two Business Days prior to the date on which payment is due, or if the United States Dollars FX Rate is not available on that date, on the basis of a substitute exchange rate determined by EDC or by the Fiscal Agent (or other Rate Setting Agent as set out in the applicable Final Terms) acting in its absolute discretion from such source(s) and at such time as it may select. For the avoidance of doubt, the United States Dollars FX Rate or substitute exchange rate as aforesaid may be such that the resulting United States Dollars amount is zero and in such event no amount of United States Dollars or the original currency will be payable. Any payment made in United States Dollars or non-payment in accordance with this paragraph will not constitute an Event of Default under Condition 6.

8D. Payments – Special Provisions Applicable to Payment of Principal, Premium, if any, and Interest, if any, in currencies other than U.S. dollars

8D.01 Special provisions applicable to payment of principal, premium, if any, and interest, if any, to be made in currencies other than U.S. dollars shall be specified in the applicable Final Terms.

9. Prescription

9.01 Claims against EDC in respect of Bearer Instruments and Coupons will become void unless made within two years after the Relevant Date (as defined in Condition 7.02) for payment thereof.

9.02 Claims against EDC in respect of Registered Instruments will be prescribed unless made within two years after the due date for payment.

10. The Paying Agents and the Registrars

10.01 The initial Paying Agents and Registrar and their respective initial specified offices are specified herein. EDC reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or the Registrar and to appoint additional or other Paying Agents or another Registrar provided that it will at all times maintain (i) a Fiscal Agent; (ii) a Registrar and; (iii) a Paying Agent (which may be the Fiscal Agent) with a specified office in continental Europe (but outside the United Kingdom). EDC will maintain Paying Agents having specified offices in at least two major European cities including London, so long as the Instruments are admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange and/or any other stock exchange. In addition, EDC undertakes that it will insure that it maintains a Paying Agent in a member state of the European Union that will not be required to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to such Directive. The Paying Agents and the Registrar reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agent or the Registrar will be notified promptly to the Holders of the Instruments in accordance with Condition 13.

10.02 The Paying Agents and Registrars act solely as agents of EDC and, save as provided in the Fiscal Agency Agreement, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon them in the Fiscal Agency Agreement or incidental thereto.

11. Replacement of Instruments

11.01 If any Instrument or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or such Paying Agent or Paying Agents as may be

specified for such purpose in the applicable Final Terms (in the case of Bearer Instruments and Coupons) or of the Registrar (in the case of Registered Instruments), subject to all applicable laws and the requirements of any stock exchange or other relevant authority on which the relevant Instruments are listed, upon payment by the claimant of all expenses incurred in such replacement and upon such terms as to evidence, security, indemnity and otherwise as EDC and the Fiscal Agent, the relevant Paying Agent or, as the case may be, the Registrar may require. Mutilated or defaced Instruments and Coupons must be surrendered before replacements will be delivered therefor.

12. Meetings of Holders, Further Issues and Amendments

12.01 The Fiscal Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of these Conditions. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Instruments of such Series.

12.02 The Fiscal Agency Agreement, the Instruments and any Receipts and Coupons attached to the Instruments may be amended by the Issuer and the Fiscal Agent without notice to or the consent of the Holder of any Instrument, Receipt or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein, (ii) to make any further modifications of the terms of the Fiscal Agency Agreement necessary or desirable to allow for the issuance of any additional Instruments (which modifications shall not be materially adverse to Holders of outstanding Instruments) or (iii) in any manner which the Issuer and the Fiscal Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the Holders of the Instruments, Receipts and Coupons. The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, the Instruments and any Receipts and Coupons attached to the Instruments, if to do so could not reasonably be expected to be prejudicial to the interests of the Holders.

13. Notices

To Holders of Bearer Instruments

13.01 Notices to Holders of Bearer Instruments will, save where another means of effective communication has been specified herein or in the applicable Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*); or, such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe or, if permitted by the relevant stock exchange or other relevant authority in the case of a Temporary Global Instrument or Permanent Global Instrument, if delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein provided that, in the case of Instruments admitted to listing on any stock exchange or other relevant authority, the rules of such stock exchange or other relevant authority have been complied with. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the first date on which publication is made) or, as the case may be, on the fourth weekday after the date of such delivery to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Instruments in accordance with this Condition.

To Holders of Registered Instruments

13.03 Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses

as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth day after the date of such mailing or if posted from another country on the fifth day.

To EDC

13.04 Notices to EDC will be deemed to be validly given if delivered to it at 150 Slater Street, Ottawa, Ontario, Canada K1A 1K3 and clearly marked on their exterior “Urgent — Attention: Treasury Division” (or at such other address and for such other attention as may have been notified to the Holders of the Instruments in accordance with this Condition 13) and will be deemed to have been validly given at the opening of business on the next day on which EDC’s registered office is open for business.

14. Law and Jurisdiction

14.01 The Instruments, the Fiscal Agency Agreement, the Purchase Agreement (as defined under “Subscription and Sale”) and the Deed of Covenant 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.

14.02 The Holders of Instruments may enforce payment against Her Majesty in right of Canada by suit in the Federal Court of Canada or a provincial court of competent jurisdiction, no other governmental or other consent being required for such enforcement. A judgement obtained in an action brought against Her Majesty in right of Canada in the Federal Court of Canada or a provincial court of competent jurisdiction is not capable of being enforced by execution, but is payable out of the Consolidated Revenue Fund of Canada.

15. Further Issues

15.01 EDC may from time to time, without notice to or the consent of the Holders of any Instruments, create and issue further instruments, bonds or debentures having the same terms and conditions as such Instruments in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Instruments of any particular Series.

16. Currency Indemnity

16.01 The currency in which the Instruments are denominated or, if different, payable, as specified in the applicable Final Terms (the “**Contractual Currency**”) is the sole currency of account and payment for all sums payable by EDC in respect of the Instruments, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction or otherwise) by any Holder of an Instrument or Coupon in respect of any sum expressed to be due to it from EDC shall only constitute a discharge to EDC to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of an Instrument or Coupon in respect of such Instrument or Coupon, EDC shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, EDC shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from EDC’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of an Instrument or Coupon and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Instruments or any judgement or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of an Instrument or Coupon and no proof or evidence of any actual loss will be required by EDC.

17. Waiver and Remedies

17.01 No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

TRANSFERS OF INSTRUMENTS IN THE FORM OF GLOBAL NOTES

Transfers of interests in Instruments in the form of Global Notes within Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a DTC Global Note or European Global Note to such persons may be limited.

Transfers may be made at any time by a holder of an interest in an Unrestricted Global Note to a transferee who wishes to take delivery of such interest through a Restricted Global Note provided that any such transfer made on or prior to the expiration of the distribution compliance period (as referred to in “Subscription and Sale”) relating to the Instruments represented by such Unrestricted Global Note will only be made upon receipt by the Registrar or any Transfer Agent of a written certificate from the transferor of such interest to the effect that such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities law of any state of the United States or any other jurisdiction. Transfers at any time by a holder of any interest in the Restricted Global Note to a transferee who takes delivery of such interest through an Unrestricted Global Note will only be made upon delivery to the Registrar or any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S.

Subject to compliance with the transfer restrictions applicable to the Registered Instruments described above and under “Transfer Restrictions”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg account holders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Fiscal Agent.

Although Euroclear, Clearstream, Luxembourg and DTC are expected to follow their customary procedures in order to facilitate transfers of beneficial interests in the Global Notes among participants and account holders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of EDC, the Fiscal Agent, the Registrar or any Paying Agent will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations.

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a “banking organization” under the laws of the State of New York, a member of the U.S. Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

**PRO FORMA FINAL TERMS
(DENOMINATIONS OF LESS THAN €100,000 (or its equivalent in other currencies))**

Final Terms dated [●]

EXPORT DEVELOPMENT CANADA

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments]
under the USD 20 Billion Programme for the Issuance of Debt Instruments
of Export Development Canada**

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Instruments in any Member State of the European Economic Area which has implemented the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**” and each such Member State, a “**Relevant Member State**”), including each Relevant Member State that has implemented amendments to Article 3(2) of the Prospectus Directive with regard to persons to whom an offer of securities is addressed and the denomination per unit of the offer of securities, will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Instruments. Accordingly, any person making or intending to make an offer of the Instruments may only do so in:

- (i) circumstances in which no obligation arises for the Issuer or any Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purposes therein.

Neither the Issuer nor any Purchaser has authorised, nor do they authorise, the making of any offer of Instruments in any other circumstances.]

[Include the above legend where a non-exempt offer of Instruments is anticipated.]

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Instruments in any Member State of the European Economic Area which has implemented the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**” and each such Member State, a “**Relevant Member State**”), including each Relevant Member State that has implemented amendments to Article 3(2) of the Prospectus Directive with regard to persons to whom an offer of securities is addressed and the denomination per unit of the offer of securities, will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Instruments. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Purchaser has authorised, nor do they authorise, the making of any offer of Instruments in any other circumstances.]

[Include the above legend where only an exempt offer of Instruments is anticipated.]

The Instruments have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and, subject to certain exceptions, may not be offered, sold or, in the case of Instruments issued in bearer form, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). See “Subscription and Sale” and “Transfer Restrictions” in the Prospectus dated December 21, 2011.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the Prospectus dated December 21, 2011 [and the supplemental Prospectus[es]¹ dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. [The Prospectus [and the supplemental Prospectus[es]] [is] [are] available for viewing during normal business hours at and copies may be obtained from the offices of the Issuer, Export Development Canada, 150 Slater Street, Ottawa, Ontario, Canada K1A 1K3 and the offices of the Fiscal Agent, Paying Agent and Second Alternative Registrar, The Bank of New York Mellon, One Canada Square, London E14 5AL, United Kingdom.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the Prospectus dated [original date]. This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated December 21, 2011 [and the supplemental Prospectus[es] dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [original date] and are incorporated by reference in the Prospectus dated December 21, 2011. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus dated December 21, 2011 [and the supplemental Prospectus dated [●]]. The Prospectus dated December 21, 2011 [and the supplemental Prospectus[es]] and the Conditions which are extracted from the Prospectus dated [original date] and are incorporated by reference in the Prospectus dated December 21, 2011 are available for viewing during normal business hours at and copies may be obtained from the registered office of the Issuer, Export Development Canada, 150 Slater Street, Ottawa, Ontario, Canada K1A 1K3 and the offices of the Fiscal Agent, Paying Agent and Second Alternative Registrar, The Bank of New York Mellon, One Canada Square, London E14 5AL, United Kingdom.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

¹ Only include details of a supplemental Prospectus in which the Conditions have been amended or information added for the purpose of all future issues under the Programme.

1. Issuer: Export Development Canada (“EDC”)
2. [(i)] Series Number: []
- [(ii)] Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Instruments become fungible.)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount: []
- [(i)] Series: []
- [(ii)] Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(if applicable)*]
6. (i) Specified Denomination(s):² []
 (Condition 1.10 or 1.11)
[NTD: where the Instruments are issued in Global form but may be exchangeable for Definitive Notes at the holder’s option, such Notes may only be issued in a Specified Denomination(s) and integral multiples of such Specified Denomination(s)]
- (ii) Calculation Amount
[NTD: If there is only one Specified Denomination, insert the Specified Denomination. If there is more than one Specified Denomination insert the highest common factor of those Specified Denominations (N.B. there must be a common factor in the case of two or more Specified Denominations.)]
7. (i) Issue Date: []
- (ii) Interest Commencement Date: [*Specify*]/Issue Date/Not Applicable]
8. Maturity Date: [*Specify date or (for Floating Rate Instruments) Interest Payment Date falling in or nearest to the relevant month and year*]
9. Interest Basis: [[●] per cent. Fixed Rate]
 [[*specify reference rate*] +/- [●] per cent. Floating

² *Where the instruments have a maturity of less than one year and the issue proceeds are to be accepted in the United Kingdom, such Instruments will be subject to Section 19 FSMA unless their denomination is £100,000 or more (or its equivalent in other currencies) and they are only issued to “professionals” within article 9(2)(a) of the Financial Services and Markets Act (Regulated Activities) Order 2001. Add the following language: “Instruments (including Instruments denominated in Pounds Sterling) in respect of which the issue proceeds are to be accepted by EDC in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).”*

- (Condition 4) Rate]
 [Zero Coupon]
 [Index-Linked Interest]
 [Other (*specify*)]
 (further particulars specified below)
10. Redemption/Payment Basis:³ [Redemption at par]
 [Index-Linked Redemption]
 [Dual Currency]
 [Partly Paid]
 [Instalment]
 [Other (*specify*)]
11. Change of Interest or Redemption/
 Payment Basis: [*Specify details of any provision for convertibility of
 Instruments into another interest or
 redemption/payment basis*]
12. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]
13. Status of the Instruments: Unsecured, Unsubordinated
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Instrument Provisions
 (Condition 4A)** [Applicable/Not Applicable]
*(If not applicable, delete the remaining sub-
 paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [] per cent. per annum [payable
 [annually/semi-annually/quarterly/monthly/other
 (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance
 with [*specify Business Day Convention and any
 applicable Business Centre(s) for the definition of
 Business Day*]/not adjusted]
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount payable on
 the Interest Payment Date falling [in/on] []
- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/other]
- (vi) [Determination Dates: [] in each year (*insert regular interest dates,
 ignoring issue date or maturity date in the case of a
 long or short first or last coupon. (N.B. Only
 relevant where Day Count Fraction is Actual/Actual
 (ICMA)*)
- (vii) Other terms relating to the
 method of calculating interest [Not Applicable/*give details*]

for Fixed Rate Instruments:

- 16. Floating Rate Instrument Provisions (Condition 4B or Condition 4C)** [Applicable/Not Applicable] [Condition 4[B][C] applies]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Period(s): []
- (ii) Specified Interest Payment Dates: []
- (iii) First Interest Payment Date: []
- (iv) Business Day Convention: [FRN Convention/Following Business Day Convention/Modified Following Business Day Convention/other *(give details)*]
- (v) Business Centre(s): []
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]
- (vii) Rate Setting Agent/Party responsible for calculating the Rate(s) of Interest and Interest Amount (if not the Fiscal Agent) : []
- (viii) Screen Rate Determination: [Applicable/Not Applicable]
 (Condition 4B)
- Reference Rate: []
- Interest Determination Date(s): []
- Relevant Screen Page: [] *(In the case of EURIBOR, if not Reuters Screen EURIBOR01 Page, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- Relevant Time: []
- (ix) ISDA Determination: [Applicable/Not Applicable][1992 ISDA Agreement][2002 ISDA Agreement]
 (Condition 4C)
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []
- (x) Margin(s): [+/-] [] per cent. per annum
- (xi) Minimum Rate of Interest: [] per cent. per annum
 (Condition 4E.03)

- (xii) Maximum Rate of Interest: [] per cent. per annum
(Condition 4E.03)
- (xiii) Day Count Fraction: []
(Condition 4B.05)
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest, if different from those set out in the Conditions: []

17. Zero Coupon Instrument Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) [Amortization/Accrual] Yield: [] per cent. per annum
- (ii) Reference price: []
- (iii) Any other formula/basis of determining amount payable: []

18. Index-Linked Interest Instrument/other variable-linked interest Instrument Provisions (Condition 4D) [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Index/Formula/other variable: [give or annex details]
- (ii) Rate Setting Agent/Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): []
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: []
- (iv) Determination Date(s): []
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Interest Periods or calculation period(s): []

- (vii) Specified Interest Payment Date(s): []
- (viii) Business Day Convention: [FRN Convention/Following Business Day Convention/Modified Following Business Day Convention/ other (give details)]
- (ix) Business Centre(s): []
- (x) Minimum Rate/Amount of Interest: [] per cent. per annum
- (xi) Maximum Rate/Amount of Interest: [] per cent. per annum
- (xii) Day Count Fraction: []

19. Dual Currency Instrument Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Rate Setting Agent/Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal Agent): []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. Call Option (Condition 5.03) [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount

- (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Notice period³: []
- 21. Put Option (Condition 5.06)** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period⁴: []
- 22. Final Redemption Amount of each Instrument:** [] per Calculation Amount
In cases where the Final Redemption Amount is Index-Linked or other variable-linked:
- (i) Index/Formula/variable: *[give or annex details]*
- (ii) Rate Setting Agent/Party responsible for calculating the Final Redemption Amount (if not the Fiscal Agent): []
[include name and address of Calculation Agent]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: []
- (iv) Determination Date(s): []
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted including market or settlement disruption events, and/or adjustment rules with relation to events concerning the underlying: []

³ The clearing systems require a reasonable notice period and request 5 business days' notice (call).

⁴ The clearing systems require a reasonable notice period and request 15 business days' notice (put).

- (vi) Payment Date: []
- (vii) Minimum Final Redemption Amount: [] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [] per Calculation Amount

23. Early Redemption Amount:

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): []

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

24. Form of Instruments:
(Condition 1.01)⁵

Bearer Instruments:

(Condition 1.02)

[Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Instrument.]

[Temporary Global Instruments exchangeable for Definitive Instruments on or after the Exchange Date.]

[Permanent Global Instrument exchangeable for Definitive Instrument on [] days' notice/ at any time/ in the limited circumstances specified in the Permanent Global Instrument.]

[Exchangeable for Registered Instruments]
(Conditions 1.02 and 2.05)

Registered Instruments:

(Condition 1.08)

[Global Registered Instrument registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg / a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg (that is, held under the NSS)]]

⁵ Where the Instruments are issued in Global form but may be exchangeable for Definitive Notes at the holder's option, such Notes may only be issued in a Specified Denomination(s) and integral multiples of such Specified Denomination(s)

25. New Global Note: [Yes] [No]
(If Notes in bearer form are intended to be eligible collateral for Eurosystem monetary policy and intra-day credit operations, the New Global Note should be used. The New Global Note should only be used if it is intended that the Notes be held in a manner which would allow Eurosystem eligibility and a “yes” election is made in the section in Part B under the heading “Operational Information” entitled “Intended to be held in a manner which would allow Eurosystem eligibility”.)
26. Financial Centre(s) or other special provisions relating to Interest Payment Dates: [Not Applicable/give details. Note that this paragraph relates to the date and place of payment and not interest period end dates to which subparagraphs 15(ii), 16(v) and 18(ix) relate]
27. Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): [Yes/No. If yes, give details]
28. Details relating to Partly Paid Instruments: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Instruments and interest due on late payment]: (Condition 4D.02) [Not Applicable/give details]
29. Details relating to Instalment Instruments: amount of each instalment, date on which each payment is to be made. (Conditions 1.07 and 4E.10) [Not Applicable/give details]
30. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions annexed to these Final Terms apply]
31. Consolidation provisions: [Not Applicable/The provisions annexed to these Final Terms apply]
32. Other final terms: [Not Applicable/give details]
[(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)]

DISTRIBUTION

33. (i) If syndicated, names and addresses of Managers and [Not Applicable/give names, addresses and underwriting commitments of entities agreeing to

- underwriting commitments: *underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment on a “best efforts” basis if such entities are not the same as the Managers]*
- (ii) Date of Purchase Agreement: [Not Applicable/give date]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name and address of Relevant Dealer: [Not Applicable/give name and address]
35. Total commission and concession [] per cent. of the Aggregate Nominal Amount
36. US Selling Restrictions: [Reg. S Compliance Category; TEFRA C/TEFRA D/TEFRA rules not applicable]
37. Non-exempt Offer: [Not Applicable] [An offer of the Instruments may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplement have been passported] (“**Public Offer Jurisdictions**”) during the period from [specify date] until [specify date] (“**Offer Period**”). See further Paragraph 9 of Part B below.
38. U.S. Considerations: [insert, to the extent not covered in the Prospectus, any United States tax considerations, risk factors and other necessary or appropriate disclosure (if offering pursuant to Rule 144A of the United States Securities Act of 1933, as amended)]
39. Additional selling restrictions: [Not Applicable/give details]

[PURPOSE OF THE FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [specify relevant regulated market and if relevant, listing on an official list] of the Instruments described herein pursuant to the USD 20,000,000,000 Programme for the Issuance of Debt Instruments of the Issuer.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(Relevant third party information) has been extracted from (specify source). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

[Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on *[specify relevant regulated market and if relevant, listing on an official list]* with effect from [].]
[Application is expected to be made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on *[specify relevant regulated market]*.] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Instruments are already admitted to trading.)

2. RATINGS

Ratings:

The Programme has been rated:

[S & P: AAA]
[Moody's: Aaa]
[[Other]: []]

[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EU) No 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[Insert credit rating agency] is established in the European Union and registered under Regulation (EU) No 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of *[insert the name of the relevant EU CRA affiliate that applied for registration]*, which is established in the European Union and is registered under Regulation (EC) No. 1060/2009, disclosed the intention to endorse credit ratings of *[Insert credit rating agency]*. While notification of the corresponding final endorsement decision has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated that ratings issued in third countries may continue to be used in the EU by relevant market participants for a transitional period ending on 31 January 2012 (which may be extended to 30 April 2012).]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No, 1060/2009. The ratings *[[have been]/[are expected to be]]* endorsed

by *[insert the name of the relevant EU-registered credit rating agency]* in accordance with Regulation (EC) No. 1060/2009. *[Insert the name of the relevant EU registered credit rating agency]* is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, is not refused and has not been withdrawn or suspended).

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider, if the Instruments have a denomination of less than €100,000.]

(The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as disclosed in the first paragraph of “Subscription and Sale” in the Prospectus dated December 21, 2011, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.”]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i) Reasons for the offer The proceeds of the issue of each Series of Instruments will be used by EDC in furtherance of its corporate purposes.

(If reasons for offer different from that set out in the Prospectus will need to include those reasons here.)

[(ii)] Estimated net proceeds: []
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses: [] *[Include breakdown of expenses.]*
(If the Instruments are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

5. [Fixed Rate Instruments Only – YIELD

Indication of yield: []

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. [Floating Rate Instruments Only - HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

[Index-Linked Or Other Variable-Linked Instruments Only – PERFORMANCE OF INDEX/FORMULA/other variable, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index, need to include the name of the index and description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation (NB, if, for example, the Final Redemption Amount is other than 100% of the nominal value; the Instruments will be derivative securities for the purposes of the Prospectus Directive and the requirements of annex XII to the Prospectus Directive Regulations will apply.)

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “Significant New Factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

7. [Dual Currency Instruments Only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “Significant New Factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

8. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment⁶
- (v) Names and addresses of initial Paying Agent(s)/Registrar: []
- (vi) Names and addresses of additional Paying Agent(s)/Transfer Agent(s)/Registrar/Exchange Agent(s) (if any): []
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]
[Note that the designation “yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper, that are held under the New Safekeeping Structure for registered global securities] [include this text for Global Registered Instruments which are to be held under the NSS] and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon

⁶ Free of payment where settlement is in DTC

satisfaction of the Eurosystem eligibility criteria.]

[Include text above if “yes” is selected in which case the Instruments in bearer form must be issued in NGN form.]

9. TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price][<i>specify</i>]
Conditions to which the offer is subject:	[Not Applicable/ <i>give details</i>]
Description of the application process:	[Not Applicable/ <i>give details</i>]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/ <i>give details</i>]
Details of the minimum and/or maximum amount of application (whether in number of instruments or aggregate amount to invest):	[Not Applicable/ <i>give details</i>]
Details of the method and time limits for paying up and delivering the Instruments:	[Not Applicable/ <i>The Instruments will be issued on the Issue Date against payment to the Issuer of the net subscription monies /give details</i>]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/ <i>give details</i>]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/ <i>give details</i>]
Categories of potential investors to which the Instruments are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/ <i>Offers may be made by the Managers [and] [insert any financial intermediaries approved by the Issuer] in [insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported] to any person [insert suitability criteria, if any are deemed appropriate]. In other EEA Member States, offers will only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.</i>]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before	[Not Applicable/ <i>give details</i>]

notification is made:

Amount of any expenses and taxes specifically charged to the subscribed or purchaser:

[Not Applicable/*give details*]

Name(s) and address(es), to the extent known to the Issuer, of the places in the various countries where the offer takes place:

[None know to the Issuer/*give details*]

**PRO FORMA FINAL TERMS
(DENOMINATIONS OF AT LEAST €100,000 (or its equivalent in other currencies))**

Final Terms dated [●]

EXPORT DEVELOPMENT CANADA

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments]
under the USD 20 Billion Programme for the Issuance of Debt Instruments**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the Prospectus dated December 21, 2011 [and the supplemental Prospectus[es] dated ●]¹ which [together] constitute[s] a base prospectus for the purposes of Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Instruments described herein is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplemental Prospectus[es]] [is] [are] available for viewing during normal business hours at and copies may be obtained from the offices of the Issuer, Export Development Canada, 150 Slater Street, Ottawa, Ontario, Canada K1A 1K3 and the offices of the Fiscal Agent, Paying Agent and Second Alternative Registrar, The Bank of New York Mellon, One Canada Square, London E14 5AL, United Kingdom.

The following alternative language applies if the first tranche of an issue which is being increased was issued under an information memorandum or a prospectus with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the Prospectus dated [original date]. This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Prospectus dated December 21, 2011 [and the supplemental Prospectus[es] dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [original date] and are incorporated by reference in the Prospectus dated December 21, 2011. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus dated December 21, 2011 [and the supplemental Prospectus dated [●]]. The Prospectus dated December 21, 2011 [and the supplemental Prospectus[es]] and the Conditions which are extracted from the Prospectus dated [original date] and are incorporated by reference in the Prospectus dated December 21, 2011 are available for viewing during normal business hours at and copies may be obtained from the registered office of the Issuer, Export Development Canada, 150 Slater Street, Ottawa, Ontario, Canada K1A 1K3 and the offices of the Fiscal Agent, Paying Agent and Second Alternative Registrar, The Bank of New York Mellon, One Canada Square, London E14 5AL, United Kingdom.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing the Final Terms or adding any other Final Terms or information consideration

¹ Only include details of a supplemental Prospectus in which the Conditions have been amended or information added for the purpose of all future issues under the Programme.

should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive]

- | | | |
|----|--|--|
| 1. | Issuer: | Export Development Canada (“EDC”) |
| 2. | [(i)] Series Number: | [] |
| | [(ii)] Tranche Number:
(If fungible with an existing Series, details of that Series, including the date on which the Instruments become fungible).] | [] |
| 3. | Specified Currency or Currencies: | [] |
| 4. | Aggregate Nominal Amount: | [] |
| | [(i)] Series: | [] |
| | [(ii)] Tranche: | [] |
| 5. | Issue Price: | [] per cent. of the Aggregate Nominal Amount
[plus accrued interest from [insert date] (if applicable)] |
| 6. | (i) Specified Denomination(s) ² :
(Condition 1.10 or 1.11) | [] |
- [If the Specified Denomination is expressed to be €100,000 (or its equivalent in other currencies) and multiples of a lower principal amount (e.g. €1,000) insert the following wording, amended as necessary for the Specified Denomination and currency:*
- [€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€999,000]. No Instruments in definitive form will be issued with a denomination above[€999,000].]*
- [NTD: where the Instruments are issued in Global form but may be exchangeable for Definitive Notes at the holder’s option, such Notes may only be issued in a Specified Denomination(s) and integral multiples of such Specified Denomination(s)]*

² *Where the instruments have a maturity of less than one year and the issue proceeds are to be accepted in the United Kingdom, such Instruments will be subject to Section 19 FSMA unless their denomination is £100,000 or more (or its equivalent in other currencies) and they are only issued to “professionals” within article 9(2)(a) of the Financial Services and Markets Act (Regulated Activities) Order 2001. Add the following language:
“Instruments (including Instruments denominated in Pounds Sterling) in respect of which the issue proceeds are to be accepted by EDC in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).”*

- (ii) Calculation Amount: []
- [If there is only one Specified Denomination and no integral multiples, insert the Specified Denomination. If there is more than one Specified Denomination and no integral multiples, insert the highest common factor of the Specified Denominations. If a Specified Denomination(s) and integral multiples, insert the highest common factor.] [Note: There must be a common factor in the case of two or more Specified Denominations.]*
7. (i) Issue Date: []
- (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
8. Maturity Date: [Specify date or (for Floating Rate Instruments) Interest Payment Date falling in or nearest to the relevant month and year]
9. Interest Basis: [• per cent. Fixed Rate]
(Condition 4) [[specify reference rate] +/- • per cent. Floating Rate]
[Zero Coupon]
[Index-Linked Interest]
[Other (specify)]
(further particulars specified below)
10. Redemption/Payment Basis : [Redemption at par]
[Index-Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (specify)]
11. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Instruments into another interest or redemption/ payment basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. Status of the Instruments: Unsecured, Unsubordinated
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Instrument Provisions (Condition 4A)** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of Business Day*]/not adjusted]
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount payable on the Interest Payment Date falling [in/on] []
- (iv) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/other]
- (vi) [Determination Dates: [] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Instruments: [Not Applicable/*give details*]

16. Floating Rate Instrument Provisions [Applicable/Not Applicable] [Condition 4[B][C] applies] [Condition 4B or Condition 4C]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Interest Period(s): []
- (ii) Specified Interest Payment Dates: []
- (iii) First Interest Payment Date: []
- (iv) Business Day Convention: [FRN Convention/Following Business Day Convention/Modified Following Business Day Convention/*give details*]
- (v) Business Centre(s): []
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/*give details*]
- (vii) Rate Setting Agent/Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): []

- (viii) Screen Rate Determination: [Applicable/Not Applicable]
(Condition 4B)
- Reference Rate: []
- Interest Determination Date(s): []
- Relevant Screen Page: []
- (In the case of EURIBOR, if not Reuters Screen EURIBOR01 Page, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- Relevant Time: []
- (ix) ISDA Determination: [Applicable/Not Applicable] [1992 ISDA Agreement][2002 ISDA Agreement]
(Condition 4C)
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []
- (x) Margin(s): [+/-][] per cent. per annum
- (xi) Minimum Rate of Interest: [] per cent. per annum
(Condition 4E.03)
- (xii) Maximum Rate of Interest: [] per cent. per annum
(Condition 4E.03)
- (xiii) Day Count Fraction: []
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest if different from those set out in the Conditions: []

17. Zero Coupon Instrument Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) [Amortization/Accrual] Yield: [] per cent. per annum
- (ii) Reference price: []
- (iii) Any other formula/basis of determining amount payable: []

- 18. Index-Linked Interest Instrument/other variable-linked interest Instrument Provisions (Condition 4D)** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula/other variable: [give or annex details]
- (ii) Rate Setting Agent/Party responsible for calculating the Rate(s) of Interest and /or Interest Amount(s) (if not the Fiscal Agent): []
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula/other variable []
- (iv) Determination Date(s): []
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Interest or calculation period(s): []
- (vii) Specified Interest Payment Dates: []
- (viii) Business Day Convention: [FRN Convention/ Following Business Day Convention/Modified Following Business Day Convention/other (give details)]
- (ix) Business Centre(s): []
- (x) Minimum Rate/Amount of Interest: [] per cent. per annum
- (xi) Maximum Rate /Amount of Interest: [] per cent. per annum
- (xii) Day Count Fraction: []
- 19. Dual Currency Instrument Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]

- (ii) Rate Setting Agent/Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal Agent): []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. Call Option (Condition 5.03) [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [] per Calculation Amount
 - (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Notice period: []

21. Put Option (Condition 5.06) [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period: []

22. Final Redemption Amount of each Instrument [] per Calculation Amount

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

- (i) Index/Formula/variable: [give or annex details]
- (ii) Rate Setting Agent/Party responsible for calculating the Final Redemption Amount (if not the Fiscal Agent): [] [[include name and address of Calculation Agent]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: []
- (iv) Determination Date(s): []
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted including market or settlement disruption events and/or adjustment rules with relation to events concerning the underlying: []
- (vi) Payment Date: []
- (vii) Minimum Final Redemption Amount: [] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [] per Calculation Amount

23. Early Redemption Amount []
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

24. Form of Instruments:
(Condition 1.01)³

Bearer Instruments:

(Condition 1.02)

[Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Instrument.]

[Temporary Global Instruments exchangeable for Definitive Instruments on or after the Exchange Date.]

[Permanent Global Instrument exchangeable for Definitive Instrument on [] days' notice/ at any time/ in the limited circumstances specified in the Permanent Global Instrument.]

[Exchangeable for Registered Instruments]
(Conditions 1.02 and 2.05)

Registered Instruments:

(Condition 1.08)

[Global Registered Instrument registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg / a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg (that is, held under the NSS)]]

25. New Global Note:

[Yes] [No]

(If Notes in bearer form are intended to be eligible collateral for Eurosystem monetary policy and intra-day credit operations, the New Global Note should be used. The New Global Note should only be used if it is intended that the Notes be held in a manner which would allow Eurosystem eligibility and a "yes" election is made in the section in Part B under the heading "Operational Information" entitled "Intended to be held in a manner which would allow Eurosystem eligibility".)

26. Financial Centre(s) or other special provisions relating to Payment Dates:

[Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 15(ii), 16(v) and 18(ix) relate]

³ Where the Instruments are issued in Global form but may be exchangeable for Definitive Notes at the holder's option, such Notes may only be issued in a Specified Denomination(s) and integral multiples of such Specified Denomination(s)

27. Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
28. Details relating to Partly Paid Instruments: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Instruments and interest due on late payment: [Not Applicable/*give details*]
(Condition 4D.02)
29. Details relating to Instalment Instruments: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
(Conditions 1.07 and 4E.10)
30. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions annexed to these Final Terms apply]
31. Consolidation provisions: [Not Applicable/The provisions annexed to these Final Terms apply]
32. Other final terms: [Not Applicable/*give details*]
(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

33. (i) If syndicated, names of Managers: [Not Applicable/*give names*]
[(ii) Date of Purchase Agreement: []]
(The above is only relevant if the Instruments are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
34. If non-syndicated, name of Relevant Dealer: [Not Applicable/*give name*]
35. US Selling Restrictions: [Reg. S Compliance Category; TEFRA C/TEFRA

D/TEFRA rules not applicable]

36. Additional selling restrictions:

[Not Applicable/give details]

37. U.S. Considerations:

[insert, to the extent not covered in the Prospectus, any United States tax considerations, risk factors and other necessary or appropriate disclosure (if offering pursuant to Rule 144A of the United States Securities Act of 1933, as amended)]

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the [*specify relevant regulated market and if relevant, listing on an official list*] of the Instruments described herein pursuant to the USD20,000,000,000 Programme for the Issuance of Debt Instruments of the Issuer.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on *[specify relevant regulated market and if relevant, listing on an official list]* with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on *[specify relevant regulated market]*.] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Instruments are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings:

The Programme has been rated:

[S & P: [AAA]]
[Moody's: [Aaa]]
[[Other]: []]

(The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[[*Insert credit rating agency*] is established in the European Union and has applied for registration under Regulation (EU) No 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert credit rating agency*] is established in the European Union and registered under Regulation (EU) No 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of *[insert the name*

of the relevant EU CRA affiliate that applied for registration], which is established in the European Union and is registered under Regulation (EC) No. 1060/2009, disclosed the intention to endorse credit ratings of [Insert credit rating agency]. While notification of the corresponding final endorsement decision has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated that ratings issued in third countries may continue to be used in the EU by relevant market participants for a transitional period ending on 31 January 2012 (which may be extended to 30 April 2012).]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [insert the name of the relevant EU-registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009. [Insert the name of the relevant EU registered credit rating agency] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, is not refused and has not been withdrawn or suspended).

(The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as disclosed in the first paragraph of “Subscription and Sale” in the Prospectus dated December 21, 2011, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.”]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: The proceeds of the issue of each Series of Instruments will be used by EDC in furtherance of its corporate purposes.

(If reasons for offer different from that set out in the Prospectus will need to include those reasons here.)

[(ii) Estimated net proceeds: []

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: []

(If the Instruments are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)]

5. [Fixed Rate Instruments only – YIELD

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. [Index-Linked or other variable-linked Instruments only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying

required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].]

(Required for derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[Identify source of all third party information.]

7. [Dual Currency Instruments only - PERFORMANCE OF RATE[S] OF EXCHANGE]

[Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

8. OPERATIONAL INFORMATION

- | | | |
|-------|---|--|
| (i) | ISIN Code: | [] |
| (ii) | Common Code: | [] |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s): | [Not Applicable/give name(s) and number(s)] |
| (iv) | Delivery: | Delivery [against/free of] payment ⁴ |
| (v) | Names and addresses of initial Paying Agent(s)/ Registrar: | [] |
| (vi) | Names and addresses of additional Paying Agent(s)/ Transfer Agent(s)/Exchange Agent(s)/Registrar (if any): | [] |
| (vii) | Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes] [No]
<i>[Note that the designation “yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper, that are held under the New</i> |

⁴ Free of payment where settlement is in DTC

Safekeeping Structure for registered global securities] [include this text for Global Registered Instruments which are to be held under the NSS] and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

[Include text above if “yes” is selected in which case the Instruments in bearer form must be issued in NGN form.]

CANADIAN FEDERAL INCOME TAXATION

The following summary describes the principal Canadian federal income tax considerations generally applicable as of the date hereof to a beneficial owner of an Instrument acquired pursuant to this Prospectus and applicable Final Terms who, for the purposes of the *Income Tax Act* (Canada) (“**Tax Act**”), and at all relevant times: (i) is not resident and is not deemed to be resident in Canada, and (ii) does not use or hold and is not deemed to use or hold the Instrument in, or in the course of, carrying on a business in Canada (“**Non-resident Holder**”). Special rules which apply to non-resident insurers carrying on business in Canada and elsewhere are not discussed in this summary.

This summary is based upon: (a) the provisions of the Tax Act and the regulations thereunder (“**Regulations**”) in force on the date hereof; (b) all specific proposals to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance for Canada prior to the date hereof (“**Tax Proposals**”), and (c) the current administrative and assessing practices and policies published by the Canada Revenue Agency. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurance can be given that this will be the case. This summary does not take into account or anticipate any other changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign income tax considerations. No assurances can be given that changes in law or administrative practices or future court decisions will not affect the Canadian federal income tax treatment of a Non-resident Holder.

This summary is of a general nature only, is not exhaustive of all Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Non-resident Holder. Non-resident Holders are advised to consult their own tax advisers with respect to their particular circumstances.

Interest paid or credited or deemed to be paid or credited by EDC to a Non-resident Holder of an Instrument will be exempt from Canadian non-resident withholding tax unless such interest or deemed interest is “participating debt interest” (as defined in the Tax Act). In general terms, participating debt interest means interest on an obligation all or any portion of which is contingent or dependent on the use of or production from property in Canada or that is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable on any class or series of shares of the capital stock of a corporation.

If applicable, the normal rate of Canadian non-resident withholding tax is 25% but such rate may be reduced under the terms of an applicable income tax treaty.

Generally, there are no other Canadian federal income taxes that would be payable by a Non-resident Holder as a result of holding or disposing of an Instrument (including for greater certainty, any gain realized by a Non-resident Holder on a disposition of an Instrument).

UNITED STATES FEDERAL INCOME TAXATION

U.S. Taxation

This disclosure is limited to the U.S. federal tax issues addressed herein. Additional issues not addressed in this disclosure could affect the U.S. federal tax treatment of the Instruments. This tax disclosure was written in connection with the promotion or marketing of the Instruments, and it is not intended to be used, and cannot be used, by any holder for the purpose of avoiding penalties that may be asserted against the holder under the Internal Revenue Code. Holders should seek their own advice based on their particular circumstances from an independent tax adviser.

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Instruments that are held as capital assets. Because the U.S. federal income tax consequences of the acquisition, ownership and disposition of Instruments that could be issued under this Prospectus or under a Drawdown Prospectus may differ from that described below depending on the terms of the relevant Instrument, each prospective purchaser should consult its own tax adviser regarding such consequences. The relevant Final Terms or terms contained in a Drawdown Prospectus may contain additional or modified disclosure concerning the U.S. federal income tax consequences relevant to a particular type of Instrument.

This discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Instruments by particular investors, and does not address state, local or foreign tax laws. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, regulated investment companies, real estate investment trusts, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Instruments as part of straddles, hedging transactions, conversion transactions, constructive sale transactions or other integrated transactions for U.S. federal income tax purposes, investors whose functional currency is not the U.S. dollar or who do not hold the Instruments as a capital asset). This summary does not address any U.S. federal tax consequences other than U.S. federal income tax consequences (such as the estate and gift tax or the Medicare tax on net investment income).

The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect. No rulings have or will be sought from the Internal Revenue Service (“IRS”) regarding the proper characterization of Instruments or other matters discussed below.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING INSTRUMENTS, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

General Considerations for U.S. Holders

As used herein, the term “U.S. Holder” means a beneficial owner of Instruments that is for U.S. federal income tax purposes (i) a citizen or resident of the United States (ii) a corporation, or other entity treated as a corporation, created or organized under the laws of the United States or any state thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or a trust that has validly elected to be treated as a U.S. person.

Uncertainty Regarding the Characterization of Instruments

The Instruments are complex Instruments whose relevant Final Terms or terms contained in the relevant Drawdown Prospectus may vary materially as among different series of Instruments. There may be limited authority directly applicable to the Instruments and such authority may not directly address Instruments with terms substantially similar to those of a particular Instrument. Accordingly, the proper characterization for federal income tax purposes of the Instruments may be unclear under current law.

Although the Instruments are in form debt securities, in certain cases (for example, where the investor is not legally entitled to repayment of an amount at least equal to the issue price of an Instrument or the yield is based on an index that is not a customary interest rate index), certain Instruments could be characterized as an instrument other than debt for federal income tax purposes. Under applicable authorities this determination is made based on all the facts and circumstances and the presence or absence of any one relevant factor is not determinative. As a result, alternative characterizations are possible.

Instruments characterized other than as debt, depending on their precise terms, may be properly characterized as options or collateralized options written or held by the U.S. Holder, forward contracts (including prepaid forward contracts), or some other form of derivative financial contract. If the Instrument provides for interim payments, the Instrument also may be characterized as notional principal contracts or as consisting of a unit comprised of a derivative and a separate interest-bearing deposit that collateralizes a holder's obligations under that derivative. Alternative characterizations are also possible. On December 7, 2007, the Treasury Department and IRS released a notice requesting comments on the U.S. federal income tax treatment of prepaid forward contracts and similar instruments. The notice focuses in particular on whether to require holders of such instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments, the relevance of factors such as exchange-traded status of the instruments and the nature of the underlying property to which they are linked, and whether these investments are or should be subject to the constructive transaction tax consequences excluded from this discussion. Prospective U.S. investors considering an investment in an applicable Instrument should consult their tax advisers regarding the notice and its potential implications for an investment in an applicable Instrument.

For the reasons above, the timing and character of income recognized by a holder for U.S. federal income tax purposes is uncertain and also may vary depending on the precise terms of an Instrument. Accordingly, each prospective U.S. investor is urged to consult its own tax adviser about the timing, character and source of income it will recognize as a result of acquiring, holding or disposing of an Instrument and should also consult the relevant Final Terms or terms contained in a Drawdown Prospectus which may contain additional or modified disclosure concerning the U.S. federal income tax consequences relevant to a particular type of Instrument.

The balance of the discussion below applies only to Instruments properly treated as debt for U.S. federal income tax purposes.

General Considerations for U.S. Holders of Instruments Characterized as Debt

Payments of Interest

General

Interest on an Instrument, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (each, a “**foreign currency**”), other than interest on a “Discount Instrument” that is not “qualified stated interest” (each as defined below under “Original Issue Discount — General”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. Interest received or accrued by a U.S. Holder on the Instruments and Original Issue Discount (“**OID**”), if any, accrued with respect to the Instruments (as described below under “Original Issue Discount”) generally will constitute income from sources outside the United States for purposes of computing the foreign tax credit limitation. For foreign tax credit limitation purposes, such income will generally constitute “passive category income” or “general

category income.” The rules regarding the availability of foreign tax credits are complex and U.S. Holders may be subject to various limitations thereon.

Foreign Currency Denominated Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, a U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period or taxable year, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of an Instrument) denominated in, or determined by reference to, a foreign currency an accrual basis U.S. Holder will recognize ordinary income or loss measured by the difference between the exchange rate used to accrue interest income pursuant to one of the two above methods and the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

Original Issue Discount

General

The following is a summary of the principal United States federal income tax consequences of the ownership of Instruments issued with OID. The following summary does not discuss the United States federal income tax consequences of an investment in contingent payment debt instruments. The United States federal income tax consequences of investing in Instruments that are contingent payment debt instruments may be addressed in the Final Terms or Drawdown Prospectus, if applicable.

An Instrument, other than an Instrument with a term of one year or less (a “**Short-Term Instrument**”), will be treated as issued with OID (a “**Discount Instrument**”) if the excess of the Instrument’s “stated redemption price at maturity” over its issue price is not less than a *de minimis* amount (0.25% of the Instrument’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an “**instalment obligation**”) will be treated as a Discount Instrument if the excess of the Instrument’s stated redemption price at maturity over its issue price is not less than 0.25% of the Instrument’s stated redemption price at maturity multiplied by the weighted average maturity of the Instrument. An Instrument’s weighted average maturity is the sum of the following amounts determined for each payment on an Instrument (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made, multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Instrument’s stated redemption price at maturity. Generally, the issue price of an Instrument will be the first price at which a substantial amount of Instruments included in the issue of which the Instrument is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The stated

redemption price at maturity of an Instrument is the total of all payments provided by the Instrument that are not payments of “qualified stated interest.” A qualified stated interest payment is generally any one of a series of stated interest payments on an Instrument that are unconditionally payable in cash or property (other than additional debt instruments of the Issuer) at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under “Original Issue Discount — Variable Interest Rate Instruments”), applied to the outstanding principal amount of the Instrument.

U.S. Holders of Discount Instruments must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Instruments. The amount of OID includible in income by a U.S. Holder of a Discount Instrument is the sum of the daily portions of OID with respect to the Discount Instrument for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Instrument (“**accrued OID**”). The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to an Instrument may be of any length selected by the U.S. Holder and may vary in length over the term of the Instrument as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Instrument occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Instrument’s adjusted issue price at the beginning of the accrual period and the Discount Instrument’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Instrument allocable to the accrual period. The “adjusted issue price” of a Discount Instrument at the beginning of any accrual period is the issue price of the Instrument increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Instrument that were not qualified stated interest payments.

Acquisition Premium

A U.S. Holder that purchases a Discount Instrument for an amount less than or equal to the sum of all amounts payable on the Instrument after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “acquisition premium”) and that does not make the election described below under “Original Issue Document — Election to Treat All Interest as Original Issue Discount,” is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Instrument immediately after its purchase over the Instrument’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Instrument after the purchase date, other than payments of qualified stated interest, over the Instrument’s adjusted issue price.

Market Discount

An Instrument, other than a Short-Term Instrument, generally will be treated as purchased at a market discount (a “**Market Discount Instrument**”) if the Instrument’s stated redemption price at maturity or, in the case of a Discount Instrument, the Instrument’s “revised issue price” exceeds the amount for which the U.S. Holder purchased the Instrument by at least 0.25% of the Instrument’s stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Instrument’s maturity (or, in the case of an Instrument that is an instalment obligation, the Instrument’s weighted average maturity). If this excess is not sufficient to cause the Instrument to be a Market Discount Instrument, then the excess constitutes “*de minimis* market discount”. For this purpose, the “revised issue price” of an Instrument generally equals its issue price, increased by the amount of any OID that has accrued on the Instrument and decreased by the amount of any payments previously made on the Instrument that were not qualified stated interest payments.

Under current law, any gain recognized on the maturity or disposition of a Market Discount Instrument (including any payment on an Instrument that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Instrument.

Alternatively, a U.S. Holder of a Market Discount Instrument may elect to include market discount in income currently over the life of the Instrument. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Instrument that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Instrument that is in excess of the interest and OID on the Instrument includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Instrument was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Instrument with respect to which it is made and is irrevocable.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on an Instrument using the constant-yield method described above under "Original Issue Discount — General" with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium (described below under "Instruments Purchased at a Premium") or acquisition premium. This election will generally apply only to the Instrument with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on an Instrument is made with respect to a Market Discount Instrument, the electing U.S. Holder will be treated as having made the election discussed above under "Original Issue Discount — Market Discount" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Variable Interest Rate Instruments

It is expected that Instruments that provide for interest at variable rates ("**Variable Interest Rate Instruments**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Instrument will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total noncontingent principal payments due under the Variable Interest Rate Instrument by more than a specified *de minimis* amount and (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate.

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Instrument is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Instrument (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Instrument's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Instrument.

An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified

floating rates or the yield of actively traded personal property). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Instrument will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Instrument's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Instrument's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Instrument provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Instrument's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Instrument that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument," then any stated interest on the Instrument which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Instrument that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Instrument is issued at a "true" discount (i.e., at a price below the Instrument's stated principal amount) not less than a specified *de minimis* amount. OID on a Variable Interest Rate Instrument arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Instrument.

In general, any other Variable Interest Rate Instrument that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Instrument. Such a Variable Interest Rate Instrument must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Instrument with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Instrument's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Instrument is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Instrument. In the case of a Variable Interest Rate Instrument that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Instrument provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Instrument as of the Variable Interest Rate Instrument's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Instrument is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Instrument is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Instrument will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Instrument during the accrual period.

Short-Term Instruments

In general, a cash basis U.S. Holder of a Short-Term Instrument is not required to accrue OID (as specially defined below for the purposes of this paragraph) for United States federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Instruments on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realized on the sale or retirement of the Short-Term Instrument will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Instruments will be required to defer deductions for interest on borrowings allocable to Short-Term Instruments in an amount not exceeding the deferred income until the deferred income is realized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Instrument are included in the Short-Term Instrument’s stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Instrument as if the Short Term Instrument had been originally issued to the U.S. Holder at the U.S. Holder’s purchase price for the Short-Term Instrument. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Foreign Currency Instruments

OID for any accrual period on a Discount Instrument that is denominated in, or determined by reference to, a foreign currency will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above under “Payments of Interest.” Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of an Instrument), a U.S. Holder may recognize exchange gain or loss, which will be ordinary gain or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate on the date of receipt) and the amount previously accrued.

Market Discount on an Instrument that is denominated in, or determined by reference to, a foreign currency will be accrued by a U.S. Holder in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder’s taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder will recognize ordinary gain or loss measured in the same manner as for accrued qualified stated interest or OID. A U.S. Holder that does not make this election will recognize, upon the disposition or maturity of the Instrument, the U.S. dollar value of the amount accrued, calculated at the exchange rate in effect on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Instruments Purchased at a Premium

A U.S. Holder that purchases an Instrument for an amount in excess of its principal amount, or for a Discount Instrument, its stated redemption price at maturity, may elect to treat the excess as “amortizable bond

premium,” in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Instrument will be reduced by the amount of amortizable bond premium allocable (based on the Instrument’s yield to maturity) to that year. In the case of an Instrument that is denominated in, or determined by reference to, a foreign currency, bond premium will be computed in units of foreign currency, and amortizable bond premium will reduce interest income in units of the foreign currency. At the time amortised bond premium offsets interest income, exchange gain or loss (taxable as ordinary income or loss) is realized measured by the difference between exchange rates at that time and at the time of the acquisition of the Instruments. Any election to amortize bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “Original Issue Discount – Election to Treat All Interest as Original Issue Discount.”

Sale, Retirement and other Taxable Dispositions of Instruments

A U.S. Holder’s tax basis in an Instrument will generally be its U.S. dollar cost (as defined below) increased by the amount of any OID or market discount included in the U.S. Holder’s income with respect to the Instrument and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder’s income with respect to the Instrument, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Instrument. The U.S. dollar cost of an Instrument purchased with a foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Instruments traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder will generally recognize gain or loss on the sale, retirement or other taxable disposition of an Instrument equal to the difference between the amount realized on the sale or retirement and the tax basis of the Instrument. The amount realized on a sale, retirement, or other taxable disposition for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement or, in the case of Instruments traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Except to the extent described above under “Original Issue Discount—Market Discount” or “Original Issue Discount—Short-Term Instruments” or attributable to accrued but unpaid interest or changes in exchange rates, gain or loss recognized on the sale, retirement, or other taxable disposition of an Instrument will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period in the Instruments exceeds one year. Long-term capital gain is currently taxable at a reduced rate for individuals, trusts and estates. The deductibility of capital losses is subject to significant limitations.

Gain or loss recognized by a U.S. Holder on the sale, retirement, or other taxable disposition of an Instrument that is attributable to changes in exchange rates will be treated as ordinary income or loss and is taken into account only to the extent of total gain or loss realized on the transaction.

Gain or loss realized by a U.S. Holder on the sale, retirement, or other taxable disposition of an Instrument generally will be U.S. source.

If an Instrument is issued in circumstances where interest payments on the Instrument are denominated in or determined by reference to one currency and the principal portion of the Instrument may be denominated in or determined by reference to another currency (“**Dual Currency Instrument**”), the applicable Final Terms or Drawdown Prospectus may discuss the material U.S. federal income tax consequences in respect of these features to U.S. Holders.

Exchange of Amounts in other than U.S. Dollars

Foreign currency received as interest on an Instrument or on the sale or retirement of an Instrument will have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or retirement. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Instruments or an exchange for U.S. dollars) will be ordinary income or loss.

Bearer Instruments

A U.S. Holder of a bearer Instrument that is treated as a debt obligation who is a United States Person for U.S. federal income tax purposes will be subject to limitations under U.S. income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code. U.S. Holders are strongly urged to consult their tax advisers about the potentially adverse consequences of acquiring, owning or disposing of an Instrument in bearer form.

General Considerations for U.S. Holders of Instruments Characterized Other Than As Debt

General

Instruments not properly characterized as debt, depending on their precise terms, may be characterized as options or collateralized options written or held by the U.S. Holder, forward contracts (including prepaid forward contracts), or some other form of derivative financial contract including for example, if the Instrument provides for interim payments, as notional principal contracts or as consisting of a unit comprised of a derivative and a separate interest-bearing deposit that collateralizes a holder's obligations under that derivative. Alternative characterizations are also possible.

In general, in the case of an Instrument that does not provide for payments prior to maturity and is properly treated as a forward contract, variable prepaid forward contract or option contract, a U.S. holder generally should not recognize income until maturity. Gain or loss to a holder generally would be recognized and determined when the Instrument is settled based on the difference between the amounts received under the Instrument and the holder's tax basis in the Instrument. Such gain or loss generally would be capital gain or loss. As mentioned above, however, on December 7, 2007, the Treasury Department and IRS released a notice requesting comments on the U.S. federal income tax treatment of prepaid forward contracts and similar instruments. Although it is not possible to predict the content of any future regulations or other guidance, it could alter the foregoing consequences.

An Instrument that provides not only for a single payment or settlement at maturity but also for interim payments could be treated as a notional principal contract, or as a unit comprised of an option or forward contract collateralized by an interest-bearing deposit, in which case all or a portion of the interim payments may be treated as interest on the deposit. Amounts not treated as deposit interest could still constitute ordinary income. In either case, income could be recognized in advance of maturity as ordinary income rather than taken into account in computing the gain or loss from the Instrument.

To the extent that an Instrument is treated as a "constructive ownership transaction," any gain on disposition may be treated as ordinary income and an interest charge may be imposed on a deemed underpayment of tax for each taxable year during which the Instrument was held. For purposes of determining the interest charge, gain treated as ordinary income is allocated to each such taxable year during which the Instrument was held so that the amount of gain accrued from each year to the next increases at a constant rate equal to the "applicable federal rate" (a rate published monthly by the IRS based on prevailing Treasury yields) in effect at the time the Instrument is issued.

If an Instrument is issued in circumstances in which it is not properly characterized as debt, the applicable Final Terms or Drawdown Prospectus will discuss the material U.S. federal income tax consequences in respect of such Instrument to U.S. Holders and any special features of such Instruments including rights of EDC and/or the holders or attributes of the underlying references assets, if any.

Foreign Currency Instruments

In the case of an Instrument denominated in a currency other than the United States dollar, all or a portion of the amount recognized may be treated as foreign currency gain or loss. Foreign currency gain or loss recognized by a U.S. holder (generally, the gain or loss attributable to changes in value of the foreign currency relative to the dollar) would be treated as ordinary income rather than capital gain.

Reportable Transactions

A U.S. taxpayer that participates in a “reportable transaction” will be required to disclose this participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Instruments as a reportable transaction if the loss exceeds USD50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. Pursuant to U.S. tax legislation enacted in 2004, a penalty in the amount of USD10,000 in the case of a natural person and USD50,000 in any other case is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction that is treated as a reportable transaction. In the event the acquisition, holding or disposition of Instruments constitutes participation in a “reportable transaction” for purposes of these rules, a U.S. Holder may be required to disclose its investment by filing Form 8886 with the IRS. In addition, the Issuer and its advisers may be required to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Instruments.

Taxation of Non-U.S. Holders

Interest or income from other payments made or gain realized on the sale, exchange, retirement or other disposition of an Instrument by a Non-U.S. Holder will generally not be subject to U.S. federal income tax unless (i) such income is effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States, or (ii) the Non-U.S. Holder has or had a current or former relationship with the United States, including a relationship as a citizen or resident thereof or based on an individual’s presence in the United States for 183 days or more in the taxable year of the applicable jurisdiction.

Generally, Instruments held by an individual who is a Non-U.S. Holder at the time of death will not be subject to U.S. federal estate tax as a result of the individual’s death. However, it is possible that certain Instruments held by a Non-U.S. Holder at the time of death could be subject to U.S. federal estate tax as a result of the individual’s death, unless an applicable estate tax treaty provides otherwise.

United States Backup Withholding and Information Reporting

Payments on, and proceeds from the taxable disposition of, Instruments made within the United States or by or through a person with one or more enumerated relationships with the United States, such as a controlled foreign corporation for U.S. federal income tax purposes (such person, a “**U.S. Controlled Person**”) or with respect to certain debt Instruments in registered form may be subject to information reporting and may be subject to U.S. backup withholding unless the Non-U.S. Holder has provided applicable certification of foreign status or otherwise establishes an exemption. Subject to the foregoing, unless EDC or the Paying Agent has actual knowledge or reason to know that the holder or beneficial owner, as the case may be, is a United States Person, payments on and proceeds from the sale of the Instruments made outside the United States generally will be exempt from the U.S. backup withholding and, if made by or through a person that is not a U.S. Controlled Person, the information reporting rules. Any amounts withheld under the backup withholding rules may be allowed as a credit against the holder’s U.S. federal income tax liability, and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS. Holders should consult their tax advisers regarding the application of information reporting and backup withholding to their particular situations, the availability of an exemption therefrom, and the procedure for obtaining an exemption, if available.

Recently enacted legislation generally requires certain U.S. Holders to report information with respect to their investment in Instruments not held through a custodial account with a U.S. financial institution to the

IRS. Investors who fail to report required information could become subject to substantial penalties. Prospective investors should consult their tax advisers regarding the possible implications of this new legislation on their investment in the Instruments.

USE OF PROCEEDS

The proceeds of the issue of each Series of Instruments will be used by EDC in furtherance of its corporate purposes.

EXPORT DEVELOPMENT CANADA

EDC was established as a corporation on October 1, 1969 by the *Export Development Act* (Canada) (the “**Export Development Act**”). EDC is established for the purposes of supporting Canada’s export trade and Canadian capacity to engage in that trade and to respond to international business opportunities by the provision of loans, guarantees, insurance and such other agreements or undertakings necessary or desirable to fulfil such purposes.

EDC is the successor to the Export Credits Insurance Corporation which commenced operations in 1944. Activities were originally limited to insuring Canadian exporters against nonpayments of credits extended to foreign buyers. To further enhance Canada’s growing export trade, EDC has introduced an export loans program, a foreign investment guarantees program and a surety risk protection insurance program.

EDC is a corporation having, as at December 31, 2010, an authorised capital of CAD3,000,000,000 divided into 30,000,000 shares having a par value of CAD100 each. At the date of this document, such shares, of which 13,332,000 shares having an aggregate paid-in amount of CAD1,333,200,000 are in issue as at December 31, 2010, may only be subscribed by the Minister for International Trade, are not transferable and, pursuant to Section 11(3) of the *Export Development Act*, are to be held in trust for Her Majesty. The principal executive offices of EDC are at 150 Slater Street, Ottawa, Ontario, Canada K1A 1K3, Telephone number: +1 613 598 2500.

The necessary authority of Parliament for the borrowing of money and the issuance of securities is contained in the *Export Development Act*. The *Export Development Act* further provides that EDC is for all purposes an agent of Her Majesty in right of Canada. The payment of all moneys borrowed by EDC and interest thereon and of the principal of and interest on all securities issued by EDC is a charge on and payable out of the Consolidated Revenue Fund of Canada under the *Financial Administration Act* (Canada).

The Consolidated Revenue Fund is the aggregate of all public moneys, such as tax revenues, which are on deposit to the credit of the Receiver General for Canada. The Receiver General is the public officer who receives or collects public moneys for and on behalf of Canada.

EDC’s borrowing power, which is exercisable by its President and the Senior Vice-President and Chief Financial Officer, is subject to (a) the limitation provided for in the *Export Development Act* that the aggregate amount of its borrowings (including any borrowings from the Consolidated Revenue Fund) outstanding at any time may not exceed an amount equal to fifteen times the aggregate of its current paid-in capital plus its retained earnings, if any, determined in accordance with the previous year’s audited financial statements and (b) a Standing Resolution Authorizing the Issuance of Debt Instruments adopted by the Board of Directors of EDC on December 9, 2010, which came into effect on December 27, 2010, as amended, replaced or superseded from time to time (the “**Standing Resolution**”), in accordance with which EDC must obtain the approval (which may be given in respect of a specified transaction or a specified class of transactions) of the Minister of Finance of Canada under the *Financial Administration Act* (Canada).

Effective March 12, 2009, the Government of Canada granted EDC greater financial flexibility by raising EDC’s contingent liability, capital and Canada Account limits, and for a temporary two-year period which has been extended to March 12, 2012: (a) broadened EDC’s mandate to help increase access to credit for Canadian companies which enables EDC to provide its products and services to support and develop domestic trade and Canadian capacity to engage in such trade and to respond to domestic business opportunities, in a manner that is complementary to what commercial institutions provide; and, (b) suspended certain regulations in respect of domestic financial transactions and domestic insurance transactions.

EDC publishes an Annual Report, which includes financial statements audited by the Auditor General of Canada, which is incorporated herein by reference.

Financial Information

The information in the following tables was prepared in accordance with Canadian generally accepted accounting principles and is extracted from the financial statements contained in the 2010 Annual Report of EDC incorporated by reference in this Prospectus.

CONSOLIDATED BALANCE SHEET

<i>as at December 31</i> <i>(in millions of Canadian dollars)</i>	2010	2009
Assets		
Cash and Investments		
Cash	124	52
Marketable securities: (Note 3)		
Held-for-trading	2,383	4,629
Available-for-sale	1,327	751
	3,834	5,432
Financing and Leasing Assets		
Loans receivable (Notes 4 and 5)	26,415	26,267
Allowance for losses on loans (Note 6)	(1,566)	(1,948)
Equity financing designated as held-for-trading (Note 7)	316	196
Net investment in capital leases (Note 8)	99	113
Equipment available for lease (Note 9)	171	315
Accrued interest and fees	167	180
	25,602	25,123
Other		
Recoverable insurance claims (Note 10)	92	93
Reinsurers' share of allowance for claims (Note 16)	109	159
Derivative instruments (Note 14)	2,010	1,909
Property, plant and equipment (Note 11)	33	17
Intangible assets (Note 12)	42	41
Other assets	150	124
	2,436	2,343
Total Assets	\$31,872	\$32,898
Liabilities and Shareholder's Equity		
Loans Payable (Note 13)		
Designated as held-for-trading	20,465	22,139
Other financial liabilities	2,020	2,296
	22,485	24,435
Other Liabilities and Deferred Revenue		
Accounts payable and other credits	168	147
Deferred insurance premiums	71	73
Derivative instruments (Note 14)	200	222
Allowance for losses on loan commitments and guarantees (Note 6)	278	713
Allowance for claims on insurance (Note 16)	569	720
	1,286	1,875
Financing Commitments and Contingent Liabilities (Notes 17 and 18)		
Shareholder's Equity		

<i>as at December 31</i> <i>(in millions of Canadian dollars)</i>	2010	2009
Share capital (Note 20)	1,333	1,333
Retained earnings	6,848	5,317
Accumulated other comprehensive loss	(80)	(62)
	8,101	6,588
Total Liabilities and Shareholder's Equity	\$31,872	\$32,898

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

<i>for the year ended December 31 (in millions of Canadian dollars)</i>	2010	2009
Financing and investment revenue		
Loan (Note 27)	1,006	1,321
Capital lease (Note 8)	8	9
Operating lease (Note 9)	32	32
Debt relief (Note 35)	25	49
Investment (Note 28)	48	41
	1,119	1,452
Interest expense (Note 29)	147	381
Leasing and financing related expenses (Note 30)	59	68
Net Financing and Investment Income	913	1,003
Loan Guarantee Fees	33	24
Insurance Premiums and Guarantee Fees (Note 19)	210	197
Other Expenses (Note 33)	(3)	(73)
	1,153	1,151
Provision for (Reversal of) Credit Losses (Note 31)	(658)	431
Claims-Related Expenses (Note 32)	1	216
Administrative Expenses	279	246
Net Income	\$1,531	\$258

The accompanying notes are an integral part of these consolidated financial statements.

CANADA

The following information has been extracted from Exhibit D to the Form 18-K of Canada and filed with the United States Securities and Exchange Commission on December 20, 2011 (the “**Form 18-K**”), which is incorporated by reference herein.

GENERAL INFORMATION

Area and Population

Canada is the second largest country in the world, with an area of 9,984,670 square kilometers of which about 891,163 square kilometers are covered by fresh water. The occupied farm land is about 7% and the commercial forest land is about 30% of the total area. The population on July 1, 2011 was estimated to be 34.5 million. Over two thirds of Canada’s population lives in metropolitan areas of which Toronto, Montreal and Vancouver are the largest. Most of Canada’s population lives within 200 kilometers of the United States border.

Form of Government

Canada is a federal state composed of ten provinces and three territories. In 1867, the United Kingdom Parliament adopted the *British North America Act*, which established the Canadian federation comprised of, at that time, the Provinces of Ontario, Québec, Nova Scotia and New Brunswick. Since then, six additional provinces (Manitoba, British Columbia, Prince Edward Island, Saskatchewan, Alberta and Newfoundland and Labrador), along with the Yukon Territory, the Northwest Territories and the new territory of Nunavut (which was carved out of the Northwest Territories on April 1, 1999), have become parts of Canada.

The *British North America Act* (which has been renamed the *Constitution Act, 1867*) gave the Parliament of Canada legislative power in relation to a number of matters including all matters not assigned exclusively to the legislatures of the provinces. These powers now include matters such as defense, the raising of money by any mode or system of taxation, the regulation of trade and commerce, the public debt, money and banking, interest, bills of exchange and promissory notes, navigation and shipping, extra-provincial transportation, aerial navigation and, with some exceptions, telecommunications. The provincial legislatures have exclusive jurisdiction in such areas as education, municipal institutions, property and civil rights, administration of justice, direct taxation for provincial purposes and other matters of purely provincial or local concern.

The executive power of the federal Government is vested in the Queen, represented by the Governor General, whose powers are exercised on the advice of the federal Cabinet, which is responsible to the House of Commons. The legislative branch at the federal level, Parliament, consists of the Crown, the Senate and the House of Commons. The Senate has 105 seats. There are 24 seats each for the Maritime Provinces, Québec, Ontario and Western Canada, 6 for Newfoundland and 1 each for the three territories. Senators are appointed by the Governor General on the advice of the federal Cabinet and hold office until age 75. The House of Commons has 308 members, elected by voters in single-member constituencies. The leader of the political party that gains the most seats in each general election is usually invited by the Governor General to be Prime Minister and to form the Government. The Prime Minister selects the members of the federal Cabinet from among the members of the House of Commons and the Senate (in practice almost entirely from the former). The House of Commons is elected for a period of five years. Since May 2007, the *Canada Elections Act* requires that a general election be held on a fixed date: the third Monday of October in the fourth calendar year following the previous general election. However, the law does not prevent the Governor General from dissolving Parliament at another date. The date of a general election is set by the Governor in Council.

The most recent general election was held on May 2, 2011. As a result of that election the Conservative Party of Canada formed the Government. The distribution of seats in the House of Commons is as follows: the Conservative Party of Canada has 166 seats, the New Democratic Party

has 102 seats, the Liberal Party of Canada has 34 seats, the Bloc Québécois has 4 seats, and the Green Party of Canada has 1 seat. There is 1 vacant seat.

The executive power in each province is vested in the Lieutenant Governor, appointed by the Governor General on the advice of the federal Cabinet. The Lieutenant Governor's powers are exercised on the advice of the provincial cabinet, which is responsible to the legislative assembly. Each provincial legislature is composed of a Lieutenant Governor and a legislative assembly and, depending on the province, members of provincial legislative assemblies are elected for 4 or 5 years. The practice of selecting the provincial premier and the provincial cabinet in each province follows that described for the federal level, as does dissolution of a legislature.

The judicial branch of government in Canada is composed of an integrated set of courts created by federal and provincial law. At the federal level there are two principal courts, the Supreme Court of Canada which is the highest appeal court in Canada and the Federal Court of Canada which, among other things, deals with federal revenue laws and claims involving the Government. Judges of the two federally constituted courts and those of the provincial superior and county courts are appointed by the Governor General on the advice of the federal Cabinet and hold office during good behavior until age 70 or 75. Judges of the magistrates courts (commonly now known as provincial courts) are appointed by the provincial government and usually hold office until age 65 or 70.

THE CANADIAN ECONOMY

A description of the Canadian economy, including gross domestic product, gross domestic income and expenditure, economic developments, the balance of international payments, debt maturity and foreign exchange and international reserves can be found in the Form 18-K, incorporated by reference herein.

DEBT RECORD

Canada has always paid the full face amount of the principal and interest on every direct obligation issued by it and every indirect obligation on which it has been required to implement its guarantee, promptly when due. During war, where such payment would have violated laws or regulations forbidding trading with the enemy, payment was made to a custodian of enemy property.

GOVERNMENT FINANCES

Introduction

The financial structure of the Government of Canada rests on a constitutional and statutory framework dating back to the *British North America Act, 1867*. That Act, which has been renamed the *Constitution Act, 1867*, gave constitutional foundation to the principles of financing that are basic to responsible government, while other necessary financial administrative machinery and procedures were established by subsequent legislation, most notably the *Financial Administration Act*. The proclamation in 1982 of the *Constitution Act, 1982* terminated British legislative jurisdiction over Canada's Constitution in accordance with an amending formula that permits amendment of the Constitution without resorting to the Parliament of the United Kingdom.

Within the confines of the Constitution, the authority of Parliament is supreme. Ultimate control of the public purse and the financial structure of the Government rests with Parliament. This is reflected in the fundamental principles that no tax shall be imposed and no money shall be spent without the authority of Parliament, and that expenditures shall be made only for the purposes authorized by Parliament.

Public money received by the Government is deposited in the Consolidated Revenue Fund of Canada. Withdrawals of public money out of the Consolidated Revenue Fund may not be made without the authority of Parliament.

The Government has two major sources of money: budgetary revenues and borrowing. The main sources of revenue are personal and corporate income taxes, employment insurance premiums and excise taxes and duties. These revenues are authorized by specific acts passed by Parliament. The Government's revenues also include those of consolidated Crown corporations and other entities, net gains/losses from enterprise Crown corporations (such as the Bank of Canada, Export Development Canada and the Canada Mortgage and Housing Corporation), foreign exchange revenues and other revenues (primarily revenues from the sales of goods and services). The other major source of money to finance Government operations is borrowing. Borrowing authority is established by acts of Parliament and borrowing limits are established by Orders in Council. The main sources of borrowing are marketable bonds, treasury bills and retail debt.

Parliament authorizes the disbursement of moneys out of the Consolidated Revenue Fund by means of Appropriation Acts passed on an annual basis by Parliament and based on the Main Estimates submitted by the various departments. In addition to the Appropriation Acts, authority for payments may also be found in certain statutes which authorize certain payments out of the Consolidated Revenue Fund. Expenditures for public debt charges, social security payments and transfers to other levels of government are authorized in this way. Appropriations may also be made by the Governor in Council for urgent payments. Such appropriations may be made only when Parliament is not in session and must be laid before Parliament during the subsequent session.

Information on the Government's planned revenues and expenditures is presented to Parliament primarily in two documents: the Budget and the Main Estimates, which are both presented in the House of Commons. The Budget, which may be delivered at any time during the fiscal year, provides the occasion on which the Minister of Finance generally brings under review the whole financial position of the Government, present and prospective, and announces the Government's plans and proposals. The Main Estimates are tabled (i.e., introduced) once each year and outline the Parliamentary authority, either existing or required, for disbursements. Supplementary Estimates may also be tabled during the year to provide authority for spending as the need arises.

The considerations for overall resource availability and demands for new policies and programs are reconciled through the establishment of five year economic and fiscal projections reflecting Government priorities. The projections are released in an Economic and Fiscal Update in the fall for pre-budget consultation purposes. To incorporate objective economic assumptions, the fiscal projection is based on the average of private sector economic forecasts.

For financial reporting purposes, the Government of Canada includes all departments, agencies, corporations, organizations and funds which are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations that are listed in the *Financial Administration Act* or that are Crown corporations as defined by the *Financial Administration Act* are included for financial reporting purposes. Other organizations not listed in the *Financial Administration Act* may also meet the definition of control and they are included in the Government's reporting entity if their revenues, expenses, assets or liabilities are significant. The financial activities of all these entities are consolidated in the Government's financial statements, except for enterprise Crown corporations and other government business enterprises, which are not dependent on the Government for financing their activities. These corporations are reported under the modified equity basis of accounting.

The primary source of information on all actual financial transactions of the Government is the *Public Accounts of Canada*, which is required by the *Financial Administration Act* to be tabled in Parliament

each year. The other chief accountability reports are the statements of budgetary and non-budgetary financial transactions and of the Government's cash and debt position published monthly in *The Fiscal Monitor* and in the *Annual Financial Report*.

The financial statements of the Government of Canada are presented on a full accrual basis of accounting, recording government revenues and expenses when they are earned or incurred, regardless of when the cash is received or paid. The Government's fiscal anchor is the budgetary balance, which provides the most comprehensive and up-to-date picture of the financial situation. The accumulated deficit is equal to total liabilities less total assets—both financial and non-financial. Financial assets include cash and cash equivalents, accounts receivable, foreign exchange accounts, and loans, investments and advances. Non-financial assets include tangible capital assets, such as land and buildings, inventories and prepaid expenses. The annual change in the accumulated deficit is equal to the budgetary balance plus other comprehensive income or loss. It is the accumulation of the annual surpluses and deficits in the past that represents the federal debt and is the main measure of debt. Net debt, which is a different measure of Government's financial position, represents total liabilities less financial assets.

Fiscal Policy

The budgetary deficit/surplus — the budgetary balance — is the most comprehensive measure of the Government's fiscal results. It is presented on a full accrual basis of accounting, recording government assets and liabilities when they are earned or incurred, regardless of when the cash is received or paid. In addition, the budgetary balance includes only those activities over which the Government has control for financial reporting purposes.

Between fiscal 1997-98 and fiscal 2007-2008, the Government recorded annual budgetary surpluses ranging between \$1.5 billion (fiscal 2004-05) and \$19.9 billion (fiscal 2000-01). The onset of the global recession in 2008 resulted in a budgetary deficit of \$5.8 billion in fiscal 2008-09, followed by budgetary deficits of \$55.6 billion and \$33.4 billion in fiscal 2009-10 and 2010-11 respectively. Roughly half of the \$33.4 billion deficit of fiscal 2010-11 was attributable to actions taken under Canada's Economic Action Plan, which has provided significant additional support to Canadians in the form of personal income tax reductions, enhanced Employment Insurance (EI) benefits, investments in infrastructure and support for housing, support for industries and communities, and actions to improve access to financing. Federal debt — the accumulation of annual deficits and surpluses since Confederation — was 33.9% of GDP in fiscal 2010-11, down slightly from a year earlier and remaining well below its peak of 68.4% in fiscal 1995-96. Program expenses decreased by \$5.2 billion, or 2.1%, over the prior year. As a percentage of GDP, program expenses decreased by 14.7% in fiscal 2010-11, down 1.3 percentage points over fiscal 2009-10. As a percentage of revenues, public debt charges were 13.0% in fiscal 2010-11, down from a peak of 37.6% in fiscal 1990-91.

Financial requirements/source measures the difference between cash coming in to the Government and cash going out. It differs from the budgetary balance in that it includes transactions in loans, investments and advances, federal employees' pension accounts, other specified purpose accounts, foreign exchange activities, and changes in other financial assets, liabilities and non-financial assets. These activities are included as part of non-budgetary transactions. Adjustments for the effects of non-cash items included in the budgetary balance and for accruals of past or future cash receipts or payments are also reflected in non-budgetary transactions.

In contrast to the large financial requirements observed from the mid-1970s through to the mid-1990s, financial surpluses were recorded in ten of the eleven years between fiscal year 1997-98 to fiscal year 2007-08. There was a financial requirement of \$46.2 billion in 2010-11, compared to a financial requirement of \$63.6 billion in 2009-10. The Government financed this requirement in 2010-11 by increasing unmatured debt by \$32.0 billion and reducing its cash balances by \$14.1 billion.

Unmatured debt as a percentage of GDP stood at 36.4% in fiscal 2010-11, down 21.3 percentage points from the peak of 57.7% in fiscal 1995-96.

CLAIMS AND PENDING AND THREATENED LITIGATION

The following information (except the final paragraph) has been extracted in its entirety from Note 16 (iv) from Volume 1, Section 2 of the 2010-2011 Public Accounts of Canada for the year ended March 31, 2011, tabled in the House of Commons of the Parliament of Canada on November 3, 2011.

Claims and pending and threatened litigation

“There are thousands of claims and pending and threatened litigation cases outstanding against the Government. These claims include items with pleading amounts and items where an amount is not specified. While the total amount claimed in these actions is significant, their outcomes are not determinable. The Government has recorded an allowance for claims and litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. Claims and litigation for which the outcome is not determinable and a reasonable estimate can be made amount to approximately \$4,211 million (\$4,300 million in 2010). Certain large and significant claims are described below:

Comprehensive land claims: Comprehensive land claims are negotiated in areas where aboriginal title has not been dealt with by treaty or by other legal methods. In such cases, the claim is based on an aboriginal group’s traditional use and occupancy of that land. There are currently 80 (76 in 2010) comprehensive land claims under negotiation, accepted for negotiation or under review. A liability of \$3,772 million (\$3,800 million in 2010) is estimated for claims that have progressed to a point where quantification is possible. The estimate is based on historical rates and costs of settlement and current status of negotiations. The remaining claims are still in the early stage of negotiations and cannot yet be quantified.

Assessed taxes under objection or appeal: As at March 31, 2011, an amount of \$17,117 million (\$17,102 million in 2010) of previously assessed federal and provincial taxes was under objection at Canada Revenue Agency and \$3,299 million (\$3,509 million in 2010) was under appeal at either the Tax Court of Canada, the Federal Court of Canada or the Supreme Court of Canada.

Other: In September 1999, the *Public Service Superannuation Act*, the *Canadian Forces Superannuation Act* and the *Royal Canadian Mounted Police Superannuation Act* were amended to enable the Government to deal with excess amounts in the superannuation accounts and pension funds governed by these Acts. The legal validity of these provisions was challenged in the Courts. On November 20, 2007, the Ontario Superior Court of Justice rendered its decision and dismissed all the claims of the plaintiffs. The Ontario Court of Appeal dismissed the plaintiffs’ appeal on October 8, 2010. In a decision released on May 5, 2011, the plaintiffs’ application for leave to appeal was granted by the Supreme Court of Canada. The outcome is not determinable at this time.”

Except as set out above, there are no governmental, legal, or arbitration proceedings (including any such proceedings which are pending or threatened of which Canada is aware), during a period covering the 12 month period preceding the date of this Prospectus which may have, or have had in recent past, significant effects on Canada’s financial position.

LIQUID DEPOSITS AVAILABLE IN DOMESTIC CURRENCY

The following information has been extracted in its entirety from Volume 1, Section 7 of the 2010-2011 Public Accounts of Canada for the year ended March 31, 2011, submitted to the House of Commons of the Parliament of Canada on November 3, 2011.

“Cash and Cash Equivalents

Cash consists of public moneys on deposit and cash in transit at March 31st. Cash in bank consists of public moneys on deposit to the credit of the Receiver General for Canada, with the Bank of Canada, chartered banks and other financial institutions. Cash in transit consists of public moneys received by public officers prior to April 1, but not deposited by the date as well as cash held by consolidated Crown corporations and other entities. Outstanding cheques and warrants are deducted to arrive at the closing cash balance.

Cash equivalents consist mainly of term deposits resulting from auctions administered by the Bank of Canada and the Department of Finance on behalf of the Minister of Finance. The short term deposits, denominated in Canadian dollars, are made from a portion of the daily surplus of cash balance and have a short term maturity, usually not exceeding 31 calendar days.

Table 7.2 presents a summary of the cash and cash equivalents.

TABLE 7.2
CASH AND CASH EQUIVALENTS

	March 31/2011	March 31/2010
	\$	\$
Cash in bank—		
Canadian currency	944,887,775	13,668,147,862
Foreign currencies(1).	420,833,782	326,355,184
Special deposits(2).	50,000,000	50,000,000
Total cash in bank	1,415,721,557	14,044,503,046
Cash in transit—		
Cash in hands of collectors and in transit	9,134,506,533	7,359,138,663
Other cash—Consolidated Crown corporations and other entities(3).	526,391,000	518,079,000
Total cash in transit	9,660,897,533	7,877,217,663
Less: Outstanding cheques and warrants—		
Outstanding cheques(4).	5,492,713,111	5,050,029,792
Imprest account cheques(5).	305,416	319,560
Total outstanding cheques and warrants	5,493,018,527	5,050,349,352
Total cash	5,583,600,563	16,871,371,357
Cash equivalents	8,739,001,670	11,578,956,888
Total cash and cash equivalents	14,322,602,233	28,450,328,245

(1) The balances denominated in foreign currencies (United Kingdom pounds sterling, United States dollars and Euros) have been translated into Canadian dollar equivalents and include cash in bank and outstanding cheques and warrants.

(2) These are balances in the hands of financial institutions for the reimbursement of GST refund payments issued by the Ministère du Revenu du Québec on behalf of the Government.

(3) These funds are not public moneys to the credit of the Receiver General for Canada but are for the exclusive use of consolidated Crown corporations and other entities.

(4) Cheques and Employment Insurance warrants issued in Canadian dollars, and outstanding are recorded in this account. Cheques outstanding for 10 years are transferred to other revenues. During the year, an amount of \$61,982,669 (\$33,703,295 in 2010) was transferred to other revenues. Cheques in foreign currencies are credited to the Government's cash account at the time of issue.

(5) Imprest account cheques issued and unpaid at March 31, with the exception of those outstanding for 10 years or more (which have been transferred to other revenues), are recorded in this account.”

SUBSCRIPTION AND SALE

Subject to the restrictions set forth below, Instruments may be sold in a repeated manner by EDC from time to time to any person. The form and terms and conditions of the relevant Instruments, their purchase price and any commissions or deductibles payable or allowable by EDC in respect of their purchase will be as agreed between EDC and the relevant purchaser(s) (each, a “**Purchaser**”) at or prior to the time of issuance of the relevant Tranche. Save as otherwise agreed to the contrary between EDC and the Purchaser at or prior to that time, the purchase of the relevant Instruments will be upon the terms set out in a pro forma purchase agreement (the “**Purchase Agreement**,” which expression shall include any amendments or supplements thereto) which has been signed by EDC for the purposes of identification, a copy of which is available for inspection at the specified office of each of the Paying Agents, the Principal Registrar, First Alternative and Second Alternative Registrar and at the registered office of EDC.

The United States of America

Regulation S Category 2; TEFRA D; Rule 144A eligible if so specified in the applicable Final Terms

Instruments have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except that Instruments in registered form may be offered or sold to Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act) in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments in bearer form are subject to United States tax law requirements and may not be offered, sold or delivered within the United States or its possession or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the respective meanings given to them by the Code and regulations thereunder.

In addition, until forty days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of Instruments within the United States by a purchaser (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

Each Purchaser of Instruments in registered form in the United States will, by its purchase of such Instruments, be deemed to have made the representations and agreements set forth under “Transfer Restrictions – Rule 144A/Restricted Notes”.

The Purchase Agreement requires each Purchaser to represent and agree that, except as permitted by the Purchase Agreement, it has not offered, sold or delivered and will not offer, sell or deliver Instruments, (i) as a part of their distribution at any time, or (ii) otherwise until forty days after the completion of the distribution of the Instruments comprising the relevant Tranche, as certified to the Fiscal Agent or EDC by such Purchaser (or, in the case of a sale of a Tranche of Instruments to or through more than one Purchaser, by each of such Purchasers as to Instruments of such Tranche purchased by or through it, in which case the Fiscal Agent or EDC shall notify each such Purchaser when all such Purchasers have so certified) (referred to as the “distribution compliance period”) within the United States or to or for the account or benefit of U.S. persons, and such Purchaser will have sent to each purchaser to which it sells Instruments during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to or for the account or benefit of U.S. persons. The Purchase Agreement also requires that each Purchaser represent and agree that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Instruments and, except as permitted by the Purchase Agreement, that they have

complied and shall comply with the offering restrictions requirements and Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

In the event that the Purchase Agreement permits offers and sales pursuant to Rule 144A, the Purchase Agreement will require each Purchaser to represent and agree that neither it nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act), nor any person acting on its or their behalf has engaged in or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer and sale of the Instruments pursuant to Rule 144A in the United States.

Furthermore, each Tranche of Instruments may also be subject to such further United States selling restrictions as EDC and the relevant Purchaser(s) may agree and as indicated in the applicable Final Terms.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Purchaser of Instruments will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Instruments to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Instruments specify that an offer of those Instruments may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Instruments which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the applicable Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and EDC has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, in the case of Early Implementing Member States, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Purchaser or Purchasers nominated by EDC for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Instruments referred to in (b) to (d) above shall require EDC or any Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Instruments to the public**” in relation to any Instruments in any Relevant Member State means the communication in any form and by any means

of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

The Purchase Agreement requires that each relevant Purchaser has represented and agreed that:

- (i) in relation to any Instruments which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instrument would otherwise constitute a contravention of section 19 of FSMA by EDC;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which Section 21(1) of the FSMA would not apply to EDC; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

Japan

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Law**”). Accordingly, each Purchaser will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Instruments in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws, regulations and ministerial guidelines of Japan.

Switzerland

The Purchase Agreement requires the relevant Purchaser to have agreed that it (a) will only offer or sell Instruments in Switzerland in compliance with all applicable laws and regulations in force in Switzerland and (b) will to the extent necessary, obtain any consent, approval or permission required, if any, for the offer or sale by it of Instruments under the laws and regulations in force in Switzerland.

In particular, each Purchaser is required to agree that it will make sure that its selling and/or marketing of the Instruments does not qualify as a “public offering” in the meaning of Art. 1156 Para. 1 of the Swiss Code of Obligations or any other applicable Swiss laws, regulations, rules, codes and

practices of any nature whatsoever. Further, each Purchaser is required to agree that any issue of Instruments denominated in Swiss Francs will be in compliance with the Directive on Notes of Foreign Borrowers of May 2001 of the Swiss Bankers Association.

General

Save for EDC having obtained the approval of this document by the UK Listing Authority in accordance with its rules and the request by EDC to the UK Listing Authority for certificates of approval (together with any translation of the summary to this Prospectus as may be required) to be delivered to the competent authorities in those Members States of the EEA set out in the applicable Final Terms, no action has been or will be taken in any country or jurisdiction by EDC that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by EDC to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Instruments or have in their possession or distribute this document on such offering material, in all cases at their own expense.

The Purchase Agreement provides that Purchasers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of a change or changes in official interpretation of or a change or changes in applicable laws and regulations, after the date of the Purchase Agreement, no longer be applicable.

Purchasers will be required to comply with such other additional restrictions as EDC and the relevant Purchaser shall agree and as shall be set out in the applicable Final Terms or otherwise agreed to in writing by the Issuer and the relevant Purchaser.

Additional risk factors

Additional risk factors in relation to specific issues of Instruments may be included in the applicable Final Terms.

TRANSFER RESTRICTIONS

Rule 144A/Restricted Notes

Each purchaser of Instruments in the form of Restricted Notes pursuant to Rule 144A, by accepting delivery of this prospectus and any applicable Final Terms, will be deemed to have represented, agreed and acknowledged that:

- (1) It is purchasing the Instruments for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is a Qualified Institutional Buyer, and is aware that the sale to it is being made in reliance on Rule 144A.
- (2) The Instruments have not been registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of U.S. persons, except as set forth below.
- (3) It understands and agrees that Instruments initially offered in the United States to Qualified Institutional Buyers will be represented by 144A Global Notes.
- (4) It agrees that it will not offer, resell, pledge or otherwise transfer any of such Instruments except (A) to EDC or a Purchaser, (B) within the United States to a Qualified Institutional Buyer in a transaction complying with Rule 144A, (C) outside the United States, in compliance with Rule 903 or 904 of Regulation S under the Securities Act, (D) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (E) pursuant to an effective registration statement under the Securities Act.
- (5) It agrees that it will give to each person to whom it resells, pledges or transfers the Instruments notice of any restrictions on transfer of such Instruments.
- (6) It acknowledges that prior to any proposed resale, pledge or transfer of Instruments to a person who takes delivery in the form of an interest in an Unrestricted Global Note of the same Series, the Holder of such Instruments will be required to provide certifications relating to the manner of such transfer.
- (7) It acknowledges that EDC, the Purchaser(s) and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of the Instruments are no longer accurate, it shall promptly notify EDC and the Purchaser(s). If it is acquiring the Instruments as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each account.
- (8) Set forth below is a form of legend which will appear on the face of the Restricted Notes and which will be used to notify transferees of the foregoing restrictions on transfer. Additional copies of such notice may be obtained from the Fiscal Agent.

“THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR ANY OTHER SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF EXPORT DEVELOPMENT CANADA (THE “ISSUER”) THAT THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE ISSUER, (2) SO LONG AS THIS INSTRUMENT IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT (“RULE 144A”), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED

IN RULE 144A) IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.”

Any additional transfer restrictions on the Instruments shall be set forth in any applicable Final Terms.

Regulation S Notes/Unrestricted Notes

Each purchaser of Instruments outside the United States pursuant to Regulation S and each subsequent purchaser of such Instruments in resales prior to the expiration of the distribution compliance period (as used in “Subscription and Sale”), by accepting delivery of this Prospectus and the Instruments, will be deemed to have represented, agreed and acknowledged that:

(1) It is, or at the time Instruments are purchased will be, the beneficial owner of such Instruments and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

(2) It understands that such Instruments have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Instruments except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a Qualified Institutional Buyer purchasing for its own account or the account of a Qualified Institutional Buyer or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

(3) It understands that such Instruments, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

“THIS INSTRUMENT HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 AS AMENDED (THE “SECURITIES ACT”). THIS INSTRUMENT IS BEING OFFERED OUTSIDE THE UNITED STATES AND, PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S (“REGULATION S”) UNDER THE SECURITIES ACT), THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S), EXCEPT TO A PERSON REASONABLY BELIEVED TO BE A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A (“RULE 144A”) UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND THE FISCAL AGENCY AGREEMENT REFERRED TO HEREIN.”

(4) It understands that the Issuer, the Registrar, the Purchaser(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(5) It understands that Instruments in registered form offered in reliance on Regulation S will be represented by an Unrestricted Global Note. Prior to the expiration of the distribution compliance period, before any interest in a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note of the same Series, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Fiscal Agency Agreement) as to compliance with applicable securities laws.

GENERAL INFORMATION

1. The issuance of Instruments under this Programme is subject to the approval of the Minister of Finance of Canada. The terms and conditions of each Final Terms shall, in respect of Instruments with a term greater than 365 days, be approved by EDC's President or Senior Vice President and Chief Financial Officer or such other officer as may be authorized from time to time in accordance with the Standing Resolution of the Board of Directors of EDC authorizing the Issuance of Debt Instruments adopted by the Board of Directors on December 9, 2010, which came into effect on December 27, 2010, as amended, replaced or superseded from time to time ("**Standing Resolution**").
2. The listing of the Instruments on the Official List will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Instruments which is to be admitted to the Official List and to trading on the Regulated Market will be admitted separately upon submission of the applicable Final Terms and any other information required, subject to the issue of the relevant Instruments. Prior to official listing, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.

Instruments may be issued pursuant to the Programme which will not be admitted to the Official List or to trading on the Regulated Market or listed on any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Purchaser(s) may agree.

3. From the date of this document and throughout the life of the Programme, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the registered office of EDC and the specified office of the Fiscal Agent, namely:
 - the *Export Development Act* (Canada) and the *Financial Administration Act* (Canada);
 - the By-Law of EDC and the Standing Resolution;
 - the Fiscal Agency Agreement;
 - the pro forma Purchase Agreement;
 - the Deed of Covenant;
 - the 2010 Annual Report of EDC containing the audited financial statements of EDC for the two financial years preceding the date of this document, including the audit report thereon of the Auditor General of Canada
 - Exhibit 99.D to Canada's Form 18-K filed with the SEC on December 20, 2011;
 - the current Prospectus in relation to the Programme, together with any supplements thereto and any document incorporated therein by reference; and
 - any Final Terms, except that in the case of Instruments in relation to which application has not been made for admission to the Official List and to trading on the Regulated Market and/or admission to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system or that are otherwise issued in circumstances that do not require publication of a prospectus under the Prospectus Directive, copies of the applicable Final Terms will only be available for inspection by a holder of or, as the case may be, a

Relevant Account Holder (as defined in the Deed of Covenant) in respect of, such Instruments.

4. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg, which are the entities in charge of keeping the records in respect of the Instruments. The appropriate common code and International Securities Identification Number in relation to the Instruments of each Series and the relevant identification number(s) of any other clearing system as shall have accepted the relevant Instruments for clearance will be specified in the Final Terms relating thereto. If the Instruments are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms. The address of Euroclear is 3 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg.
5. In respect of Bearer Instruments not in NGN form, a temporary Global Instrument and/or a permanent Global Instrument in bearer form without coupons may be deposited with a common depository for Euroclear and Clearstream, Luxembourg, and in respect of Bearer Instruments in NGN form, with a common safekeeper for Euroclear and Clearstream, Luxembourg. Transfers of interests in such temporary Global Instruments or other Global Instruments will be made in accordance with the normal Euromarket debt securities operating procedures of Euroclear and Clearstream, Luxembourg.

In respect of Registered Instruments, if the applicable Final Terms specify the Registered Instruments are intended to be held in a manner which would allow Eurosystem eligibility (being the NSS), the global Registered Instrument shall be deposited on the relevant Issue Date with and registered in the name of a nominee of a common safekeeper for Euroclear and Clearstream, Luxembourg. If the applicable Final Terms specify the Registered Instruments are not intended to be held in a manner which would allow Eurosystem eligibility, the global Registered Instrument shall be deposited on the relevant Issue Date with a common depository of and registered in the name of a common nominee for Euroclear and Clearstream, Luxembourg.

6. The price and amount of Instruments to be issued under the Programme will be determined by the Issuer and the relevant Purchaser(s) at the time of issue in accordance with prevailing market conditions.
7. Bearer Instruments (other than Temporary Global Instruments) and any Coupon appertaining thereto will bear a legend substantially to the following effect: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.” The sections referred to in such legend provide that a United States person who holds a Bearer Instruments or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Instruments or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
8. Settlement arrangements will be agreed between the Issuer, the relevant Purchaser(s) and the Issuing and Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Instruments.
9. The Issuer has no intention to provide any post-issuance information in relation to any issue of Instruments.
10. Except as described under: (i) the heading “Canadian Federal Income Taxation,” in this document or (ii) in the applicable Final Terms, under Canadian federal income tax legislation

in effect on the date of this document (or in the case of the Final Terms, the date of such Final Terms), interest paid or credited in respect of Instruments to non-residents of Canada will be exempt from Canadian non-resident withholding tax. **Prospective purchasers of Instruments are advised to consult their own tax advisers as to the tax consequences of their purchase, holding or disposal of Instruments.**

11. The Programme is the subject of a legal opinion, given on the date of this document to EDC, by internal Legal Counsel to EDC.
12. There has been no significant change to the information set out under the heading "Export Development Canada – Financial Information" on page 104 hereof which has occurred since December 31, 2010.
13. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which EDC is aware), during a period covering the 12 month period preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on EDC's financial position.
14. The Instruments constitute direct, unconditional obligations of EDC and as such constitute direct and unconditional obligations of Her Majesty in right of Canada. Payments of principal of and interest on the Instruments are a charge on and payable out of the Consolidated Revenue Fund of Canada. The Consolidated Revenue Fund is the aggregate of all public moneys, such as tax revenues, which are on deposit to the credit of the Receiver General for Canada (the public officer who receives or collects public moneys for and on behalf of Canada). The Holders of Instruments may enforce payment against Her Majesty in right of Canada by suit in the Federal Court of Canada or a provincial court of competent jurisdiction, no governmental or other consent being required for such enforcement. A judgement obtained in an action brought against Her Majesty in right of Canada is not capable of being enforced by execution, but is payable out of the Consolidated Revenue Fund of Canada.
15. **European Union Savings Directive**

Under the Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person within its jurisdiction to an individual resident in or to certain other persons established in that other Member State. However, during the current transitional period Luxembourg and Austria are instead required (unless during such period they elect otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The transitional period is to terminate at the end of the first full fiscal year after agreement on exchange of information is reached between the European Union and certain non-EU countries. A number of non-EU countries (including Switzerland) and certain dependent or associated territories of certain Member States have adopted similar measures (in the case of Switzerland, a withholding system has been adopted).

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described herein.

16. The Auditor General of Canada audits the public accounts of Canada and the annual financial statements of EDC.

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