

Recommended fallback language for loans referencing CDOR

Part I: Introduction

This note describes the loan fallback language (the “**CARR Recommended Language**”) recommended by the Canadian Alternative Reference Rate working group (CARR) for new and existing loan agreements where the borrower and lenders have agreed to reference the overnight Canadian risk-free rate (RFR) benchmark, known as the Canadian Overnight Repo Rate Average (CORRA) as the replacement rate for the Canadian Dollar Offered Rate (CDOR).

The cessation of the London Interbank Offered Rate (LIBOR) has highlighted the significant economic, legal, operational and other difficulties that can arise when a major benchmark is discontinued, particularly for contracts without fallback language (language that describes what happens to the contract if the main reference rate is no longer available) or with inadequate fallback language. To address some of these issues in Canada, CARR has developed the CARR Recommended Language. Borrowers and lenders that continue to use or reference the CDOR rate option are encouraged to include this voluntary CDOR fallback language in their loan documentation.

The CARR Recommended Language has been developed by the CARR loan fallbacks workstream through a consultative process with a number of Canadian borrowers, lenders, and legal counsel. The CARR Recommended Language also takes into account work done in other jurisdictions. In particular, the CARR Recommended Language is based on language published by the Alternative Reference Rates Committee (ARRC)¹ and the Loan Syndications & Trading Association (LSTA), both of which are related to the replacement of LIBOR with the Secured Overnight Financing Rate (SOFR). Fallback language for CDOR floating rate notes (FRNs) previously published by CARR² (the “**FRN Fallback Language**”) was also taken into account.

The methodology and terms included in the CARR Recommended Language are only recommendations and can be voluntarily included in the documentation for loans that reference CDOR. Borrowers and lenders are free to modify the recommended terms as required or to use terms of their own choosing. For greater certainty, firms are not obliged to follow these recommendations. The CARR Recommended Language may be subject to change as market practices evolve.

CARR is recommending this language as part of a broader effort to develop and promote market standards for products referencing risk-free rates, both in the Canadian marketplace and globally as part of benchmark reform efforts. For further details, see the [White Paper titled CARR’s Review of CDOR: Analysis and Recommendations published on December 16, 2021](#) (the “**White Paper**”) and the [Recommended terms for CORRA-based loans published by CARR in November 2021](#) (the “**CORRA Loan Conventions**”).

In the White Paper, CARR recommended that Refinitiv Benchmark Services (UK) Limited (“**RBSL**”), the administrator of CDOR, cease the calculation and publication of CDOR after June 30, 2024. In line with this recommendation, on May 16, 2022, RBSL announced that “the calculation and publication of all tenors of

¹ The ARRC language, published on March 25, 2021, can be found here:

<https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/arrc-supplemental-hardwired-recommendation>

² The CARR FRN language, published on July 6, 2021, can be found here: <https://www.bankofcanada.ca/wp-content/uploads/2021/07/recommended-fallback-language-frn-referencing-cdor.pdf>

CDOR will permanently cease immediately following a final publication on Friday June 28, 2024". Parties to loan agreements will need to transition away from CDOR ahead of its cessation, and incorporating the CARR Recommended Language is a good first step. However, the CARR Recommended Language is not designed to be the mechanism that parties rely on to transition their contracts from CDOR to CORRA – rather, it is intended to be fallback language to ensure that contracts contain a robust benchmark rate following CDOR cessation. Ahead of the CDOR cessation, parties are expected to amend existing contracts to replace CDOR-based loans with CORRA-based loans, and enter into new loan agreements that contain CORRA-based loans rather than CDOR-based loans.

Part II: Overview of Fallback Language

1. Hardwired Approach

The CARR Recommended Language is broadly consistent with and based on the [Supplemental Recommendations of Hardwired Fallback Language published by ARRC on March 25, 2021](#) (the “**ARRC Recommended Language**”). CARR’s language follows the ARRC’s “hardwired approach”, and CARR does not intend to publish or recommend any “amendment approach” language (which was seen in earlier iterations of the ARRC recommended fallback language). CARR expects that CDOR loan products will transition to CORRA, so publishing a hardwired approach that incorporates a fallback to CORRA will promote the development of a market convention for such transition.

2. Trigger

Loan agreements that include the CARR Recommended Language will automatically transition from CDOR to the “Benchmark Replacement” on the date that all CDOR tenor settings cease publication in 2024, which is referred to in the CARR Recommended Language as the “CDOR Cessation Date”. Please note that in order for the CARR Recommended Language to be fully implemented, conforming changes, such as adding a mechanism for CORRA-based loans (discussed below) and removing bankers’ acceptance mechanics (discussed below) will be required.

3. “Benchmark Replacement” Waterfall

Clause (1) of the defined term “Benchmark Replacement” sets forth a two-step waterfall to determine the successor rate to be used to replace CDOR as of the CDOR Cessation Date, pursuant to clause (a) “*Replacing CDOR*”. Each step in the waterfall must be assessed as of the CDOR Cessation Date. The table below sets out the waterfall:

	Benchmark Replacement
Step 1:	Term CORRA + credit spread adjustment
Step 2:	CORRA Compounded in Arrears + credit spread adjustment

It is worth noting that this loan fallback waterfall is different from the waterfall in the FRN Fallback Language. The FRN Fallback Language waterfall is identical to ISDA’s replacement rate waterfall, and has a number of other rates set out in the waterfall, including CAD Recommended Rate, which is a rate set by a committee officially endorsed or convened by the Bank of Canada (with a certain adjustment), and BOC

Target Rate, which is the Bank of Canada policy rate plus a certain spread and adjustment. The difference in approach is due to the fact that the rate used as a benchmark in FRNs cannot be amended easily, as such an amendment would generally require consent of all noteholders which is difficult to obtain. As a result, a longer and more robust waterfall is necessary to include in FRNs in the event that a fallback is needed from CORRA. In contrast, loan agreements typically involve fewer parties, and often are bilateral in nature, which allows them to be more easily and readily amended to change, add or replace a benchmark rate if needed.

4. Term CORRA

CARR recently launched a public consultation on whether a term CORRA rate is needed in Canada. If the results of this consultation show a strong need for such a rate, and the creation of a 1- and 3-month term CORRA is determined to be feasible, the rate could begin being published by the end of Q3 2023.

The CARR Recommended Language is being published ahead of term CORRA being available, and although term CORRA is expected to be published ahead of the CDOR Cessation Date, there is no guarantee that it will be available by then. If the fallback language is triggered before term CORRA is available, the replacement rate pursuant to the waterfall would be CORRA compounded in-arrears (referred to as “Daily Compounded CORRA” in the CARR Recommended Language). CARR wanted to address this scenario as part of the fallback mechanism and provide the ability for loan agreements to easily transition to term CORRA if and once it becomes available.

As a result, unlike the ARRC Recommended Language, the CARR Recommended Language contains the ability to “flip forward” or “climb the waterfall” in scenarios where CDOR has initially been replaced by Daily Compounded CORRA, due to term CORRA not having been available at the time of the change away from CDOR. Once term CORRA becomes available and feasible for the Administrative Agent to administer (see definition of “Term CORRA Transition Event”), and the Administrative Agent provides notice to the Borrower and the Lenders, term CORRA will automatically replace Daily Compounded CORRA. This language, which can be found in the section titled “Secondary Term CORRA Conversion”, is based on language from one of the LSTA’s concept loan agreements. There is also a mechanism that provides the borrower or “Required Lenders” with the ability to object to converting to term CORRA.

5. Early Opt-In

After comprehensive discussions with different market participants, CARR decided not to include a mechanic in the CARR Recommended Language that allows for parties to opt-in to transition to CORRA ahead of the CDOR Cessation Date. This strays from the ARRC Recommended Language, which included an “early opt-in” mechanism, that allowed for parties to transition to SOFR before any trigger occurred.

Despite its inclusion in the ARRC Recommended Language, the “early opt-in” mechanic was not widely used in Canada for the LIBOR to SOFR transition, and it caused a lot of confusion in the Canadian market. Additionally, the early opt-in mechanics were not completely effective on their own, and another amendment was required in order for it to be fully functional.

CARR concluded that it would be better not to include the early opt-in language, and instead, parties can amend their agreements to opt in early if that is what they want to do.

6. Bankers’ Acceptances (BAs) and CORRA Loans

For a detailed background on Bankers' Acceptances (BAs), see the [White Paper](#).

Many Canadian credit facilities are set up using a BA funding mechanism, which, as described in the White Paper, is inherently interconnected with CDOR. Since the publication of the White Paper, the Canadian Fixed Income Forum (CFIF) has been holding a series of workshops on the potential impact of CDOR's discontinuation on BAs. In these workshops, there was a strong indication that many Canadian banks would move away from the BA lending model upon CDOR's discontinuation. If BA-based funding is discontinued, the CARR Recommended Language provides the Administrative Agent with the option to cease BA funding as of or following the cessation of CDOR in 2024, in favour of "CORRA Loans". This would result in any requests to rollover or convert a loan to a BA being ineffective, and any requests for a new BA to be deemed to be a request for a "CORRA Loan". BAs that are already outstanding would continue to maturity, since the rate is set at the issuance of the BA. Lenders will have the ability to object to the cessation of BA funding.

In the US, LIBOR loans could be transitioned to SOFR loans with a few minor adjustments because the mechanism for the two types of loans looked largely the same, save for the reference rate. Conversely, BA loan facilities have mechanics that are specific to BA funding, due to the fact that when borrowers make a BA draw, a short-term security (i.e. the bankers' acceptance or BA) with the same maturity is created, which the bank can either hold on its balance sheet or sell to the market. Loan agreements include language that addresses the unique BA mechanics, including references to a stamping fee, the discount rate, the form of drafts and the BA instrument, which differ from non-BA funding mechanics. As a result, when CDOR ceases and BA lending is halted, if the only form of borrowing in the loan agreement is under a BA facility, then there is no mechanism (i.e. no language that sets out the terms) to borrow using CORRA as the reference rate. Simply replacing "CDOR" with "CORRA" would not work with the existing BA language.

As a result, a CORRA Loan mechanism needs to be added to the loan agreement, either at the time the CARR Recommended Language is incorporated into the agreement, or through an amendment at a later date. The mechanics for CORRA Loans are not provided in the CARR Recommended Language, but CARR would expect that the CORRA Loan mechanic will look substantially similar to that used for LIBOR or SOFR loans. CARR has already published loan conventions for loans based on overnight CORRA compounded-in-arrears, and will publish recommended conventions for loans based on Term CORRA if CARR goes ahead with establishing a Term CORRA benchmark.

7. Credit Spread Adjustments

Credit spread adjustments (CSAs) are meant to account for the economic difference between the replacement rate and CDOR. The CARR Recommended Language includes hardcoded CSAs, which crystalized as of the date of the RBSL announcement and are consistent with the [CSAs published by Bloomberg Index Services Limited](#) that will be used in ISDA documentation.

It is worth noting that the CSAs included in the CARR Recommended Language are not meant to be prescriptive, but rather they are meant to be used as a starting point for parties. While CSAs reflect the historic economic difference between CORRA and CDOR calculated as of the date of the RBSL announcement, they may not reflect the economic difference at a different point in time, and market standards may continue to evolve as we approach the CDOR Cessation Date. CARR expects that in new or amended deals, parties may use different CSAs depending on market precedents, as has been seen in the

LIBOR transition. The credit spread adjustment was originally meant as a fallback mechanism for the transition from interbank offered rates to risk-free rates. Once CDOR ceases to be published, CARR expects the market to transition to CORRA plus a spread, without the need for a credit spread adjustment.

8. Daily Simple versus Compounded CORRA

CARR recommends using the daily compounded in-arrears methodology, as opposed to daily simple methodology, for CORRA based loans as it reflects more accurately the time value of money and aligns with several key market standards. See the [CORRA Loan Conventions](#) for more details. CARR recognizes that daily simple methodology could be appropriate in certain markets, and this CARR Recommended Language can be revised accordingly.

9. Non-Standard Borrowing Periods

In a forward-looking term reference rate structure, it is not uncommon for borrowers to request non-standard interest periods (e.g. interest periods other than those published on a screen rate). Market participants should consider whether such requests would be appropriate in the context of a term CORRA structure, and if so, how such tenors would be priced and how any CSA would be applied. The CARR Recommended Language does not include recommended standard mechanics for addressing non-standard interest periods and it is therefore left to borrowers and lenders to determine and incorporate (or not) their own language based on their specific circumstances and needs. Parties should consider whether any changes or additions to the CARR Recommended Language should be made to adequately address the CDOR-related terms in their loan agreements.

10. Scope of CARR Recommended Language

The CARR Recommended Language is being published in an effort to assist in the transition from CDOR to CORRA for a significant amount of loans in the Canadian market. However, CARR is aware that the CARR Recommended Language does not address the issues in all loan agreements in the market, and may need to be revised or supplemented before being incorporated into certain loan agreements. For example, this language addresses syndicated loan facilities – parties to bilateral facilities will be able to utilize the CARR Recommended Language but will need to revise it to work in the bilateral credit agreement. Similarly, the CARR Recommended Language does not address BA-equivalent facilities, however, parties to agreements with BA-equivalent facilities can revise clause (g) “Bankers’ Acceptances” accordingly.

Part III: Fallback Language for CDOR Loans

This section contains the CARR Recommended Language for new and existing loan agreements where the borrower and lenders have agreed to reference CORRA as the replacement rate for CDOR.

Benchmark Replacement Setting

Notwithstanding anything to the contrary herein or in any other Loan Document³ **[(and any Swap**

³ The following capitalized terms not defined herein will have the meanings ascribed in the relevant credit agreement: “Loan Document,” “Loan Request,” “Swap Agreement,” “Agreement,” “Bankers’ Acceptance,” “Business Day,” “Lender,” “Lenders,” “Administrative Agent,” “Class,” “Required Lenders,” “Borrower,” “Interest Period,” “Loans,” “Prime Loans,” and “Prime”. Such terms are included herein for illustrative purposes only and should be coordinated with definitions in the relevant credit agreement.

Agreement shall be deemed not to be a “Loan Document” for purposes of this Section)]⁴:

- (a) Replacing CDOR. On May 16, 2022 Refinitiv Benchmark Services (UK) Limited (“**RBSL**”), the administrator of CDOR, announced in a public statement that the calculation and publication of all tenors of CDOR will permanently cease immediately following a final publication on Friday, June 28, 2024. On the date that all Available Tenors of CDOR have either permanently or indefinitely ceased to be provided by RBSL (the “**CDOR Cessation Date**”), if the then-current Benchmark is CDOR, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document. If the Benchmark Replacement is Daily Compounded CORRA, all interest payments will be payable on a **[monthly][quarterly]** basis.
- (b) Replacing Future Benchmarks. Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the administrator or the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrower’s receipt of notice from the Administrative Agent that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Prime Loans. **[During the period referenced in the foregoing sentence, the component of Prime based upon the Benchmark will not be used in any determination of Prime.]**
- (c) Benchmark Replacement Conforming Changes. In connection with the implementation and administration of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

⁴ If “Swap Agreements” (or similar documents) are included in the definition of “Loan Documents” in the relevant credit agreement, parties should consider whether “Swap Agreements” should be removed from the operative provisions of this Section. Excluding “Swap Agreements” may result in differing fall back rates applicable to any loan covered by the credit agreement and the swap documented in such Swap Agreement.

- (d) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement, (ii) any occurrence of a Term CORRA Transition Event, **[and]** (iii) the effectiveness of any Benchmark Replacement Conforming Changes, **and (iv) by delivering a BA Cessation Notice pursuant to clause (g) of this Section, its intention to terminate the obligation of the Lenders to make or maintain Bankers' Acceptances**. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section.
- (e) Unavailability of Tenor of Benchmark. At any time (including in connection with the implementation of a Benchmark Replacement), if the then-current Benchmark is a term rate (including Term CORRA or CDOR), then (i) the Administrative Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) the Administrative Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.
- (f) Secondary Term CORRA Conversion. Notwithstanding anything to the contrary herein or in any Loan Document and subject to the proviso below in this clause, if a Term CORRA Transition Event and its related Term CORRA Transition Date have occurred, then on and after such Term CORRA Transition Date (i) the Benchmark Replacement described in clause (1)(a) of such definition will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; and (ii) each Loan outstanding on the Term CORRA Transition Date bearing interest based on the then-current Benchmark shall convert, **[at the start of the next interest payment period]/[on the last day of the then-current interest payment period]**⁵, into a Loan bearing interest at the Benchmark Replacement described in clause (1)(a) of such definition **[for the respective Available Tenor as selected by the Borrower as is available for the then-current Benchmark]/[having a tenor approximately the same length as the interest payment period applicable to such Loan immediately prior to the conversion or such other Available Tenor as may be selected by the Borrower and agreed by the Administrative Agent];** *provided* that, this clause (f) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term CORRA Notice, **and so long as the Administrative Agent has not received, by 5:00 p.m. (Toronto time) on the [fifth (5th)] Business Day after the date of the Term CORRA Notice, written notice of objection to such conversion to Term CORRA from Lenders comprising the Required Lenders or the Borrower].**

⁵ Parties may select whether the conversion to Term CORRA should take place on the first day of the next interest payment period, or the last day of the current interest payment period, depending on the operational capabilities and preferences of the lenders. Change from "Interest Period" to "interest payment period" is made because in the context of this provision, a daily rate that does not have an "Interest Period" would be used.

(g) ***Bankers' Acceptances.*** The Administrative Agent shall have the option to, effective as of the date set out in the BA Cessation Notice, which shall be a date on or after the CDOR Cessation Date (the "BA Cessation Effective Date"), terminate the obligation of the Lenders to make or maintain Bankers' Acceptances, provided that the Administrative Agent shall give notice to the Borrower and the Lenders at least [thirty (30)] Business Days prior to the BA Cessation Effective Date ("BA Cessation Notice"). If the BA Cessation Notice is provided, then as of the BA Cessation Effective Date, so long as the Administrative Agent has not received, by 5:00 p.m. (Toronto time) on the [fifth (5th)] Business Day after the date of the BA Cessation Notice, written notice of objection to the termination of the obligation to make or maintain Bankers' Acceptances from Lenders comprising the Required Lenders, (i) any Loan Request that requests the conversion of any Loan to, or rollover of any Loans as, a Bankers' Acceptance shall be ineffective, and (ii) if any Loan Request requests a Bankers' Acceptance such Loan shall be made as a [CORRA Loan] [of the same tenor]. For the avoidance of doubt, any outstanding Bankers' Acceptance shall remain in effect following the CDOR Cessation Date until such Bankers' Acceptance's stated maturity.]⁶

(h) ***Definitions.***⁷

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

"Benchmark" means, initially, CDOR; provided that if a replacement of the Benchmark has occurred pursuant to this Section titled "Benchmark Replacement Setting", then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to "Benchmark" shall include, as applicable, the published component used in the calculation thereof.

"Benchmark Replacement",⁸ means, for any Available Tenor:

- (1) For purposes of clause (a) of this Section, the first alternative set forth below that can be determined by the Administrative Agent:
 - (a) the sum of: (i) Term CORRA and (ii) 0.29547% (29.547 basis points) for an Available Tenor of one-month's duration, and 0.32138% (32.138 basis points) for an

⁶ This paragraph may be included in loan agreements that contain a Bankers' Acceptance facility. See Part II, Section 6 for more details.

⁷ Certain definitions track the definitions in the ARRC Recommended Language, which could be problematic for multicurrency credit agreements that already contain language that mirrors this language. In these cases, parties can add "Canadian" to the beginning of the CARR Recommended Language defined terms, or can expand the ARRC Recommended Language definitions to cover the CDOR fallback concepts.

⁸ The hardcoded credit spread adjustments included herein crystallized as of the date of the RBSL announcement and are consistent with the credit spread adjustments published by Bloomberg Index Services Limited that will be used in ISDA documentation (see link here: https://assets.bbhub.io/professional/sites/10/IBOR-Fallbacks_CDOR_Cessation_Technical-Note_220516.pdf). Note that only one month and three month CSAs are included, given that CARR is only looking at publishing these tenors.

Available Tenor of three-months' duration, or

(b) the sum of: (i) Daily Compounded CORRA and (ii) 0.29547% (29.547 basis points) for an Available Tenor of one-month's duration, and 0.32138% (32.138 basis points) for an Available Tenor of three-months' duration; and

(2) For purposes of clause (b) of this Section, the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent and the Borrower as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for Canadian dollar-denominated syndicated credit facilities at such time;

provided that, if the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Prime,” the definition of “Business Day,” the definition of “Interest Period,” the definition of “Bankers’ Acceptance,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters, including with respect to the obligation of the Administrative Agent and the Lenders to create, maintain or issue Bankers’ Acceptances) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents). Without limiting the foregoing, Benchmark Replacement Conforming Changes made in connection with the replacement of CDOR with a Benchmark Replacement may include the implementation of mechanics for borrowing loans that bear interest by reference to the Benchmark Replacement, to replace the creation or purchase of drafts or Bankers’ Acceptances.

“Benchmark Transition Event” means, with respect to any then-current Benchmark other than CDOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Bank of Canada, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to

provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

“CDOR” means the Canadian Dollar rate for bankers’ acceptance borrowings known as the Canadian Dollar Offered Rate provided by RBSL, as the administrator of the benchmark (or a successor administrator).

“CORRA” means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

“Daily Compounded CORRA” means, for any [day]/[Business Day in an interest payment period], CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Administrative Agent in accordance with the methodology and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded CORRA for business loans; provided that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA and a Benchmark Transition Event with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to CDOR.

“Relevant Governmental Body” means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto.

“Term CORRA” means, for the applicable corresponding tenor, the forward-looking term rate based on CORRA that has been selected or recommended by the Relevant Governmental Body, and that is published by an authorized benchmark administrator and is displayed on a screen or other information service, as identified or selected by the Administrative Agent in its reasonable discretion at approximately a time and as of a date prior to the commencement of an Interest Period determined by the Administrative Agent in its reasonable discretion in a manner substantially consistent with market practice.

“Term CORRA Notice” means the notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term CORRA Transition Event.

“Term CORRA Transition Date” means, in the case of a Term CORRA Transition Event, the date that is set forth in the Term CORRA Notice provided to the Lenders and the Borrower, for the replacement of the then-current Benchmark with the Benchmark Replacement described in clause 1(a) of such definition, which date shall be at least **[thirty (30)]** Business Days from the date of the Term CORRA Notice.

“Term CORRA Transition Event” means the determination by the Administrative Agent that (a) Term CORRA has been recommended for use by the Relevant Governmental Body, and is

determinable for any Available Tenor, (b) the administration of Term CORRA is administratively feasible for the Administrative Agent and (c) a Benchmark Replacement, other than Term CORRA, has replaced CDOR in accordance with paragraph (a) of the Section titled “Benchmark Replacement Setting”.