



THE BANK OF NOVA SCOTIA

Statement of Disclosure Policy and Practices and Mandate of Disclosure Committee

Scotiabank is committed to providing timely, accurate, factual and balanced disclosure of all material information about the Bank and to providing fair and equal access to such information. The Bank will comply with legal and regulatory requirements related to the prompt disclosure of information. The Bank has established this Statement of Disclosure Policy and Practices (this “Disclosure Policy”) to govern the disclosure obligations of the Bank.

Scope and Purpose

This Disclosure Policy: (i) extends to the Bank’s directors, officers and all other employees of the Bank and its wholly-owned subsidiaries, and those authorized to speak on the Bank’s behalf and (ii) covers any ‘material information’ relating to the business and affairs of the Bank.

The main purpose of this Disclosure Policy is to:

- co-ordinate the disclosure of material information about the Bank to the public;
- outline the roles and responsibilities of various individuals and groups at the Bank, relating to the release of material information;
- provide a reference guide and promote awareness among all directors, officers and employees of the Bank’s disclosure practices and policies;
- minimize the risk of selective disclosure; and
- establish the mandate of the Disclosure Committee.

Summary of Disclosure Policy

- Material information will be publicly disclosed promptly by newswire release. The only exceptions occur in restricted circumstances where regulation allows the maintenance of confidentiality for a period of time and regulatory filings on a confidential basis.
- Disclosure must include any information the omission of which would make the rest of the disclosure misleading. Unfavourable information will be disclosed as promptly as favourable information.
- As a matter of policy, if there is a debate as to whether information is material or not, the Bank will release the information.

- Precautions are to be taken against selective disclosure.
- Employees will work to ensure that material information is kept confidential until released and the Bank will release this information in a manner that will reach the broadest possible audience.
- If the Bank subsequently learns that a disclosure document contained a material error, the information will be promptly corrected by newswire release or other appropriate corrective action.
- The corporate website will be used to enhance dissemination of information, by posting information contemporaneously with the issuance of newswire releases, regulatory filings of financial statements or other disclosure documents, and presentations by senior officers.
- Disclosure Policy applies to all methods of communication to the public, inclusive of written, oral and electronic communications (including social media).
- It is a duty of senior Bank officers to inform the Disclosure Committee of material developments. Disclosure Committee members will also monitor material developments in the Bank's businesses and affairs.
- The Bank will ensure directors and all appropriate officers and all appropriate employees are aware of the Disclosure Policy and its importance.

Material Information

Securities laws and the policies of securities regulators and stock exchanges generally require the prompt disclosure to the marketplace of all material information.

“Material information” means any information relating to the business and affairs of the Bank that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Bank's securities.

Determination of Materiality

The General Counsel (or their designate) in consultation with at least one other member of the Disclosure Committee (or their designate) will monitor and consider developments within the Bank that may require public disclosure. In situations where the determination of materiality is not clear, the General Counsel will consult with as many members of the Disclosure Committee as is deemed practical and advisable in the circumstances as well as other appropriate senior officers of the Bank and, if appropriate, the Chief Executive Officer, to make a determination. In the event the development is determined to be material, the General Counsel (or their designate) and at least one other member of the Disclosure Committee (or their designate) will ensure that the information is publicly released in accordance with this Disclosure Policy.

In making materiality judgments, the Bank will consider securities laws, the nature of the information itself, the potential impact on the market price of the Bank's securities, the potential financial, reputational, operational and overall impact on the Bank and prevailing market conditions.

These factors will be reviewed and considered with other applicable factors as required on a case-by-case basis.

Non-material Information

The Bank makes many public announcements that do not meet the definition of materiality as discussed above. Many of these announcements relate to products and services that the Bank provides as well as views expressed by experts who work for the Bank, such as Scotiabank economists. Releases and announcements such as these are not subject to the provisions of this Disclosure Policy. Notwithstanding the foregoing, the Bank may make announcements that are not significant enough to meet the definition of material information but which relate to the business and affairs of the Bank and that might be of interest to investors or shareholders. For example, the Bank may make announcements regarding acquisitions or divestitures that may not be material to the Bank's overall operations. The Bank is committed to voluntarily making these announcements in accordance with the provisions of this Disclosure Policy.

Disclosure Committee

The Disclosure Committee of the Bank consists of the Group Head & Chief Financial Officer (CFO), the Chief Risk Officer (CRO), Group Treasurer (GT), the General Counsel, the senior Investor Relations Officer (IRO) and the senior Public, Corporate and Government Affairs Officer (PCO), Chief Accountant, the Business line chief financial officers or any of their designates and the Chief Auditor as an ex-officio member. The Disclosure Committee reports to the President and Chief Executive Officer (CEO). The Bank's external auditors may be invited from time to time to attend Disclosure Committee meetings. Disclosure Committee meetings shall be chaired by the General Counsel (or their designate).

The Disclosure Committee shall have the mandate set forth in Schedule A, which includes evaluating and discussing certain events in order to determine the appropriateness and timing for public release of information. Documents to be reviewed by the Disclosure Committee will be reviewed as follows:

- For review of material disclosure documents, such as annual and interim financial statements and the related MD&A, a meeting of the full Disclosure Committee will be held.
- For highly sensitive or confidential matters that require consideration, or for reasons of practicality and necessity due to required timeframes, a sub-committee comprising of the General Counsel (or their designate) and at least two other members of the Disclosure Committee may be formed to review such matter.
- For the review of all other documents subject to this Disclosure Policy, including any press release with non-material information where the Bank is voluntarily complying with the provisions of this Disclosure Policy, at least two members of the Disclosure Committee (or their respective designates) shall review the document or otherwise conduct discussions on the disclosure of such information.

The General Counsel (or their designate) reviews all material press releases prior to their release.

Additions or changes to the Disclosure Policy will be implemented promptly when mandated by regulatory change. The Disclosure Policy will be reviewed by the Disclosure Committee, at least annually, for the purpose of considering effectiveness and updating procedures.

Communication regarding the Disclosure Policy

The Disclosure Policy applies to the Bank's directors, officers and employees, and those authorized to speak on the Bank's behalf. New directors and relevant officers and employees, who given their position are required to have knowledge of the Disclosure Policy, will be provided with a copy and will be educated about its importance. The Disclosure Policy is available on the Bank's website, which is accessible by all Bank employees and the general public. At least annually, all directors, officers and other relevant employees are reminded that they are expected to be aware of and comply with the Disclosure Policy.

Spokespersons

The Bank designates a limited number of spokespersons responsible for communication with the media, investors and analysts. These spokespersons are the President and CEO, CFO, CRO, GT, IRO and the PCO. Individuals holding these offices may from time to time designate others to speak on behalf of the Bank or respond to specific inquiries from the investment community or media. The Bank's spokespersons are knowledgeable about the Bank's public disclosure, this Disclosure Policy, the investment community's views of the Bank, as well as applicable rules and regulations.

A number of persons may communicate with the media on topics pertaining to the economy in general, or on limited topics pertaining to specific operating divisions and business lines. However, they are not authorized to engage in discussion about the Bank with analysts and the investment community or to comment on the Bank's financial results or any Bank developments or announcements.

Employees who are not authorized spokespersons are not to respond to inquiries from the investment community or media unless specifically asked to do so by an authorized spokesperson. All such inquiries are to be referred to the IRO or the PCO.

The IRO or PCO are to be involved in scheduling and developing all communications for meetings with or other presentations to the investment community or media. They are also responsible for preparing senior management for meetings with financial analysts, investors or media. Wherever practicable, a member of the Investor Relations' or Public, Corporate and Government Affairs' staff, or another spokesperson will attend such presentations or meetings in addition to the speaker.

Disclosure Requirements

All newswire releases, including but not limited to releases of material information, are managed by the Public, Corporate and Government Affairs department and as set out above, prior to their release must be reviewed by at least two Disclosure Committee members (or their respective designates).

If the information has been determined by the Disclosure Committee to be material, news releases will be disseminated through a newswire service that provides simultaneous national and/or international distribution, as needed, to widespread news services, financial media outlets, and relevant regulatory bodies, as necessary. In addition, such news releases will be posted on the Bank's website.

Timing of releases and circumstances requiring Market Surveillance pre-clearance of newswire releases will be dealt with in accordance with the rules applicable to companies listed on the Toronto Stock Exchange and the New York Stock Exchange (and other stock exchanges relevant in the circumstances).

Following consultation with the General Counsel (or their designate), material change reports will be filed when required in accordance with applicable securities regulation.

Selective or Inadvertent Disclosure

Precautions are to be taken against selective disclosure. Undisclosed material information will not be disclosed selectively to an individual or limited group except in accordance with this Disclosure Policy. If there is reason to believe that an unintentional breach of this Disclosure Policy might have occurred resulting in the release of material information to a select group or individual, such breach shall immediately be reported to the General Counsel (or their designate) or, in their absence, the Chief Financial Officer or the PCO. If undisclosed material information is inadvertently disclosed to an individual or limited group, such material information will be publicly disclosed promptly by newswire release, together with any other appropriate corrective action (if necessary). Any other breaches of the Disclosure Policy will be reported to the General Counsel (or their designate).

In limited circumstances, non-public material information may be provided in the "necessary course of business" (e.g. communications to legal counsel, underwriters, credit rating agencies and government agencies). In such circumstances, non-public information may be shared with the third party party if a confidentiality agreement is entered into with such party or if such party is subject to professional conduct obligations of confidentiality (such as lawyers, accountants, rating agencies and regulators).

Communications with Financial Analysts, Investors and Other Market Professionals

Investor Relations acts as liaison to provide financial analysts and investors with information about the Bank. If material information is to be announced or discussed at a shareholder or analyst meeting or media conference, it will be coordinated with a public announcement by newswire release.

Senior officers conduct conference call meetings with members of the investment community each quarter, following public release of quarterly results. Where appropriate, statements and responses to anticipated questions are scripted in advance and reviewed by relevant employees within the Bank. Any supplemental written material made available to analysts for such meetings will concurrently be posted on the Bank's website. Quarterly conference call meetings, following public release of quarterly results, are accessible to the public to listen to by telephone and through the Bank's website. Advance notice and access instructions for such conference call meetings will be posted on the Bank's website and issued through newswire release. When the subject of material announcements makes it appropriate, the Bank may also hold conference call meetings with members of the investment community.

Authorized spokespersons may contact, respond to, meet with or address analysts, investors or journalists on an individual or small group basis from time to time. Material non-public information will not be disclosed at these meetings.

If material information is inadvertently disclosed in any such limited forum, a newswire release will be issued or other appropriate corrective action will promptly be taken to disseminate such information to avoid selective disclosure.

Reviewing Analysts' Reports or Models

Occasionally, the Bank may be requested to review financial analysts' draft reports or models. Spokespersons will limit their comments to correcting errors of fact, referring to previously released statements, information in the public domain and other non-material information. All analysts are treated equally regardless of their recommendation with respect to the Bank's securities.

Forward Looking Information

Forward looking information may be provided in appropriate circumstances to enable evaluation of the Bank's operations and prospects for performance. Forward looking information may include performance targets, discussion of factors that may influence results, and market potential for new product or business line initiatives or corporate expansions.

To the extent that forward looking information is provided by the Bank, whether in writing or oral statements, it will be accompanied by or reference will be made to (i) cautionary language to warn of the risk that material factors could cause actual results to differ materially from statements made in the forward-looking information, and (ii) a statement of material factors or assumptions that were applied in making such statement. The Bank will also disclaim any intention to update or revise this Disclosure Policy of forward-looking information.

Earnings Guidance

As a general rule, the Bank does not provide earnings guidance. Annually the Bank may provide targets on matters including return on equity, earnings per share, productivity, Tier 1 capital ratios and such other matters as senior executive management, the Disclosure Committee and the Bank's Board of Directors may approve. Any such targets provided will be announced by newswire release. Any other guidance will only be based on information which the Bank has previously publicly disseminated.

Quiet Period

In order to avoid any potential for, or the perception or appearance of selective disclosure, the Bank observes a "quiet period". The quiet period commences on the first day following the end of the reporting period until the release of results. During the quiet period, spokespersons will exercise extreme caution to avoid selective disclosure of any material, non-public information (which includes non-public earnings targets and information and financial performance) and will be limited to responding to inquiries about publicly available or non-material information when communicating with analysts, investors or media. In the event of a release during a quiet period, spokespersons are able to discuss only information disclosed in the release, and will not discuss any matters not included in the release.

If the Bank is invited to participate in investor community meetings or conferences during the quiet period, the IRO and General Counsel (or any designate) determines if it is advisable to accept these invitations. If accepted, the Bank exercises extreme caution to avoid selective disclosure of any material, non-public information and any discussion of matters related to earnings and financial performance.

Scotiabank Website

The Bank maintains an internet website, which includes information of interest to investors, including this Disclosure Policy. The Investor Relations department manages the Investor Relations section of the Scotiabank website.

Newswire releases are posted to the corporate information section of the site after release through the newswire service. It is recognized that posting on the website alone is not sufficient dissemination in the case of material information.

The Scotiabank website makes available (in live broadcast and for a subsequent period of continuing availability) audio broadcasts of the quarterly conference calls with analysts and the annual meeting of shareholders.

Information available on the website includes the Annual Report, quarterly reports, supplemental quarterly financial information, media releases and management proxy circulars. Materials related to presentations given by senior officers of the Bank are placed on the Bank's website to minimize risk of selective disclosure.

The Bank does not allow any web-based links to the sites of analysts commenting on the Bank.

Social Media and Internet Use

Directors, officers and employees of the Bank must comply with the Scotiabank Code of Contact when using internet-based social media, social networks, chat rooms, blogs or bulletin boards for personal or business use. Certain individuals are authorized to communicate on behalf of the Bank with the public using the internet and on social media platforms in accordance with the Scotiabank Code of Conduct and this Disclosure Policy.

Responding to Market Rumours

It is the Bank's general practice not to comment on market rumours or speculation, particularly where it is clear that it is not information from the Bank that is the source or basis of the market rumour. Investor Relations periodically monitors internet chat rooms, social media and other sites in order to identify statements being made about the Bank, with a view to anticipating the source of a market rumour. After consultation with two or more members of the Disclosure Committee, the Bank's spokesperson may respond in accordance with this Disclosure Policy, if a rumour is causing market volatility or if a stock exchange or securities regulator requests that the Bank make a statement.

Corrections to Previously Released Material Information

Disclosure must be corrected promptly if the Bank subsequently learns of an error in previously made Bank disclosure and the correction would constitute material information. The CFO, General Counsel and PCO shall ensure that a newswire release is issued promptly to correct the error and that appropriate notifications (if required) are made to the exchanges upon which the Bank's shares trade so that a halt to trading may be instituted if necessary.

Maintaining Confidentiality and Restrictions on Trading

This Disclosure Policy also includes by reference portions of the Scotiabank Code of Conduct, which mandate employee requirements with respect to maintaining confidentiality of information, prohibitions against trading on the basis of or tipping undisclosed material information, and restrictions on periods during which designated employees may effect trades in Bank securities.

An employee who violates the policy may face disciplinary action up to and including termination of his or her employment.

Last reviewed and approved by the Board of Directors on January 23, 2017.

SCHEDULE A

MANDATE FOR DISCLOSURE COMMITTEE

The Disclosure Committee (the “Committee”) shall have the responsibilities and duties as outlined below:

1. determine when events, developments, changes or other facts constitute material information or a material change in the affairs of the Bank. In making such determination, the Committee will assess the impact of any such event, development or change on (a) the assets, liabilities and earnings of the Bank on a consolidated annual basis and on a consolidated quarterly basis to the extent the item is non-recurring, (b) the financial, legal, reputational, operational and overall impact on the Bank, (c) the strategic direction of the Bank, and (d) the market price or value of any of the Bank’s securities;
2. review annually, the Bank’s disclosure policy for effectiveness and, if necessary, possible changes;
3. review annual timetable for preparation of Bank’s regular periodic disclosure filings with specific review of dates for due diligence review procedures;
4. confirm individuals responsible for preparation of the Bank’s regulatory periodic filings;
5. review risk factors and forward-looking statements to be included in the Bank’s public documents and review for applicable updates;
6. confirm immediately before the filing of the quarterly and annual reports and any press releases containing financial information, earnings guidance, forward-looking statements or material information that established procedures were followed to verify information in such reports or press releases and compliance with the Bank’s disclosure policy;
7. review policies and procedures for briefings with analysts, or institutional investors, including slides or presentations as appropriate;
8. review quarterly and annual investor presentations and supplemental materials; and
9. review policy on trading restrictions and “quiet periods”.