

## Prospectus Supplement

### To Short Form Base Shelf Prospectus dated July 21, 2020

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement, together with the short form base shelf prospectus dated July 21, 2020 to which it relates, as further amended or supplemented, and each document incorporated by reference into this prospectus supplement or the accompanying short form base shelf prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available, to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (“**UK**”), as defined in the rules set out in the Markets in Financial Instruments Directive 2014/65/EU, as amended or replaced from time to time (“**MiFID II**”) and MiFID II as incorporated into UK domestic law by virtue of the European Union (Withdrawal Act) 2018. Prospective investors are referred to the section headed “Plan of Distribution - Selling Restrictions - EEA and - UK” of this prospectus supplement for further information.

These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws. The securities to be issued hereunder are being sold only outside the United States to non-U.S. persons (as defined in Regulation S under the U.S. Securities Act) except that the U.S. broker-dealer affiliate of Scotia Capital Inc. may offer or sell the securities to U.S. persons that are Qualified Institutional Buyers (as defined in Rule 144A under the U.S. Securities Act). See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada. See “Documents Incorporated by Reference”. Copies of the documents incorporated herein or therein by reference may be obtained on request without charge from the Corporate Secretary of The Bank of Nova Scotia at the Corporate Governance Office, 44 King Street West, Toronto, Ontario M5H 1H1, telephone: (416) 866-3672, and are also available electronically at [www.sedar.com](http://www.sedar.com).

New Issue

June 10, 2021

# Scotiabank®

## THE BANK OF NOVA SCOTIA

**\$1,250,000,000**

**3.70% Fixed Rate Resetting**

**Limited Recourse Capital Notes, Series 1  
(Non-Viability Contingent Capital (NVCC))  
(subordinated indebtedness)**

**\$1,250,000,000**

**3.70% Fixed Rate Resetting Perpetual**

**Subordinated Additional Tier 1 Capital Notes  
(Non-Viability Contingent Capital (NVCC))  
(subordinated indebtedness)**

The Bank of Nova Scotia (the “**Bank**”) is offering \$1,250,000,000 aggregate principal amount of 3.70% Fixed Rate Resetting Limited Recourse Capital Notes, Series 1 (Non-Viability Contingent Capital (NVCC)) (subordinated indebtedness) (the “**Notes**”). Each Note will mature on July 27, 2081 (the “**Maturity Date**”). The Bank will pay interest on the Notes in equal (subject to the reset of the interest rate and a long first coupon) quarterly instalments in arrears on January 27, April 27, July 27 and October 27 of each year, with the first payment on October 27, 2021. From the date of issue (the “**Issue Date**”) to, but excluding, July 27, 2026, the interest rate on the Notes will be fixed at a rate of 3.70% per annum. Starting on July 27, 2026 and on every fifth anniversary of such date thereafter until July 27, 2076 (each such date, an “**Interest Reset Date**”), the interest rate on the Notes will be reset at an interest rate per annum equal to the Government of Canada Yield (as defined herein) on the business day prior to such Interest Reset Date (each, a “**Fixed Rate Calculation Date**”), plus 2.761%. Assuming the Notes are issued on June 15, 2021, the first interest payment on the Notes on October 27, 2021 will be in an amount of \$13.50753425 per \$1,000 principal amount of Notes. See “Description of the Notes”.

**In the event of a Recourse Event (as defined herein), which includes a non-payment in cash by the Bank of the Redemption Price (as defined herein) for the Notes when due, the occurrence of a Failed Principal Payment Date, Failed Coupon Payment Date, Event of Default and Trigger Event (each term as defined herein), while a Noteholder will have a claim**

against the Bank for the principal amount of the Notes and any accrued and unpaid interest (which will then be due and payable), the Noteholder's sole recourse in respect of such claim will be limited to such Noteholder's proportionate share of the Corresponding Trust Assets (as defined herein) held by the LRT Trustee (as defined herein) in respect of the Notes in the Limited Recourse Trust (as defined herein), which initially shall consist of AT1 Notes (as defined herein). See "Description of the Notes—Limited Recourse".

This prospectus supplement (this "**Prospectus Supplement**"), together with the short form base shelf prospectus of the Bank dated July 21, 2020 to which it relates (the "**Prospectus**"), also qualifies the distribution of \$1,250,000,000 aggregate principal amount of 3.70% Fixed Rate Resetting Perpetual Subordinated Additional Tier 1 Capital Notes (Non-Viability Contingent Capital (NVCC)) (subordinated indebtedness) of the Bank (the "**AT1 Notes**") to be issued to the LRT Trustee as Corresponding Trust Assets. The AT1 Notes offered hereby will be issued on or before the Issue Date.

**The AT1 Notes deliverable upon a Recourse Event have no scheduled maturity and AT1 Noteholders (as defined herein) do not have the right to call for their redemption. Interest on the AT1 Notes will be due and payable only at the Bank's sole and absolute discretion at any time while the AT1 Notes are no longer held by the LRT Trustee, and the Bank may cancel (in whole or in part) any interest payment at any time. Any cancelled interest payments will not be cumulative. Accordingly, the Bank is not required to make any repayment of the principal amount of the AT1 Notes except in the event of bankruptcy or insolvency and provided that an NVCC Automatic Conversion (as defined herein) has not occurred. As a result, if Noteholders' (as defined herein) investment in the Notes becomes an investment in the AT1 Notes pursuant to the limited recourse feature of the Notes, Noteholders could lose part or all of their investment in the Notes. See "Description of the Notes—Limited Recourse" and "Description of the AT1 Notes — NVCC Automatic Conversion."**

The Notes, and the AT1 Notes to the extent they are held by Noteholders after a Recourse Event, are intended to qualify as Additional Tier 1 capital of the Bank within the meaning of the regulatory capital adequacy requirements to which the Bank is subject. The Notes and the AT1 Notes will be the Bank's direct unsecured obligations. The Notes and the AT1 Notes will constitute subordinated indebtedness for the purposes of the *Bank Act* (Canada) (the "**Bank Act**"). In the event of the Bank's insolvency or winding-up, a Recourse Event will have occurred with respect to the Notes and the sole remedy of a holder of the Notes (a "**Noteholder**") shall be recourse to such Noteholder's proportionate share of the Corresponding Trust Assets. Upon delivery to the Noteholders of their proportionate share of the Corresponding Trust Assets following such Recourse Event, all Notes will cease to be outstanding. In the event of the Bank's insolvency or winding-up, the AT1 Notes will rank (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness (as defined herein) and (b) in right of payment equally with and not prior to Deeply Subordinated Indebtedness (as defined herein) (other than Deeply Subordinated Indebtedness which by its terms ranks subordinate to the Notes) of the Bank, in each case, from time to time outstanding. In the event of the Bank's insolvency or winding-up, the AT1 Notes will rank ahead of the Bank's Common Shares (as defined below) and preferred shares.

The occurrence of a Trigger Event (as defined herein) will constitute a Recourse Event. If a Trigger Event occurs, each Noteholder will be entitled to receive, and the LRT Trustee will deliver to each Noteholder, such Noteholder's proportionate share of Common Shares issued upon the conversion of the AT1 Notes into Common Shares upon a Trigger Event, and recourse of each Noteholder will be limited to the Noteholder's proportionate share of the Corresponding Trust Assets. Upon the occurrence of a Trigger Event, each outstanding AT1 Note, whether held by the Limited Recourse Trust or the AT1 Noteholders, will automatically and immediately be converted, on a full and permanent basis, without the consent of the Noteholders, the AT1 Noteholders, the LRT Trustee, the AT1 Indenture Trustee (as defined herein) or the Indenture Trustee (as defined herein), into that number of fully-paid common shares of the Bank (the "**Common Shares**") determined by dividing (a) the product of the Multiplier (as defined herein) and the Note Value (as defined herein), by (b) the Conversion Price (as defined herein) (rounded down, if necessary, to the nearest whole number of Common Shares). See "Description of the AT1 Notes — NVCC Automatic Conversion." If the Corresponding Trust Assets that are delivered to Noteholders upon a Recourse Event consist of Common Shares, the priority of the Notes and the AT1 Notes described above will not be relevant as such Common Shares will rank on parity with all other issued and outstanding Common Shares. See "Description of Common Shares" in the Prospectus.

**The Notes and the AT1 Notes will be direct unsecured obligations of the Bank constituting subordinated indebtedness for the purposes of the Bank Act and neither the Notes nor the AT1 Notes will constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution.**

The Bank may, at its option, with the prior written approval of the Superintendent of Financial Institutions (Canada) (the "**Superintendent**"), redeem the Notes, (i) in whole or in part, every five years during the period from June 27 to and including July 27, commencing in 2026 (an "**Optional Redemption**"), (ii) in whole but not in part, at any time following a Regulatory Event Date (as defined herein) and (iii) in whole but not in part, at any time following the occurrence of a Tax Event (as defined herein), in each case, at the Redemption Price (as defined herein). Upon any redemption by the Bank of the AT1 Notes held in the Limited Recourse Trust in accordance with their terms on any date other than the Maturity Date (such redemption will be subject to the prior written approval of the Superintendent), outstanding Notes with an aggregate principal amount equal to the aggregate principal amount of AT1 Notes redeemed by the Bank shall automatically and immediately be redeemed, for a cash amount equal to the Redemption Price (as defined herein) thereof, without any action on the part of, or the consent of, the Indenture Trustee or

the Noteholders. See “Description of the Notes — Redemption.” If the Bank does not pay the applicable Redemption Price in cash under such circumstances, then a Recourse Event will have occurred, and the sole remedy of each Noteholder shall be the delivery of such Noteholder’s proportionate share of the Corresponding Trust Assets. See “Description of the Notes — Limited Recourse”. The Notes are not redeemable at the option or election of Noteholders.

The AT1 Notes are redeemable as described under “Description of the AT1 Notes—Redemption.”

An investment in the Notes (and the AT1 Notes upon certain Recourse Events and Common Shares upon an NVCC Automatic Conversion) involves certain risks. See “Risk Factors” beginning on page S-40 of this Prospectus Supplement and page 10 of the Prospectus.

	<u>Price to the Public</u>	<u>Agents’ Fee</u>	<u>Net Proceeds to the Bank<sup>(1)</sup></u>
Per \$1,000 principal amount of Notes .....	\$1,000.00	\$10.00	\$990.00
Total .....	\$1,250,000,000.00	\$12,500,000.00	\$1,237,500,000.00

(1) After deducting the Agents’ Fee shown in the table above, but before deducting expenses of the offering, estimated to be approximately \$800,000 of which will be paid by the Bank.

The purchase price to be paid by the Limited Recourse Trust for the AT1 Notes qualified hereby shall be satisfied with proceeds received from the Bank in connection with a subscription for units of the Limited Recourse Trust by the Bank. As a result, the AT1 Notes will not be offered to prospective investors and no proceeds will be raised from the offering of the AT1 Notes pursuant to this Prospectus Supplement.

Scotia Capital Inc., RBC Dominion Securities Inc., Desjardins Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., TD Securities Inc., Merrill Lynch Canada Inc., Wells Fargo Securities Canada, Ltd., iA Private Wealth Inc., Laurentian Bank Securities Inc. and Manulife Securities Incorporated (collectively, the “**Agents**” and individually, an “**Agent**”), as agents, conditionally offer the Notes, subject to prior sale, on a best efforts basis, if, as and when issued by the Bank and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Bank by Osler, Hoskin & Harcourt LLP and on behalf of the Agents by Torys LLP.

The Notes may only be offered and sold in Canada to “accredited investors” (as such term is defined in National Instrument 45-106 – Prospectus Exemptions (“**NI 45-106**”) or section 73.3 of the *Securities Act* (Ontario), as applicable) who are not individuals. Each Agent will represent and covenant, severally and not on a joint and several basis, to the Bank that it will only sell the Notes to such purchasers in Canada. **By purchasing a Note in Canada and accepting delivery of a purchase confirmation such purchaser will be deemed to represent to the Bank and the Agent from whom the purchase confirmation is received that such purchaser is an “accredited investor” (as such term is defined in NI 45-106 or section 73.3 of the Securities Act (Ontario), as applicable) who is not an individual.**

In order to qualify as Additional Tier 1 capital of the Bank within the meaning of the regulatory capital adequacy requirements to which the Bank is subject, the Notes and the AT1 Notes must satisfy certain requirements. These requirements include, among other things, that (i) the Notes and the AT1 Notes have a minimum par or stated value of \$1,000, (ii) the Notes and the AT1 Notes must be traded on institutional desks and therefore may not be listed on any exchange, (iii) the Notes may only be issued to institutional investors in the primary distribution, and (iv) the Notes may only be issued in minimum denominations of at least \$200,000 and integral multiples of \$1,000 in excess thereof.

**No underwriter has been involved in the issuance of the AT1 Notes to the LRT Trustee.**

**Scotia Capital Inc., one of the Agents, is a wholly owned subsidiary of the Bank. As a result, the Bank is a related and connected issuer of Scotia Capital Inc. under applicable securities legislation. See “Plan of Distribution”.**

The decision to distribute the Notes and the determination of the terms of the distribution were made through negotiations between the Bank on the one hand and the Agents on the other hand. RBC Dominion Securities Inc., a dealer in respect of which the Bank is not a related or connected issuer, has participated in the structuring and pricing of the offering, and in the due diligence activities performed by the Agents for the offering. Scotia Capital Inc. will not receive any benefit in connection with this offering other than a portion of the Agents’ Fee payable by the Bank.

The Bank has applied to the Toronto Stock Exchange (the “**TSX**”) to list the Common Shares into which the AT1 Notes may be converted upon the occurrence of a Trigger Event subject to the Bank fulfilling all of the requirements of the TSX on or before September 7, 2021. The Bank has also applied to list the Common Shares into which the AT1 Notes may be converted upon the occurrence of a Trigger Event on the New York Stock Exchange (“**NYSE**”). Listing will be subject to the Bank fulfilling all of the listing requirements of the NYSE.

In connection with this offering, the Agents may, subject to applicable law, over-allot or effect transactions which stabilize or maintain the market price of the Notes at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

**There is no market through which these securities may be sold and purchasers of Notes may not be able to resell Notes purchased under this Prospectus Supplement and holders of AT1 Notes may not be able to resell AT1 Notes that may be delivered to holders of the Notes. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, and the liquidity of the securities. See “Risk Factors”.**

Subscriptions for Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing will take place on June 15, 2021, or such later date as the Bank and the Agents may agree. The Notes will be issued in “book-entry only” form. The aggregate principal amount of the Notes will be issued in certificated or uncertificated form and registered in the name of CDS Clearing & Depository Services Inc. (“CDS”) or its nominee and will be deposited with CDS or its nominee on the closing date. No physical certificates evidencing the Notes will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of Notes will receive only a customer confirmation from the Agent or other registered dealer who is a participant in the depository service of CDS and from or through whom a beneficial interest in the Notes is purchased. See “Description of the Notes”.

**Prohibition of sales to EEA retail investors** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**Prohibition of sales to UK retail investors** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 as amended (“FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This Prospectus Supplement has been prepared on the basis that any offer of Notes in any Member State of the EEA will be made pursuant to an exemption under Regulation (EU) 2017/1129 (the “Prospectus Regulation”) from the requirement to publish a prospectus for offers of Notes.

This Prospectus Supplement has been prepared on the basis that any offer of securities in the UK will be made pursuant to an exemption under the FSMA from the requirement to publish a prospectus for offers of securities.

Any distributor subject to MiFID II subsequently offering, selling or recommending the Notes is responsible for undertaking its own target market assessment in respect of the Notes and determining the appropriate distribution channels for the purposes of the MiFID II product governance rules under Commission Delegated Directive (EU) 2017/593 (the “Delegated Directive”). Neither the Bank nor any of the Agents make any representations or warranties as to a distributor's compliance with the Delegated Directive.

Any distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes and determining appropriate distribution channels. Neither the Bank nor any of the book-running managers make any representations or warranties as to a distributor's compliance with the UK MiFIR Product Governance Rules.

The CUSIP No./ISIN for the Notes will be 06415FRB0 / CA06415FRB09. The CUSIP No./ISIN for the AT1 Notes will be 06415FRC8 / CA06415FRC81.

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts, the first part is this Prospectus Supplement, which describes the specific terms of this offering. The second part, the Prospectus, gives more general information, some of which may not apply to this offering. If information in this Prospectus Supplement is inconsistent with the Prospectus, investors should rely on the information in this Prospectus Supplement. This Prospectus Supplement, the Prospectus and the documents incorporated by reference into each of them include important information about the Bank, the Notes being offered and other information investors should know before investing in the Notes.

### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, the Bank's public communications often include oral or written forward-looking statements. Statements of this type may be included in this Prospectus Supplement, the Prospectus and the documents incorporated by reference into each of them and in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may include, but are not limited to, statements made in this Prospectus Supplement, the Prospectus and the documents incorporated by reference into each of them, statements in the Management's Discussion and Analysis in the 2020 Annual Report (as defined below), as updated by quarterly reports, under the headings "Outlook" and in other statements regarding the Bank's objectives, strategies to achieve those objectives, the regulatory environment in which the Bank operates, anticipated financial results, and the outlook for the Bank's businesses and for the Canadian, U.S. and global economies. Such statements are typically identified by words or phrases such as "believe," "expect," "foresee," "forecast," "anticipate," "intend," "estimate," "plan," "goal," "project," and similar expressions of future or conditional verbs, such as "will," "may," "should," "would" and "could."

By their very nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the Bank's predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that the Bank's assumptions may not be correct and that the Bank's financial performance objectives, vision and strategic goals will not be achieved. The Bank cautions prospective investors not to place undue reliance on these statements as a number of risk factors, many of which are beyond the Bank's control and effects of which can be difficult to predict, could cause the Bank's actual results to differ materially from the expectations, targets, estimates or intentions expressed in such forward-looking statements. The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions in the countries in which the Bank operates; changes in currency and interest rates; increased funding costs and market volatility due to market illiquidity and competition for funding; the failure of third parties to comply with their obligations to the Bank and its affiliates; changes in monetary, fiscal or economic policy and tax legislation and interpretation; changes in laws and regulations or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, and the effect of such changes on funding costs; changes to the Bank's credit ratings; operational and infrastructure risks; reputational risks; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services; the Bank's ability to execute the Bank's strategic plans, including the successful completion of acquisitions and dispositions, including obtaining regulatory approvals; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; global capital markets activity; the Bank's ability to attract, develop and retain key executives; the evolution of various types of fraud or other criminal behaviour to which the Bank is exposed; disruptions in or attacks (including cyber-attacks) on the Bank's information technology, internet, network access, or other voice or data communications systems or services; increased competition in the geographic and in business areas in which the Bank operates, including through internet and mobile banking and non-traditional competitors; exposure related to significant litigation and regulatory matters; the occurrence of natural and unnatural catastrophic events and claims resulting from such events; the emergence of widespread health emergencies or pandemics, including the magnitude and duration of the COVID-19 pandemic and its impact on the global economy and financial market conditions and the Bank's business, results of operations, financial condition and prospects; and the Bank's anticipation of and success in managing the risks implied by the foregoing. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's financial results, businesses, financial condition or liquidity. These and other factors may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements. The Bank cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. For more information, please see the "Risk Management" section of the 2020 Annual Report, which is incorporated by reference herein, as may be updated by quarterly reports.

Material economic assumptions underlying the forward-looking statements contained in, or incorporated by reference in, this Prospectus Supplement and the Prospectus are set out in the 2020 Annual Report under the headings "Outlook", as updated

by quarterly reports. The “Outlook” sections are based on the Bank’s views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing these sections.

When relying on forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking statements contained in, or incorporated by reference in, this Prospectus Supplement and the Prospectus represent the views of management only as of the date hereof or thereof and are presented for the purpose of assisting the holders or prospective holders of the Bank’s securities and analysts in understanding the Bank’s financial position, objectives and priorities, and anticipated financial performance as at and for the periods ended on the dates presented and may not be appropriate for other purposes. Except as required by law, the Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the Notes and the AT1 Notes offered hereunder. Other documents are also incorporated or deemed incorporated by reference in the Prospectus and reference should be made to the Prospectus for full particulars. The following documents have been filed with the securities regulatory authorities in each province and territory of Canada and are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement:

- (a) the Bank’s annual information form dated December 1, 2020 for the year ended October 31, 2020;
- (b) the Bank’s management proxy circular attached to the notice of meeting dated February 16, 2021;
- (c) the Bank’s consolidated interim financial statements (unaudited) and management’s discussion and analysis of financial condition and results of operations for the three and six months ended April 30, 2021;
- (d) the Bank’s consolidated statements of financial position as at October 31, 2020 and 2019 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended October 31, 2020, together with the auditors’ reports thereon;
- (e) the Bank’s management’s discussion and analysis for the year ended October 31, 2020 (the “**2020 Annual MD&A**”) as contained in the Bank’s Annual Report as of October 31, 2020 (the “**2020 Annual Report**”);
- (f) the template version (as defined in National Instrument 41-101 — *General Prospectus Requirements* (“**NI 41-101**”)) of the indicative term sheet dated June 7, 2021, the indicative term sheet dated June 8, 2021 and the final term sheet dated June 8, 2021, in each case filed on SEDAR in connection with this offering; and
- (g) the investor presentation of the Bank dated June 7, 2021 used in connection with this offering (the “**Investor Presentation**”).

**Any documents of the type described in Section 11.1 of Form 44-101F1 — Short Form Prospectus Distributions filed by the Bank and any template version of “marketing materials” (as defined in NI 41-101) that the Bank files with the Canadian securities regulatory authorities after the date of this Prospectus Supplement and prior to the termination of the distribution of the Notes and the AT1 Notes under this Prospectus Supplement shall be deemed to be incorporated by reference in the Prospectus or this Prospectus Supplement, as applicable. Any marketing materials, including the indicative term sheets, the final term sheet and the Investor Presentation, are not part of this Prospectus Supplement to the extent that the contents of the marketing materials have been modified or superseded by a statement contained in this Prospectus Supplement or an amendment to this Prospectus Supplement.**

**Any statement contained in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or the Prospectus or contemplated in this Prospectus Supplement or the Prospectus will be deemed to be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed to be an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the**

circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement and the Prospectus.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Bank, and Torys LLP, counsel to the Agents, based on the current provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder, the Notes and the AT1 Notes, if issued on the date of this Prospectus Supplement, would be, on such date, qualified investments under the Tax Act and the regulations thereunder for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered education savings plan (“**RESP**”), a registered disability savings plan (“**RDSP**”), a deferred profit sharing plan (other than, in respect of the Notes and the AT1 Notes, trusts governed by deferred profit sharing plans for which any employer is the Bank, or a corporation with which the Bank does not deal at arm’s length within the meaning of the Tax Act), or a tax-free savings account (“**TFSA**”).

Notwithstanding that the Notes or the AT1 Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, the annuitant under an RRSP or RRIF, the subscriber of an RESP or the holder of an RDSP or a TFSA will be subject to a penalty tax with respect to the Notes or the AT1 Notes, as the case may be, if the Notes or the AT1 Notes are a “prohibited investment” for the RRSP, RRIF, RESP, RDSP or TFSA, as the case may be. The Notes and the AT1 Notes will generally not be a “prohibited investment” provided the annuitant, the subscriber or the holder, as the case may be: (i) deals at arm’s length with the Bank for purposes of the Tax Act; and (ii) does not have a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Bank. Holders of a TFSA or a RDSP, annuitants under an RRSP or RRIF and subscribers of an RESP should consult their own tax advisors regarding whether the Notes or the AT1 Notes will be prohibited investments in their particular circumstances.

## CURRENCY INFORMATION

Unless otherwise indicated, all dollar amounts appearing in this Prospectus Supplement are stated in Canadian dollars.

## BUSINESS OF THE BANK

The Bank is a Canadian chartered bank under the Bank Act. The Bank is a Schedule I Bank under the Bank Act and is regulated by OSFI.

The Bank is a leading bank in the Americas. The Bank helps its customers, their families and their communities achieve success through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking and capital markets with a team of approximately 90,000 employees and assets of approximately \$1.1 trillion (as at April 30, 2021).

A list of the principal subsidiaries directly or indirectly owned or controlled by the Bank as at October 31, 2020 is incorporated by reference from the Bank’s Annual Information Form.

## ADDITIONAL TIER 1 CAPITAL MARKET OVERVIEW

### *Rationale and Objectives for Limited Recourse Capital Notes*

In rulings issued by OSFI in July 2020 and March 2021, OSFI confirmed that the limited recourse capital notes (“**LRCN**”) structure, which includes the Notes, meets all of the criteria to be recognized as Additional Tier 1 (“**AT1**”) regulatory capital by the Bank and other federally regulated financial institutions. LRCNs are a new form of AT1 capital that management of the Bank believes will help foster a more liquid and global institutional market for Canadian bank AT1 capital than currently exists and will allow the Bank to pursue opportunities aimed at strengthening its overall capital position. This new form of AT1 capital is intended to be a marketable debt instrument that can be issued in multiple currencies and geographies that is competitive with those of many of the Bank’s international peers and will allow the Bank to optimize the fulfilment of its AT1 capital requirements.

Below is a comparison of the Bank’s LRCN offering, as represented by the Notes, to certain of the Bank’s other AT1 capital instruments:



	Offered LRCN	Existing AT1 Capital Notes	Rate Reset Preferred Shares
<b>Issuing Entity:</b>	The Bank of Nova Scotia	The Bank of Nova Scotia	The Bank of Nova Scotia
<b>Format / Denomination:</b>	Note / \$1,000 Par <sup>1</sup>	Note / \$1,000 Par	Preferred Share / \$25 par
<b>Capital Treatment:</b>	Additional Tier 1	Additional Tier 1	Additional Tier 1
<b>Effective Ranking:</b>	Pari-passu with Existing AT1 Capital Notes	Pari-passu with Offered LRCN	Subordinated to Offered LRCN and Existing AT1 Capital Notes
<b>NVCC Multiplier:</b>	1.25x	1.25x	1.0x
<b>Coupon:</b>	Fixed Rate Resetting	Fixed Rate Resetting or Fixed to Floating	Fixed to Fixed or Floating Reset
<b>Coupon Deferral:</b>	LRCN: No <sup>2</sup> AT1 Notes: Yes	Yes	Yes
<b>Events of Default:</b>	Bankruptcy, Insolvency, Liquidation	Bankruptcy, Insolvency, Liquidation	Bankruptcy, Insolvency, Liquidation
<b>Tenor:</b>	LRCN: 60NC5 AT1 Notes : PerpNC5	PerpNC5	PerpNC5
<b>Ratings<sup>3</sup> (S&amp;P / Moody's / DBRS):</b>	BBB- / Baa3 (hyb) / BBB (high) <sup>4</sup>	BBB- / Baa3 (hyb) / BBB (high)	BBB- / Baa3 (hyb) / Pfd-2
<b>Select Examples:</b>	Offered Structure	BNS US\$1.25bn 4.90% PerpNC5	BNS C\$300mm 4.85% PerpNC5

<sup>1</sup> Minimum \$200,000 denominations

<sup>2</sup> Non-payment in cash of interest results in a Recourse Event where LRCN holders will receive their proportionate share of the Corresponding Trust Assets

<sup>3</sup> A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency

<sup>4</sup> Expected ratings

### **Comparison to Peer LRCN structure**

The Bank's LRCN structure as represented by the Notes offers investors several enhancements in comparison to peer LRCN offerings undertaken by other Canadian financial institutions, as highlighted below. The Corresponding Trust Assets being delivered to holders of the Notes upon a Recourse Event (being the AT1 Notes (provided an NVCC Automatic Conversion has not occurred)) have been issued in an established institutional market in other jurisdictions, and the AT1 Notes, when compared to the preferred shares representing the corresponding trust assets under peer LRCN transactions, is beneficial to investors due to (a) a higher ranking in the subordination hierarchy, (b) a higher NVCC multiplier of 1.25 times, and (c) the accrued and unpaid interest on the Notes is incorporated into the calculation of the Note Value upon an NVCC Automatic Conversion, which is not the case with peer LRCN offerings.

	<b>BNS LRCN Structure</b>	<b>Peer LRCN Structure</b>
<b>Currency</b>	CAD	CAD
<b>Coupon Frequency</b>	Quarterly	Semi-Annual
<b>Recourse Assets</b>	Perpetual Debt (AT1)	Preferred Shares
<b>NVCC Multiplier</b>	1.25x (on face value + accrued interest)	1.0x (on par value)
<b>Ranking of Recourse Asset in Liquidation</b>	Deeply Subordinated Indebtedness	Preferred Equity
<b>Payment of Additional Amounts</b>	LRCNs AT1 Notes	LRCNs

## **DESCRIPTION OF THE NOTES**

The following is a summary of certain of the material attributes and characteristics of the Notes offered by this Prospectus Supplement, which does not purport to be complete. Reference is made to the Trust Indenture (as defined below) referred to below for the full text of such attributes and characteristics. This summary is subject to and qualified in its entirety by reference to all provisions of the Notes and the Trust Indenture. Capitalized terms used but not defined herein shall have the meanings given to them in the Notes or the Trust Indenture, as the case may be. The following description of Notes will apply to each Note offered hereby. A copy of the Trust Indenture will be available on SEDAR at [www.sedar.com](http://www.sedar.com). The following description of the Notes supplements (and, where different from, supersedes) the description of the Notes in the Prospectus.

### **General**

The Notes offered by this Prospectus Supplement will be issued as subordinated debt securities under and pursuant to the provisions of a trust indenture (the “**Trust Indenture**”) to be dated as of the closing date between the Bank and Computershare Trust Company of Canada, as trustee (the “**Indenture Trustee**”). The Trust Indenture will be subject to the provisions of the Bank Act and governed by the laws of Ontario and the federal laws of Canada applicable therein. Subject to regulatory capital requirements applicable to the Bank, there is no limit on the amount of limited recourse capital notes or other subordinated indebtedness the Bank may issue.

The Notes will be the Bank’s direct unsecured obligations and will rank (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness (as defined herein) and (b) in right of payment equally with and not prior to Deeply Subordinated Indebtedness (as defined herein) (other than Deeply Subordinated Indebtedness which by its terms ranks subordinate to the Notes) of the Bank, in each case, from time to time outstanding, provided that, in case of the Bank’s non-payment in cash of the Redemption Price for the Notes when due or the occurrence of a Failed Principal Payment Date (as defined herein) or Failed Coupon Payment Date (as defined herein), the sole remedy of the Noteholders shall be the delivery of the Corresponding Trust Assets. While a Noteholder will have a claim against the Bank for the principal amount of the Notes and any accrued and unpaid interest (which will then be due and payable) if (i) there is non-payment by the Bank of the principal amount of the Notes, together with any accrued and unpaid interest, on the Maturity Date (a “**Failed Principal Payment Date**”), (ii) a Failed Coupon Payment Date occurs, (iii) the Bank does not pay the Redemption Price in cash when due in connection with a redemption of the Notes, (iv) an Event of Default occurs, or (v) a Trigger Event occurs (each such event, a “**Recourse Event**”), the Noteholder’s sole recourse in respect of such claim will be limited to such Noteholder’s proportionate share of the assets (the “**Corresponding Trust Assets**”) held by a third party trustee (the “**LRT Trustee**”) in respect of the Notes in a newly formed trust (the “**Limited Recourse Trust**”). The Notes will constitute subordinated indebtedness for the purposes of the Bank Act. In the event of the Bank’s

insolvency or winding-up, pursuant to the limited recourse feature described in “—Limited Recourse” below, an investment in the Notes will become an investment in the AT1 Notes, subject to the subordination provisions as described in “Description of the AT1 Notes—Status and Subordination”. Upon such delivery of the Corresponding Trust Assets, all Notes will cease to be outstanding.

If a Recourse Event that is a Trigger Event occurs, pursuant to the limited recourse feature described in “—Limited Recourse” below, an investment in the Notes will become an investment in Common Shares, and terms and conditions of the Notes and the AT1 Notes, including with respect to priority and subordination, will no longer be relevant as the Noteholders will have received their proportionate share of the Corresponding Trust Assets consisting of Common Shares, which will rank on parity with all other outstanding Common Shares.

**The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution.**

Notwithstanding any provision of the Trust Indenture, the Bank may not, without the prior approval of the Superintendent, amend or vary terms of the Notes that would affect the recognition of the Notes as regulatory capital under capital adequacy requirements adopted by the Superintendent.

The Notes are not entitled to the benefits of any sinking fund.

### ***Principal, Interest and Maturity***

The Notes will be issued in an aggregate principal amount of \$1,250,000,000 and will be repayable at 100% of the principal amount thereof, together with any accrued and unpaid interest thereon, at maturity on July 27, 2081 (the “**Maturity Date**”). The Bank will pay interest on the Notes in equal (subject to the reset of the interest rate and a long first coupon) quarterly instalments in arrears on January 27, April 27, July 27 and October 27 of each year (each, an “**Interest Payment Date**”), with the first payment on October 27, 2021. From the date of issue to, but excluding, July 27, 2026, the Notes will bear interest at the rate of 3.70% per annum. Starting on July 27, 2026 and on every fifth anniversary of such date thereafter until July 27, 2076 (each such date an “**Interest Reset Date**” and each such period, a “**Reset Rate Period**”), the interest rate on the Notes will be reset at an interest rate per annum equal to the Government of Canada Yield on the business day prior to such Interest Reset Date (each, a “**Fixed Rate Calculation Date**”) plus 2.761% (the “**Reset Spread**”). Assuming the Notes are issued on June 15, 2021, the first interest payment on the Notes on October 27, 2021 will be in an amount of \$13.50753425 per \$1,000 principal amount of Notes. The principal of, and interest on, the Notes will be paid in Canadian dollars.

Each payment of interest on the Notes will include interest accrued to, but excluding, the applicable Interest Payment Date or the Maturity Date (or earlier purchase or redemption, if applicable). Any payment of principal or interest required to be made on a day which is not a business day will be made on the next succeeding business day (without any additional interest or other payment in respect of the delay). Whenever it is necessary to compute any amount of interest in respect of the Notes for a period of less than one full quarterly period, such interest amount shall be calculated on the basis of the actual number of days in the period and a year of 365 days.

For purposes of the foregoing:

“**Bloomberg Screen GCAN5YR Page**” means the display designated on page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada bond yields).

“**business day**” means each Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions are authorized or required by law or executive order to close in Toronto, Ontario.

“**Government of Canada Yield**” as at any Fixed Rate Calculation Date, means the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the related Subsequent Fixed Rate Period, as determined by two independent Canadian investment dealers (each of which is a member of the Investment Industry Regulatory Organization of Canada or any successor to or of the Investment Industry

Regulatory Organization of Canada) selected by the Bank, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market at or about 10:00 a.m. (Toronto time) on the relevant date for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span such Subsequent Fixed Rate Period on such Fixed Rate Calculation Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

“**Subsequent Fixed Rate Period**” means the period from and including July 27, 2026 to, but excluding, July 27, 2031 and each five-year period thereafter from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to, but excluding, July 27 in the fifth year thereafter.

### ***Form, Denomination and Transfer***

The Notes will be issued only in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof. The amounts payable with respect to the Notes shall be payable in Canadian dollars.

The Notes will be issued in “**book-entry only**” form and must be purchased or transferred through participants in the depository service of CDS. See “Book-Entry-Only Securities” in the Prospectus.

### ***Status and Subordination***

The Notes will be direct unsecured obligations constituting subordinated indebtedness of the Bank for the purpose of the Bank Act and will therefore rank subordinate to the Bank’s deposits. **The Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution.** See “Description of the Notes – General”.

The Trust Indenture provides that the Notes will rank (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness (as defined below) and (b) in right of payment equally with and not prior to Deeply Subordinated Indebtedness (as defined below) (other than Deeply Subordinated Indebtedness which by its terms ranks subordinate to the Notes) of the Bank, in each case, from time to time outstanding, provided that, in the event of the occurrence of a Recourse Event, the sole remedy of a Noteholder shall be the delivery of such Noteholder’s proportionate share of the Corresponding Trust Assets. The Notes will constitute subordinated indebtedness for the purposes of the Bank Act. In the event of the insolvency or winding-up of the Bank, a Recourse Event that is an Event of Default will have occurred and pursuant to the limited recourse feature described in “—Limited Recourse”, an investment in the Notes will become an investment in AT1 Notes and will become subject to the subordination provisions of the AT1 Notes, as described in “Description of the AT1 Notes—Status and Subordination”.

For the purposes of the foregoing:

“**Deeply Subordinated Indebtedness**” means Indebtedness which by its terms ranks equally in right of payment with, or is subordinate to, the Notes. For greater clarity, Deeply Subordinated Indebtedness includes the AT1 Notes.

“**Higher Ranked Indebtedness**” at any time means all Indebtedness of the Bank then outstanding (including all Subordinated Indebtedness of the Bank then outstanding other than Deeply Subordinated Indebtedness).

“**Indebtedness**” at any time means all deposit liabilities of the Bank and all other liabilities and obligations of the Bank which in accordance with the accounting rules established for Canadian chartered banks issued under the authority of the Superintendent pursuant to the Bank Act or with generally accepted accounting principles (the primary source of which is the CPA Canada Handbook), as the case may be, would be included in determining the total liabilities of the Bank at such time.

“**Subordinated Indebtedness**” at any time means the Bank’s subordinated indebtedness within the meaning of the Bank Act.

As of April 30, 2021, the Bank had approximately \$1,054.8 billion of Higher Ranked Indebtedness, including deposits, outstanding which would rank ahead of the Notes.

If a Recourse Event that is a Trigger Event occurs, pursuant to the limited recourse feature described in “—Limited Recourse” below, an investment in the Notes will become an investment in Common Shares, and terms and conditions of the Notes, including with respect to priority and subordination, will no longer be relevant as the Noteholders will have received their proportionate share of the Corresponding Trust Assets consisting of Common Shares, which will rank on parity with all other outstanding Common Shares.

## ***Events of Default***

The Trust Indenture will provide that an “**Event of Default**” in respect of the Notes will occur only if the Bank becomes bankrupt or insolvent or becomes subject to the provisions of the *Winding-up and Restructuring Act* (Canada), as amended, re-enacted or replaced from time to time, or if the Bank goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction, passes a resolution for the winding-up, liquidation or dissolution of the Bank or otherwise acknowledges its insolvency (provided that a resolution or order for the winding-up of the Bank with a view to its reorganization or its consolidation, amalgamation or merger with another person or the transfer of its assets as an entirety to such other person will not constitute an Event of Default if such last-mentioned person will, as a part of such reorganization, consolidation, amalgamation, merger or transfer, and, within 90 days from the passing of the resolution or the date of the order or within such further period of time as may be allowed by the Indenture Trustee, comply with certain conditions provided for in the Trust Indenture). None of a default in the performance of any covenant contained in the Indenture, the failure to make a payment on the Notes when due (including any interest payment), or an NVCC Automatic Conversion upon the occurrence of a Trigger Event will constitute an Event of Default (although the occurrence of a Failed Principal Payment Date, a Failed Coupon Payment Date, non-payment in cash of the Redemption Price when due in connection with a redemption of the Notes, or a Trigger Event will constitute a Recourse Event).

The occurrence of an Event of Default is a Recourse Event for which the sole remedy of the Noteholders shall be the delivery of the Corresponding Trust Assets. In case of an Event of Default, the delivery of the Corresponding Trust Assets to the Noteholders will exhaust all remedies of such Noteholders in connection with such Event of Default. See “—Limited Recourse”.

Holders of a majority of the outstanding principal amount of the Notes then outstanding under the Trust Indenture may, by resolution, direct and control the actions of the Indenture Trustee or of any Noteholder who brings an action after the failure of the Indenture Trustee to act in any proceedings against the Bank. The Indenture Trustee must, within 30 days of becoming aware of an Event of Default, give notice to the Noteholders unless the Indenture Trustee reasonably determines that the withholding of notice of a continuing default is in the best interests of the Noteholders.

## ***Limited Recourse***

In the event of a non-payment in cash by the Bank of the Redemption Price for the Notes when due or the occurrence of a Failed Principal Payment Date or Failed Coupon Payment Date, while a Noteholder will have a claim against the Bank for the principal amount of the Notes and any accrued and unpaid interest (which will then be due and payable), the sole remedy of Noteholders shall be the delivery of the Corresponding Trust Assets held by the LRT Trustee from time to time in respect of the Notes.

The Limited Recourse Trust is a trust established under the laws of the Province of Manitoba and the federal laws of Canada applicable therein, governed by a declaration of trust dated March 29, 2021 (as may be amended or restated from time to time, the “**Limited Recourse Trust Declaration**”) made by the LRT Trustee. The Limited Recourse Trust’s objectives include the acquisition and holding of the Corresponding Trust Assets in accordance with the terms of the Limited Recourse Trust Declaration. The LRT Trustee may hold trust assets in respect of more than one series of limited recourse capital notes of the Bank, in which case the LRT Trustee will hold the trust assets for each such series of notes (including a series of the Bank’s subordinated additional tier 1 capital notes) separate from the trust assets for any other series of such notes and, upon a Recourse Event, shall deliver to Noteholders only such trust assets as comprise Corresponding Trust Assets as defined herein. From time to time, the Corresponding Trust Assets may alternatively consist of (i) AT1 Notes (or proceeds with respect to the subscription for units of the Limited Recourse Trust by the Bank, which are to be used by the Limited Recourse Trust to subscribe for AT1 Notes), (ii) cash proceeds from an AT1 Redemption with the prior written approval of the Superintendent (other than the portion of the AT1 Redemption proceeds comprising accrued and unpaid interest (if any)), (iii) common shares of the Bank (“**Common Shares**”) issued upon the conversion of the AT1 Notes into Common Shares as a result of a Trigger Event, or (iv) any combination thereof, depending on the circumstances. At no time shall the Corresponding Trust Assets include any interest paid on the AT1 Notes.

Pursuant to the Limited Recourse Trust Declaration, prior to a Recourse Event, the Limited Recourse Trustee shall hold as Corresponding Trust Assets for each \$1,000 principal amount of Notes outstanding a \$1,000 principal amount of AT1 Notes or the related cash redemption proceeds.

For purposes of the foregoing:

“**AT1 Redemption**” means any redemption by the Bank of AT1 Notes held as Corresponding Trust Assets by the LRT Trustee in accordance with the terms of such AT1 Notes as described in “Description of the AT1 Notes—Redemption”.

On the closing of the offering of the Notes, the Corresponding Trust Assets in respect of the Notes shall consist of the AT1 Notes. Upon a Recourse Event, the principal amount of, and accrued and unpaid interest on, all of the Notes will become due and payable by the Bank without any declaration or other act on the part of the Indenture Trustee or any Noteholders, provided that the sole remedy of the Noteholders for such amounts due and payable by the Bank shall be the delivery of the Corresponding Trust Assets (which, in the case of a Recourse Event that is a Trigger Event, shall consist of the Common Shares issued in connection with the Trigger Event).

If a Recourse Event occurs, the Bank will, no later than one business day after the occurrence of such Recourse Event, notify the LRT Trustee of the occurrence of such Recourse Event. “**Recourse Event**” means any of the following: (i) a Failed Principal Payment Date occurs, (ii) a Failed Coupon Payment Date occurs, (iii) the Bank does not pay the Redemption Price in cash when due in connection with a redemption of the Notes, (iv) an Event of Default occurs, or (v) a Trigger Event occurs.

For purposes of the foregoing:

“**Failed Coupon Payment Date**” means the fifth business day immediately following an Interest Payment Date upon which the Bank does not pay interest on the Notes in cash and has not cured such non-payment by subsequently paying such interest in cash prior to such fifth business day.

“**Failed Principal Payment Date**” means the Maturity Date, if there is non-payment by the Bank of the principal amount of the Notes, together with any accrued and unpaid interest, in cash on such date.

Following receipt of a notice of a Recourse Event, the Bank will take any necessary actions to cause the LRT Trustee to deliver the Corresponding Trust Assets in respect of the Notes to the Noteholders in accordance with the terms of the Limited Recourse Trust Declaration and the Trust Indenture; provided that, notwithstanding any other provision in the Limited Recourse Trust Declaration, the terms and conditions applicable to the Notes will contain provisions that will provide the Bank with the right to have the LRT Trustee not: (a) deliver Common Shares (held as Corresponding Trust Assets following a Recourse Event that is a Trigger Event) to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Person (as defined herein) or any person who, by virtue of that delivery, would become a Significant Shareholder (as defined herein) or (b) record in its securities register a transfer or issue of Common Shares (issued upon a Trigger Event) to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Government Holder (as defined herein) based on a declaration submitted to the Bank or its transfer agent by or on behalf of such person. In such circumstances, the Bank will hold, as agent for such persons, the Common Shares that would have otherwise been delivered to such persons and will attempt to facilitate the sale of such Common Shares to parties other than the Bank and its affiliates on behalf of such persons through a registered dealer to be retained by the Bank on behalf of such persons. Those sales (if any) may be made at any time and at any price. The Bank will not be subject to any liability for failure to sell any such Common Shares on behalf of such persons or at any particular price on any particular day. The net proceeds received by the Bank from the sale of any such Common Shares will be divided among the applicable persons in proportion to the number of Common Shares that would otherwise have been delivered to them after deducting the costs of sale and any applicable withholding taxes. For the purposes of the foregoing:

- “**Ineligible Government Holder**” means any person who is the federal or a provincial government in Canada or agent or agency thereof, or the government of a foreign country or any political subdivision of a foreign country, or any agent or agency of a foreign government, in each case to the extent that the recording in the Bank’s securities register of a transfer or issue of any share of the Bank to such person would cause the Bank to contravene the Bank Act.
- “**Ineligible Person**” means (i) any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada to the extent that the issuance by the Bank or delivery by its transfer agent to that person of Common Shares would require the Bank to take any action to comply with securities, banking or analogous laws of that jurisdiction, and (ii) any person to the extent that the issuance by the Bank or delivery by its transfer agent to that person of Common Shares would cause the Bank to be in violation of any law to which the Bank is subject.
- “**Significant Shareholder**” means any person who beneficially owns directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person, a percentage of the total number of outstanding shares of a class of the Bank that is in excess of that permitted by the Bank Act.

Subject to the foregoing restrictions regarding Ineligible Persons, Ineligible Government Holders and Significant Shareholders, (i) upon the occurrence of a Recourse Event that is not a Trigger Event, the LRT Trustee will deliver to each Noteholder an aggregate principal amount of AT1 Notes that is equal to the aggregate principal amount of Notes held by such Noteholder, and such delivery of AT1 Notes will be each Noteholder’s sole remedy against the Bank for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable, and (ii) upon the occurrence of a Recourse Event that is a Trigger Event, each Noteholder will be entitled to receive, and the LRT Trustee will deliver to each Noteholder,

such Noteholder's proportionate share of Common Shares issued upon the conversion of the AT1 Notes into Common Shares upon a Trigger Event. See "Description of the AT1 Notes — NVCC Automatic Conversion". The number of Common Shares issuable in connection with the Trigger Event pursuant to each outstanding AT1 Note will be determined by dividing (a) the product of the Multiplier and the Note Value, by (b) the Conversion Price (rounded down, if necessary, to the nearest whole number of Common Shares). Such delivery of Common Shares will exhaust each Noteholder's sole remedy against the Bank for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable.

The Limited Recourse Trust will continue until no earlier than the point at which no AT1 Notes (or any trust assets in respect of other series of limited recourse capital notes issued by the Bank) continue to be held by the Limited Recourse Trust.

Any amendment or supplement to the Limited Recourse Trust Declaration for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Limited Recourse Trust Declaration (other than with respect to certain immaterial matters) requires the prior consent of the Noteholders in accordance with the terms of the Trust Indenture and the holders of any other limited recourse capital notes issued by the Bank and for which trust assets are held by the Limited Recourse Trust, in each case in accordance with the terms of the indentures under which they are issued.

By acquiring any Note, each Noteholder irrevocably acknowledges and agrees with, and for the benefit of, the Bank and the Indenture Trustee that the delivery of the applicable Corresponding Trust Assets to a Noteholder shall exhaust all remedies of such Noteholder under the Notes including in connection with any Event of Default. All claims of a Noteholder against the Bank shall be extinguished upon receipt by such Noteholder of the applicable Corresponding Trust Assets. If the Bank does not deliver, or fails to cause the LRT Trustee to deliver, the applicable Corresponding Trust Assets to a Noteholder, the sole remedy of such Noteholder for any claims against the Bank shall be recourse to the applicable Corresponding Trust Assets. The delivery of AT1 Notes or Common Shares comprising Corresponding Trust Assets to the Noteholders shall extinguish all claims of such Noteholder against the Bank for repayment of the principal amount of the Notes and any accrued and unpaid interest thereon when due and payable. In case of any shortfall resulting from the value of the Corresponding Trust Assets being less than the principal amount of and any accrued and unpaid interest on the Notes, all losses arising from such shortfall shall be borne by the Noteholders.

The Bank will on or prior to the closing date enter into an agreement (the "**Indemnity Agreement**") to indemnify the LRT Trustee against certain claims, liabilities, losses and damages suffered by the LRT Trustee in connection with acting as trustee of the Limited Recourse Trust. The LRT Trustee has agreed to exercise and exhaust all its remedies against the Bank under the Indemnity Agreement prior to exercising any rights of indemnity under the Limited Recourse Trust Declaration. Provided that the LRT Trustee has so exercised and exhausted its rights under the Indemnity Agreement, the LRT Trustee will be indemnified and saved harmless out of the assets of the Limited Recourse Trust (including the Corresponding Trust Assets) from and against all claims, liabilities, losses, damages, penalties, actions, suits, demands, levies, expenses and disbursements including, without limitation, any and all reasonable legal and adviser fees and disbursements, whether groundless or otherwise, including costs (including legal costs on a solicitor and client basis), charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as LRT Trustee and also from and against all other costs (including legal costs on a solicitor and client basis), charges, and expenses which it sustains or incurs in or about or in relation to the affairs of the Limited Recourse Trust, except such as may be incurred as a result of the wilful misconduct, gross negligence, or bad faith of the LRT Trustee.

In addition, the LRT Trustee has entered into an agreement (as amended from time to time, the "**Administration Agreement**") with the Bank, as "**Administrative Agent**", pursuant to which the LRT Trustee has delegated to the Bank certain of its obligations in relation to the administration of the Limited Recourse Trust, including the day-to-day operations of the Limited Recourse Trust and such other matters as may be requested from time to time by the LRT Trustee, in each case subject to certain limitations and restrictions. The Administrative Agent will not be entitled to receive any fees in connection with its services under the Administration Agreement, and is solely responsible for all administrative and operating expenses (plus any applicable taxes) properly incurred on behalf of the Limited Recourse Trust in the ordinary course of the Limited Recourse Trust's operations.

The Administrative Agent's rights and obligations under the Administration Agreement will terminate if the Administrative Agent receives a termination notice in writing from the Limited Recourse Trust or the Limited Recourse Trust receives a termination notice in writing from the Administrative Agent, in each case at least 20 business days prior to the last business day of a month, in which case the Administration Agreement will terminate on the last day of that month. Notwithstanding the foregoing, the Administrative Agent will not be permitted to resign until a replacement Administrative Agent has been appointed and has entered into an administration agreement whereby the replacement Administrative Agent will assume, in all material respects, the obligations of the Administrative Agent under the Administration Agreement.

## **Redemption**

### *Optional Redemption*

Subject to any applicable law restricting the redemption of the Notes, including the Bank Act and regulations and guidelines thereunder, and provided that a Trigger Event has not occurred, the Bank may, at its option, with the prior written approval of the Superintendent and on not less than 10 days' and not more than 60 days' notice to each Noteholder, redeem the Notes, in whole or in part, every five years during the period from June 27 to and including July 27, commencing in 2026, at the Redemption Price.

Subject to any applicable law restricting the redemption of the Notes, including the Bank Act and regulations and guidelines thereunder, and provided that a Trigger Event has not occurred, the Bank may, at its option, with the prior written approval of the Superintendent and on not less than 10 days' and not more than 60 days' notice to each Noteholder, redeem the Notes, in whole but not in part, (i) at any time following a Regulatory Event Date, or (ii) at any time following the occurrence of a Tax Event, in either case at the Redemption Price.

For purposes of the foregoing:

**"Redemption Price"** when used with respect to any Note to be redeemed, means the aggregate of (i) the principal amount of the Note, and (ii) any accrued and unpaid interest on the Note up to, but excluding, the date fixed for redemption.

**"Regulatory Event Date"** means the date specified in a letter from the Superintendent to the Bank on which the Notes will no longer be recognized in full as eligible "Additional Tier 1 Capital" or will no longer be eligible to be included in full as risk-based "Total Capital" on a consolidated basis under the guidelines for capital adequacy requirements for banks as interpreted by the Superintendent.

**"Tax Event"** means the Bank has received an opinion of independent counsel of a nationally recognized law firm in Canada experienced in such matters (who may be counsel to the Bank or the Limited Recourse Trust) to the effect that, as a result of: (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada, or any political subdivision or taxing authority thereof or therein, affecting taxation; (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an **"administrative action"**); or (iii) any amendment to, clarification of, or change (including any announced prospective change) in, the official position with respect to or the interpretation of any administrative action or any interpretation or pronouncement that provides for a position with respect to such administrative action that differs from the theretofore generally accepted position, in each of case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority in Canada, irrespective of the manner in which such amendment, clarification, change, administrative action, interpretation or pronouncement is made known, which amendment, clarification, change or administrative action is effective or which interpretation, pronouncement or administrative action is announced on or after the date of issue of the Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or administrative action is effective and applicable) that: (A) the Bank or the Limited Recourse Trust is, or may be, subject to more than a de minimis amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to the Notes (including the treatment by the Bank of interest on the Notes) or the AT1 Notes or the treatment of the Notes or the AT1 Notes or other assets of the Limited Recourse Trust or the Limited Recourse Trust, as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority, provided that this clause (A) shall not apply in respect of the deductibility of interest on the AT1 Notes, or (B) the Limited Recourse Trust is, or will be, subject to more than a de minimis amount of taxes, duties or other governmental charges or civil liabilities.

### *Automatic Redemption*

Subject to any applicable law restricting the redemption of the Notes, including the Bank Act and regulations and guidelines thereunder, and provided that a Trigger Event has not occurred, upon any redemption of the AT1 Notes held in the Limited Recourse Trust in accordance with their terms prior to the Maturity Date (such redemption will be subject to the prior written approval of the Superintendent), outstanding Notes with an aggregate principal amount equal to the aggregate principal amount of AT1 Notes redeemed by the Bank shall automatically and immediately be redeemed, for a cash amount equal to the Redemption Price thereof, without any action on the part of, or the consent of, the Indenture Trustee or the Noteholders. For



certainty, to the extent that the Bank has immediately prior to or concurrently with such AT1 Notes redemption redeemed a corresponding principal amount of Notes in accordance with the terms of the Trust Indenture, such requirement to redeem a corresponding aggregate principal amount of Notes shall be deemed satisfied.

#### *Redemption of the AT1 Notes upon Redemption of the Notes*

If at any time the Bank redeems the Notes in accordance with their terms (including in connection with an Optional Redemption) or purchases Notes, in whole or in part, by tender offer, open market purchases, negotiated transactions or otherwise, for cancellation, then the Bank shall, subject to the provisions of the Bank Act and the prior written approval of the Superintendent, redeem such aggregate principal amount of AT1 Notes that is equal to the aggregate principal amount of Notes redeemed or purchased for cancellation by the Bank, by the payment of an amount in cash equal to the aggregate principal amount of the AT1 Notes to be redeemed, together with all accrued and unpaid interest, if any, and except to the extent such unpaid interest was cancelled as described under “Description of the AT1 Notes—Waiver and Cancellation of Interest Payments” below, up to, but excluding, the date fixed for redemption.

If the Bank does not pay the applicable Redemption Price for the Notes in cash when due, this will constitute a Recourse Event whereupon recourse of the Noteholders shall be limited to their proportionate share of the Corresponding Trust Assets held by the LRT Trustee, pursuant to the limited recourse feature as described in “Description of the Notes—Limited Recourse”.

#### *Restrictions on Redemption*

The Bank will not redeem the Notes or the AT1 Notes under any circumstances if such redemption would, directly or indirectly, result in the Bank’s breach of any provision of the Bank Act or the OSFI Capital Adequacy Requirements (CAR) Guideline (defined below), as may be amended from time to time.

Any Notes redeemed by the Bank may not be reissued.

**The Notes are not subject to repayment at the option of the Noteholders.**

#### *Purchase for Cancellation*

Subject to the prior written approval of the Superintendent, the Bank may at any time and from time to time, in whole or in part, purchase for cancellation the Notes, in whole or in part, in the open market, by tender offer, open market purchases, negotiated transactions or otherwise in accordance with applicable securities laws and regulations, so long as such acquisition does not otherwise violate the terms of the Trust Indenture, upon such terms and at such prices as the Bank may determine.

Any Notes purchased by the Bank will be surrendered to the Indenture Trustee for cancellation and may not be reissued or resold.

If any Notes are to be cancelled, subject to the provisions of the Bank Act, the consent of the Superintendent and the terms of the AT1 Notes, the Bank shall redeem a corresponding aggregate principal amount of AT1 Notes (which amount shall equal the aggregate principal amount of the Notes to be cancelled) then held by the Limited Recourse Trust.

#### *Voting Rights*

The holders of Notes will not be entitled to receive notice of, attend, or vote at, any meeting of the shareholders of the Bank and will have no voting rights other than in limited circumstances as described in the Trust Indenture.

#### *No Restriction on Other Indebtedness*

The Bank may create, issue or incur any other Indebtedness which, in the event of the insolvency or winding-up of the Bank, would rank in right of payment in priority to, equally with, or subordinate to the Notes.

#### *Mergers and Similar Events*

Under the Trust Indenture, the Bank is generally permitted to merge, amalgamate, consolidate or otherwise combine with another entity. The Bank is also permitted to convey, transfer or lease the properties and assets of the Bank substantially as an entirety to another entity. However, the Bank may not take any of these actions unless all the following conditions are met:

- when the Bank merges, amalgamates, consolidates or otherwise combines with, or conveys, transfers or leases its properties and assets substantially as an entirety, the surviving, resulting or acquiring entity must be a corporation, partnership or trust, must be organized and validly existing and must be legally responsible for the Notes, whether by agreement, operation of law or otherwise;
- the consolidation, amalgamation, merger or other combination, or conveyance, transfer or lease must not cause an event of default, including any event which, after notice or lapse of time or both, would become an event of default, on the Notes; and
- the Bank has delivered an officer's certificate and a legal opinion to the Indenture Trustee each stating that such transaction complies with the Trust Indenture.

If the conditions described above are satisfied, the Bank will not need to obtain the approval of the Noteholders in order to merge, amalgamate, consolidate or otherwise combine with another entity, or to convey, transfer or lease its properties and assets substantially as an entirety.

Also, these conditions will apply only if the Bank wishes to merge, amalgamate, consolidate or otherwise combine with another entity, or to convey, transfer or lease its properties and assets substantially as an entirety to another entity. The Bank will not need to satisfy the conditions described above conditions if the Bank enters into other types of transactions, including:

- any transaction in which the Bank acquires the stock or assets of another entity but in which the Bank does not merge, amalgamate, consolidate or otherwise combine;
- any transaction that involves a change of control but in which the Bank does not merge, amalgamate, consolidate or otherwise combine; or
- any transaction in which the Bank conveys, transfers or leases less than substantially all of the Bank's properties and assets.

It is possible that this type of transaction may result in a reduction in the Bank's credit ratings or market perceptions about the Bank's credit ratings, may negatively affect the Bank's operating results or may impair the Bank's financial condition. Noteholders, however, will have no approval right with respect to any transaction of this type.

### ***Modification and Waiver of the Notes***

There are three types of changes the Bank can make to the Trust Indenture and the Notes. In addition to the below-noted consent rights, the Bank will not without, but may from time to time with, the consent of the Superintendent, make any change to the Trust Indenture or the Notes which might affect the classification afforded the Notes from time to time for capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder, including the OSFI Capital Adequacy Requirements (CAR) Guideline, as may be amended from time to time.

*Changes Requiring Consent of All Noteholders.* First, there are changes that cannot be made to the Trust Indenture or the Notes without the consent of each Noteholder. The following is a list of those types of changes:

- a change in the stated maturity date or Interest Payment Dates of the Notes;
- a reduction of the principal amount of, or rate of interest on, the Notes;
- a reduction of the amount payable upon a redemption of the Notes;
- a change in the currency of payment on the Notes;
- a change in the place of payment for the Notes;
- an impairment of a Noteholder's right to sue for payment;
- a reduction of the percentage in principal amount of Notes the consent of whose holders is needed to modify or amend the Trust Indenture;
- a reduction of the percentage in principal amount of Notes the consent of whose holders is needed to waive compliance with certain provisions of the Trust Indenture or to waive certain defaults thereunder; or

- a modification of any other aspect of the provisions dealing with modification and waiver of the Trust Indenture, except certain changes favourable to the Noteholders.

In addition, a modification of certain provisions of the Limited Recourse Trust Declaration requires the specific approval of each holder of the Notes.

*Changes Requiring a Majority Consent.* The second type of change to the Trust Indenture and the Notes is the kind that requires the consent of Noteholders owning not less than a majority of the principal amount of the Notes. Most changes fall into this category, except for clarifying changes and certain other changes that would not adversely affect in any material respect Noteholders. The Bank may also obtain a waiver of a past default from the Noteholders owning a majority of the principal amount of the Notes. However, the Bank cannot obtain a waiver of any aspect of the Trust Indenture or the Notes listed in the first category described above under “— Changes Requiring Consent of All Noteholders” unless the Bank obtains the individual consent of each holder to the waiver. The Bank may not modify the subordination provisions of the Trust Indenture in a manner that would adversely affect in any material respect the outstanding Notes without the consent of the Noteholders of a majority of the outstanding principal amount of the Notes.

*Changes Not Requiring Consent.* The third type of change to the Trust Indenture and the Notes does not require consent by Noteholders. This type is limited to certain changes that would not adversely affect in any material respect the interests of the Noteholders.

*Further Details Concerning Voting.* The Notes will not be considered outstanding, and therefore not eligible to vote or take other action under the Trust Indenture, if the Bank has given a notice of redemption and deposited or set aside in trust for the Noteholders money for the payment or redemption of those Notes. Notes will also not be considered outstanding, and therefore not eligible to vote or take other action under the Trust Indenture, if the Bank or one of its affiliates is the beneficial owner of the Notes.

The Bank will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding Notes that are entitled to vote or take other action under the Trust Indenture. In certain limited circumstances, the Indenture Trustee will be entitled to set a record date for action by Noteholders. If the Indenture Trustee or the Bank sets a record date for a vote or other action to be taken by Noteholders, that vote or action may be taken only by persons who are holders of Notes on the record date. The Bank or the Indenture Trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action.

Book-entry and other indirect Noteholders should consult their banks, brokers or other financial institutions for information on how approval may be granted or denied if the Bank seeks to change the Trust Indenture or Notes or request a waiver.

### ***Covenants***

The Bank will not be restricted by the Trust Indenture or the Notes from incurring, assuming or becoming liable for any type of debt or other obligations or purchasing or redeeming its capital stock. Neither the Trust Indenture nor the Notes will require the maintenance of any financial ratios or specified levels of net worth or liquidity, nor will they contain any covenants or other provisions that would limit the Bank or its subsidiaries’ rights to incur additional indebtedness, enter into any sale and leaseback transaction or grant liens on the Bank’s or its subsidiaries’ assets. Neither the Trust Indenture nor the Notes will contain any provisions that would require the Bank to repurchase or redeem or otherwise modify the terms of the Notes upon a change of control or other events that may adversely affect the creditworthiness of the Notes, including, for example, a highly leveraged transaction.

Pursuant to the Indenture, the Bank will covenant with the Indenture Trustee for the benefit of the Indenture Trustee and the Noteholders that, so long as any Notes remain outstanding, the Bank (i) will duly and punctually pay all amounts as they become due in accordance with the terms of the Notes; and (ii) will, subject to certain exceptions, maintain its corporate existence.

### ***Payment of Additional Amounts***

All payments made by or on behalf of the Bank under or with respect to the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) imposed or levied by or on behalf of the Government of Canada or any province or territory thereof or by any authority or agency therein or thereof having power to tax (hereafter “**Canadian taxes**”), unless the Bank is required to withhold or deduct Canadian taxes by law or by the interpretation or administration thereof. If the Bank is so required to withhold or deduct any amount for or on account of Canadian taxes from any

payment made under or with respect to the Notes, the Bank will pay to each Noteholder as additional interest such additional amounts (“**additional amounts**”) as may be necessary so that the net amount received by each such Noteholder after such withholding or deduction (and after deducting any Canadian taxes on such additional amounts) will not be less than the amount such Noteholder would have received if such Canadian taxes had not been withheld or deducted, except as described below. However, no additional amounts will be payable with respect to a payment made to a Noteholder (such Noteholder, an “**excluded holder**”) in respect of the beneficial owner thereof:

- with which the Bank does not deal at arm’s length (for the purposes of the Tax Act at the time of the making of such payment or which is entitled to the payment in respect of a debt or other obligation to pay an amount to a person with which the Bank does not deal at arm’s length (within the meaning of the Tax Act) at the time of making such payment;
- which is a “specified non-resident shareholder” of the Bank for purposes of the Tax Act or a non-resident person not dealing at arm’s-length with a “specified shareholder” (within the meaning of subsection 18(5) of the Tax Act) of the Bank;
- which is subject to such Canadian taxes by reason of the Noteholder or beneficial owner being a resident, domiciliary or national of, engaged in business or maintaining a permanent establishment or other physical presence in or otherwise having some connection with Canada or any province or territory thereof otherwise than by the mere holding of the Notes or the receipt of payments thereunder;
- which is subject to such Canadian taxes by reason of the Noteholder’s or beneficial owner’s failure to comply with any certification, identification, documentation or other reporting requirements if compliance is required by law, regulation, administrative practice or an applicable treaty as a precondition to exemption from, or a reduction in the rate of deduction or withholding of, such Canadian taxes (provided that the Bank advises the Indenture Trustee and the Noteholders then outstanding of any change in such requirements);
- with respect to any Note presented for payment more than 30 days after the later of (i) the date payment is due and (ii) the date on which funds are made available for payment, except to the extent that the Noteholder or beneficial owner thereof would have been entitled to such additional amounts on presenting same for payment on or before such thirtieth day;
- with respect to any estate, inheritance, gift, sale, transfer, personal property or similar tax or other governmental charge;
- which is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that the Canadian taxes would not have been imposed on such payment had such Noteholder been the sole beneficial owner of such Notes;
- with respect to any tax, assessment, withholding or deduction imposed pursuant to Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended, or any successor version thereof (the “**Code**”), or any similar legislation imposed by any other governmental authority, any agreements entered into pursuant to current Section 1471(b)(1) of the Code, and any fiscal or regulatory legislation adopted pursuant to any intergovernmental agreement, treaty, or convention among governmental authorities entered into in connection with the implementation of the foregoing, and including for greater certainty, Parts XVIII and XIX of the Tax Act, and any rules or practices adopted pursuant to any of them (“**FATCA**”), or any taxes or penalties that arise from the holder or beneficial holder’s failure to properly comply with its obligations with respect to FATCA or the Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act (Canada); or
- in the case of any combination of the foregoing.

For the avoidance of doubt, the Bank will not have any obligation to pay any Noteholders additional amounts on any Canadian tax which is payable otherwise than by deduction or withholding from payments made under or in respect of the Notes.

The Bank will also:

- make such withholding or deduction; and
- remit the full amount deducted or withheld to the relevant authority in accordance with applicable law.

The Bank will furnish to registered holders of the relevant Notes, within 60 days after the date the payment of any Canadian taxes is due pursuant to applicable law, certified copies of tax receipts or other documents evidencing such payment by such person.

The Bank will indemnify and hold harmless each Noteholder (other than an excluded holder) from and against, and upon written request reimburse each such Noteholder for the amount (excluding any additional amounts that have previously been paid by the Bank with respect thereto) of:

- any Canadian taxes so levied or imposed and paid by such Noteholder as a result of payments made by or on behalf of the Bank under or with respect to the Notes;
- any liability (including penalties, interest and expenses) arising therefrom or with respect thereto; and
- any Canadian taxes imposed with respect to any reimbursement under the preceding two bullet points, but excluding any such Canadian taxes on such Noteholder's net income.

In any event, no additional amounts or indemnity amounts will be payable under the provisions described above in respect of any Note in excess of the additional amounts and the indemnity amounts which would be required if, at all relevant times, the beneficial owner of such Note were a resident of the United States for purposes of and was entitled to the benefits of the Canada-U.S. Income Tax Convention (1980), as amended, including any protocols thereto. As a result of the limitation on the payment of additional amounts and indemnity amounts discussed in the preceding sentence, the additional amounts or indemnity amounts received by certain holders in respect of beneficial owners of the Notes may be less than the amount of Canadian taxes withheld or deducted or the amount of Canadian taxes (and related amounts) levied or imposed giving rise to the obligation to pay the indemnity amounts, as the case may be, and, accordingly, the net amount received by such holders of those Notes may be less than the amount such holders would have received had there been no such withholding or deduction in respect of Canadian taxes or had such Canadian taxes (and related amounts) not been levied or imposed.

Wherever in the Trust Indenture there is mentioned, in any context, the payment of principal, interest, if any, or any other amount payable under or with respect to a Note, such mention shall be deemed to include mention of the payment of additional amounts to the extent that, in such context, additional amounts are, were or would be payable in respect thereof.

In the event of the occurrence of any transaction or event resulting in a successor to the Bank, all references to Canada in the preceding paragraphs of this subsection shall be deemed to be references to the jurisdiction of organization of the successor entity.

### ***Further Issues***

Subject to regulatory capital requirements applicable to the Bank, there is no limit on the amount of subordinated indebtedness the Bank may issue. The Bank may from time to time, without notice to or the consent of the registered Noteholders, create and issue further limited recourse capital notes ranking *pari passu* with the Notes in all respects (other than issue date, issue price and, if applicable, the first interest payment date and the initial interest accrual date) and so that such further limited recourse capital notes may be consolidated and form a single series with the Notes and have the same terms as to status, redemption or otherwise as the Notes.

### ***Governing Law***

The Notes and the Trust Indenture will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Limited Recourse Trust is formed under the laws of the Province of Manitoba.

## **DESCRIPTION OF THE AT1 NOTES**

The following is a summary of certain of the material attributes and characteristics of the AT1 Notes, which does not purport to be complete. Reference is made to the AT1 Indenture (as defined below) referred to below for the full text of such attributes and characteristics. This summary is subject to and qualified in its entirety by reference to all provisions of the AT1 Notes and the AT1 Indenture. Capitalized terms used but not defined herein shall have the meanings given to them in the AT1 Notes or the AT1 Indenture, as the case may be. The following description of AT1 Notes will apply to each AT1 Note offered hereby. A copy of the AT1 Indenture will be available on SEDAR at [www.sedar.com](http://www.sedar.com). The following description of the AT1 Notes supplements (and, where different from, supersedes) the description of the AT1 Notes in the Prospectus.

## **General**

The AT1 Notes offered by this Prospectus Supplement will be issued as subordinated debt securities under and pursuant to the provisions of a trust indenture (the “**AT1 Indenture**”) to be dated as of June 14, 2021 between the Bank and Computershare Trust Company of Canada, as trustee (the “**AT1 Indenture Trustee**”). The AT1 Indenture will be subject to the provisions of the Bank Act and governed by the laws of Ontario and the federal laws of Canada applicable therein. Subject to regulatory capital requirements applicable to the Bank, there is no limit on the amount of additional tier 1 notes or other subordinated indebtedness the Bank may issue.

The AT1 Notes will be the Bank’s direct unsecured obligations and, in the event of the Bank’s insolvency or winding-up, will rank (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness (as defined herein) and (b) in right of payment equally with and not prior to Deeply Subordinated Indebtedness (as defined herein) (other than Deeply Subordinated Indebtedness which by its terms ranks subordinate to the AT1 Notes) of the Bank, in each case, from time to time outstanding. The AT1 Notes will constitute subordinated indebtedness for the purposes of the Bank Act. In the event of the Bank’s insolvency or winding-up, the AT1 Notes will rank ahead of the Bank’s Common Shares and preferred shares.

**The AT1 Notes have no scheduled maturity or scheduled redemption date.**

**Interest will be due and payable on an AT1 Interest Payment Date (as defined below) only if it is not cancelled. By acquiring the AT1 Notes, the AT1 Noteholders acknowledge and agree that the Bank has the sole and absolute discretion at any time while the AT1 Notes are no longer held by the LRT Trustee and for any reason to cancel (in whole or in part), with notice to the AT1 Noteholders, any interest payment that would otherwise be payable on any AT1 Interest Payment Date.**

Upon the occurrence of a Trigger Event, each outstanding AT1 Note will automatically and immediately be converted, on a full and permanent basis, without the consent of the Noteholders, the holders of AT1 Notes (the “**AT1 Noteholders**”), the LRT Trustee, the AT1 Indenture Trustee or the Indenture Trustee, into that number of fully-paid Common Shares of the Bank determined by dividing (a) the product of the Multiplier and the Note Value, by (b) the Conversion Price (rounded down, if necessary, to the nearest whole number of Common Shares). See “— NVCC Automatic Conversion.”

The LRT Trustee, as trustee of the Limited Recourse Trust, will, by written notice, provide to the Bank a waiver (the “**Waiver**”) of its right to receive any and all interest on the AT1 Notes during the period from and including the date of the Waiver to and including the AT1 Interest Payment Date falling on or immediately prior to the date upon which the Waiver ceases to be in effect. The Waiver shall remain in effect until the earlier of (i) the date upon which the LRT Trustee, as trustee, provides, by written notice, a revocation of the Waiver and (ii) the date upon which the LRT Trustee is no longer a legal and registered holder of AT1 Notes. See “—Waiver and Cancellation of Interest Payments.”

**The AT1 Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution.**

Notwithstanding any provision of the AT1 Indenture, the Bank may not, without the prior approval of the Superintendent, amend or vary terms of the AT1 Notes that would affect the recognition of the AT1 Notes as regulatory capital under capital adequacy requirements adopted by the Superintendent.

The AT1 Notes are not entitled to the benefits of any sinking fund.

## **Principal, Interest and Maturity**

The AT1 Notes will be issued in an aggregate principal amount of \$1,250,000,000. **The AT1 Notes have no scheduled maturity or scheduled redemption date.** The Bank will pay interest on the AT1 Notes quarterly in arrears on January 27, April 27, July 27 and October 27 of each year (each, an “**AT1 Interest Payment Date**”), with the first payment on October 27, 2021, subject to the Bank’s rights under and the Waiver as described in, “— Waiver and Cancellation of Interest Payments.” From the date of issue to, but excluding, July 27, 2026 (the “**AT1 Initial Fixed Rate Period**”), the AT1 Notes will bear interest at the rate of 3.70% per annum. Starting on July 27, 2026 and on every fifth anniversary of such date thereafter (each such date an “**AT1 Reset Date**” and each such period, a “**AT1 Reset Rate Period**”), the interest rate on the AT1 Notes will be reset at an interest rate per annum equal to the Government of Canada Yield on the business day prior to such AT1 Reset Date (each, an “**AT1 Fixed Rate Calculation Date**”), plus 2.761% (the “**AT1 Reset Spread**”). The principal of, and interest on, the AT1 Notes will be paid in Canadian dollars.

Each payment of interest, if any, on the AT1 Notes will include interest accrued to, but excluding, the applicable AT1 Interest Payment Date (or earlier purchase or redemption, if applicable). Any payment of principal or interest required to be made on a day which is not a business day will be made on the next succeeding business day (without any additional interest or other payment in respect of the delay). Whenever it is necessary to compute any amount of interest in respect of the AT1 Notes for a period of less than one full quarterly period, such interest amount shall be calculated on the basis of the actual number of days in the period and a year of 365 days.

For purposes of the foregoing:

“**Bloomberg Screen GCAN5YR Page**” means the display designated on page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada bond yields).

“**business day**” means each Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions are authorized or required by law or executive order to close in Toronto, Ontario.

“**Government of Canada Yield**” as at any AT1 Fixed Rate Calculation Date, means the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the related Subsequent Fixed Rate Period, as determined by two independent Canadian investment dealers (each of which is a member of the Investment Industry Regulatory Organization of Canada or any successor to or of the Investment Industry Regulatory Organization of Canada) selected by the Bank, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market at or about 10:00 a.m. (Toronto time) on the relevant date for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span such Subsequent Fixed Rate Period on such AT1 Fixed Rate Calculation Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

“**Subsequent Fixed Rate Period**” means the period from and including July 27, 2026 to, but excluding, July 27, 2031 and each five-year period thereafter from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to, but excluding, July 27 in the fifth year thereafter.

### ***Waiver and Cancellation of Interest Payments***

The LRT Trustee, as trustee of the Limited Recourse Trust, will, by written notice, provide to the Bank the Waiver of its right to receive any and all interest on the AT1 Notes during the period from and including the date of the Waiver to and including the AT1 Interest Payment Date falling on or immediately prior to the date upon which the Waiver ceases to be in effect. The Waiver shall remain in effect until the earlier of (i) the date upon which the LRT Trustee, as trustee, provides, by written notice, a revocation of the Waiver and (ii) the date upon which the LRT Trustee is no longer a legal and registered holder of AT1 Notes. On the date the Waiver is given, the Bank will cancel any interest payments that would otherwise be paid while the Waiver is in effect. Accordingly, for so long as the LRT Trustee has waived the right to receive interest, no interest is expected to be paid or payable on the AT1 Notes held in the Limited Recourse Trust on any AT1 Interest Payment Date on which the LRT Trustee is the holder of the AT1 Notes. The Waiver is applicable only to the LRT Trustee and not any subsequent holder of the AT1 Notes. The Bank will provide a covenant to the LRT Trustee that, at any time while AT1 Notes are held by the LRT Trustee and the Waiver is no longer in effect, if the Bank pays cash interest on any of its other outstanding series of subordinated additional tier 1 capital notes (other than trust assets then held in respect of other series of limited recourse capital notes issued by the Bank), then the Bank will pay interest in full on the AT1 Notes on the next succeeding AT1 Interest Payment Date, provided that the AT1 Notes are held by the LRT Trustee on such AT1 Interest Payment Date.

In addition, interest will be due and payable on an AT1 Interest Payment Date only if it is not cancelled. The Bank has the sole and absolute discretion at any time while the AT1 Notes are no longer held by the LRT Trustee and for any reason to cancel (in whole or in part), with notice to the AT1 Noteholders, any interest payment that would otherwise be payable on any AT1 Interest Payment Date. **As a result, if you become an AT1 Noteholder, you may not receive any interest on any AT1 Interest Payment Date or at any other times, and you will have no claims whatsoever in respect of that cancelled interest.**

Such cancelled interest shall not accumulate or be due and payable at any time thereafter and the AT1 Noteholders and the beneficial owners of the AT1 Notes shall not have any right to or claim against the Bank with respect to such interest amount.

Any such cancellation shall not constitute an Event of Default (as defined in the AT1 Indenture) and the AT1 Noteholders shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation.

Except while the Limited Recourse Trust is the sole AT1 Noteholder and the Waiver is in effect, upon any election by the Bank to cancel (in whole or in part) any interest payment, the Bank shall give notice to the AT1 Noteholders and to the AT1 Indenture Trustee on or prior to the relevant AT1 Interest Payment Date, specifying the amount of the relevant interest cancellation and, accordingly, the amount (if any) of the interest that will be paid on such AT1 Interest Payment Date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation of interest, or give AT1 Noteholders any rights as a result of such failure.

In the event that the Bank has not cancelled interest that is due and payable on any AT1 Interest Payment Date and has not punctually paid or duly provided for payment on such AT1 Interest Payment Date, such interest will be paid by the Bank on the next succeeding AT1 Interest Payment Date; provided that no additional interest or compensation shall accrue on such unpaid interest or be payable as a result of such delay in payment.

### ***Form, Denomination and Transfer***

The AT1 Notes will be issued only in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The amounts payable with respect to the AT1 Notes shall be payable in Canadian dollars.

For so long as the AT1 Notes are held by the Limited Recourse Trust, the AT1 Notes will be issued in registered form. Thereafter, except in limited circumstances, the AT1 Notes will be issued in “book-entry only” form and must be purchased, transferred, redeemed or exchanged through participants in the depository service of CDS. Reference is made to “Book-entry Only Securities” in the Prospectus.

### ***Status and Subordination***

The AT1 Notes will be direct unsecured obligations constituting subordinated indebtedness of the Bank for the purpose of the Bank Act and will therefore rank subordinate to the Bank’s deposits. **The AT1 Notes will not be deposits insured under the Canada Deposit Insurance Corporation Act or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution.** See “Description of the AT1 Notes – General”.

The AT1 Indenture provides that, in the event of the Bank’s insolvency or winding-up, will rank (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness (as defined below) and (b) in right of payment equally with and not prior to Deeply Subordinated Indebtedness (as defined below) (other than Deeply Subordinated Indebtedness which by its terms ranks subordinate to the AT1 Notes) of the Bank, in each case, from time to time outstanding. The AT1 Notes will constitute subordinated indebtedness for the purposes of the Bank Act. In the event of the Bank’s insolvency or winding-up, the AT1 Notes will rank ahead of the Bank’s Common Shares and preferred shares.

For the purposes of the foregoing:

“**Deeply Subordinated Indebtedness**” means Indebtedness which by its terms ranks equally in right of payment with, or is subordinate to, the AT1 Notes. For greater clarity, Deeply Subordinated Indebtedness includes the Notes.

“**Higher Ranked Indebtedness**” at any time means all Indebtedness of the Bank then outstanding (including all Subordinated Indebtedness of the Bank then outstanding other than Deeply Subordinated Indebtedness).

“**Indebtedness**” at any time means all deposit liabilities of the Bank and all other liabilities and obligations of the Bank which in accordance with the accounting rules established for Canadian chartered banks issued under the authority of the Superintendent pursuant to the Bank Act or with generally accepted accounting principles (the primary source of which is the CPA Canada Handbook), as the case may be, would be included in determining the total liabilities of the Bank at such time.

“**Subordinated Indebtedness**” at any time means the Bank’s subordinated indebtedness within the meaning of the Bank Act.

As of April 30, 2021, the Bank had approximately \$1,054.8 billion of Higher Ranked Indebtedness, including deposits, outstanding which would rank ahead of the AT1 Notes.



If a Trigger Event occurs, the rights, terms and conditions of the AT1 Notes, including with respect to priority and subordination, will no longer be relevant as all the AT1 Notes will have been converted into Common Shares, which will rank on parity with all other outstanding Common Shares.

### ***Events of Default***

The AT1 Indenture will provide that an “**Event of Default**” in respect of the AT1 Notes will occur only if the Bank becomes bankrupt or insolvent or becomes subject to the provisions of the *Winding-up and Restructuring Act* (Canada), as amended, re-enacted or replaced from time to time, or if the Bank goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction, passes a resolution for the winding-up, liquidation or dissolution of the Bank or otherwise acknowledges its insolvency (provided that a resolution or order for the winding-up of the Bank with a view to its reorganization or its consolidation, amalgamation or merger with another person or the transfer of its assets as an entirety to such other person will not constitute an Event of Default if such last-mentioned person will, as a part of such reorganization, consolidation, amalgamation, merger or transfer, and, within 90 days from the passing of the resolution or the date of the order or within such further period of time as may be allowed by the AT1 Indenture Trustee, comply with certain conditions provided for in the AT1 Indenture). None of a default in the performance of any covenant contained in the AT1 Indenture, the failure to make a payment on the AT1 Notes when due (including any interest payment, whether as a result of cancellation or otherwise), or an NVCC Automatic Conversion upon the occurrence of a Trigger Event will constitute an Event of Default.

If an Event of Default has occurred and is continuing, the AT1 Indenture Trustee may, in its discretion, and shall upon receipt of a request of the holders of a majority of the outstanding principal amount of the AT1 Notes then outstanding under the AT1 Indenture, subject to a waiver of such Event of Default, by notice in writing to the Bank declare the principal of and any accrued and unpaid interest on all AT1 Notes (except to the extent such unpaid interest was cancelled) then outstanding to be due and payable and the Bank shall pay to the AT1 Indenture Trustee for the benefit of the AT1 Noteholders the principal and any accrued and unpaid interest on such AT1 Notes.

Holders of a majority of the outstanding principal amount of the AT1 Notes then outstanding under the AT1 Indenture may, by resolution, direct and control the actions of the AT1 Indenture Trustee or of any holder of AT1 Notes who brings an action after the failure of the AT1 Indenture Trustee to act in any proceedings against the Bank. The AT1 Indenture Trustee must, within 30 days of becoming aware of an Event of Default, give notice to the holders of the AT1 Notes unless the AT1 Indenture Trustee reasonably determines that the withholding of notice of a continuing default is in the best interests of the holders.

**There will be no right of acceleration in the case of a cancellation of any payment of interest on the AT1 Notes, in the case of a default in the performance of any covenant of the Bank in the AT1 Indenture or upon the occurrence of a Trigger Event.**

### ***Restrictions on the Payment of Dividends and Retirement of Shares***

If on any AT1 Interest Payment Date, the Bank does not pay in full the applicable interest on the AT1 Notes that is due and payable on such AT1 Interest Payment Date (whether as a result of cancellation or otherwise) except where such interest has been waived by the LRT Trustee pursuant to the Waiver, the Bank will not (a) declare dividends on the Common Shares or the preferred shares of the Bank or (b) redeem, purchase or otherwise retire any Common Shares or preferred shares of the Bank (except pursuant to any purchase obligation, retraction privilege or mandatory redemption provisions attaching to any preferred shares of the Bank), in each case, until the month commencing immediately after the Bank makes an interest payment in full on the AT1 Notes.

### ***Redemption***

#### ***Optional Redemption***

Subject to any applicable law restricting the redemption of the AT1 Notes, including the Bank Act and regulations and guidelines thereunder, and provided that a Trigger Event has not occurred, the Bank may, at its option, with the prior written approval of the Superintendent and on not less than 10 days and not more than 60 days’ notice to each AT1 Noteholder, redeem the AT1 Notes, in whole or in part, every five years during the period from June 27 to and including July 27, commencing in 2026, at a redemption price equal to 100% of the principal amount thereof, plus any accrued and unpaid interest up to, but excluding, the date of redemption (except to the extent such unpaid interest was cancelled) (the “**AT1 Redemption Price**”).

Subject to any applicable law restricting the redemption of the AT1 Notes, including the Bank Act and regulations and guidelines thereunder, and provided that a Trigger Event has not occurred, the Bank may also, at its option, with the prior written approval of the Superintendent and on not less than 10 days’ and not more than 60 days’ notice to each AT1 Noteholder, redeem

the AT1 Notes, in whole but not in part, at any time following (i) when the AT1 Notes are held by the Limited Recourse Trust, a Regulatory Event Date, or (ii) when the AT1 Notes are no longer held by the Limited Recourse Trust, an AT1 Regulatory Event Date (as defined below), at the AT1 Redemption Price. Additionally, the Bank may, at its option, with the prior written approval of the Superintendent and on not less than 10 days' and not more than 60 days' notice to each AT1 Noteholder, redeem the AT1 Notes, in whole but not in part, at any time following (i) when the AT1 Notes are held by the Limited Recourse Trust, a Tax Event, or (ii) when the AT1 Notes are no longer held by the Limited Recourse Trust, the occurrence of an AT1 Tax Event (as defined below), at the AT1 Redemption Price. For the purposes of the foregoing:

“**AT1 Regulatory Event Date**” means the date specified in a letter from the Superintendent to the Bank on which the AT1 Notes will no longer be recognized in full as eligible “Additional Tier 1 Capital” or will no longer be eligible to be included in full as risk-based “Total Capital” on a consolidated basis under the guidelines for capital adequacy requirements for banks as interpreted by the Superintendent.

“**AT1 Tax Event**” means the Bank has received an opinion of independent counsel of a nationally recognized law firm in Canada experienced in such matters (who may be counsel to the Bank) to the effect that, as a result of: (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada, or any political subdivision or taxing authority thereof or therein, affecting taxation; (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an “**administrative action**”); or (iii) any amendment to, clarification of, or change (including any announced prospective change) in, the official position with respect to or the interpretation of any administrative action or any interpretation or pronouncement that provides for a position with respect to such administrative action that differs from the theretofore generally accepted position, in each of case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority in Canada, irrespective of the manner in which such amendment, clarification, change, administrative action, interpretation or pronouncement is made known, which amendment, clarification, change or administrative action is effective or which interpretation, pronouncement or administrative action is announced on or after the date of issue of the AT1 Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or administrative action is effective and applicable) that the Bank is, or may be, subject to more than a de minimis amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to the AT1 Notes or the treatment of the AT1 Notes, as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority, provided that this clause shall not apply in respect of the deductibility of interest on the AT1 Notes.

#### *Automatic Redemption*

Subject to any applicable law restricting the redemption of the AT1 Notes, including the Bank Act and regulations and guidelines thereunder, and provided that a Trigger Event has not occurred, if at any time the Bank redeems the Notes, in whole or in part, in accordance with their terms (including in connection with an Optional Redemption) or purchases Notes, in whole or in part, by tender offer, open market purchases, negotiated transactions or otherwise, for cancellation, then the Bank shall, subject to the provisions of the Bank Act and the prior written approval of the Superintendent, redeem such aggregate principal amount of AT1 Notes that is equal to the aggregate principal amount of Notes redeemed or purchased for cancellation by the Bank, at the AT1 Redemption Price, without any action on the part of, or the consent of, the LRT Trustee or the AT1 Noteholders.

#### *Optional Redemption Upon Maturity of the Notes*

Concurrently with or upon the maturity of the Notes, subject to the provisions of the Bank Act and the prior written approval of the Superintendent, the Bank may, at the Bank's option, redeem all but not less than all of the outstanding AT1 Notes at the AT1 Redemption Price.

#### *Restrictions on Redemption*

The Bank will not redeem the AT1 Notes under any circumstances if such redemption would, directly or indirectly, result in the Bank's breach of any provision of the Bank Act or OSFI's Capital Adequacy Requirements (CAR) Guideline, as may be amended from time to time.

Any AT1 Notes redeemed by the Bank may not be reissued.

**The AT1 Notes are not subject to repayment at the option of the AT1 Noteholders.**

***Purchase for Cancellation***

If the AT1 Notes are not held by the LRT Trustee in the Limited Recourse Trust, and subject to the prior written approval of the Superintendent, the Bank may, at any time that the AT1 Notes are not held by the Limited Recourse Trust, purchase for cancellation the AT1 Notes, in whole or in part, in the open market, by tender offer, open market purchases, negotiated transactions or otherwise in accordance with applicable securities laws and regulations, so long as such acquisition does not otherwise violate the terms of the AT1 Indenture, upon such terms and at such prices as the Bank may determine. Any AT1 Notes purchased or otherwise acquired by the Bank will be surrendered to the AT1 Indenture Trustee for cancellation and may not be reissued or resold. Notwithstanding the foregoing, any subsidiary of the Bank may purchase AT1 Notes in the ordinary course of its business of dealing in securities. The Bank may not purchase any AT1 Notes for cancellation while such AT1 Notes are held by the LRT Trustee in the Limited Recourse Trust.

***Voting Rights***

The holders of AT1 Notes will not be entitled to receive notice of, attend, or vote at, any meeting of the shareholders of the Bank and will have no voting rights other than in limited circumstances as described in the AT1 Indenture.

***No Restriction on Other Indebtedness***

The Bank may create, issue or incur any other Indebtedness which, in the event of the insolvency or winding-up of the Bank, would rank in right of payment in priority to, equally with, or subordinate to the AT1 Notes.

***NVCC Automatic Conversion***

Upon the occurrence of a Trigger Event, each outstanding AT1 Note will automatically and immediately be converted, on a full and permanent basis, without any action on the part of, or the consent of, the Noteholders, the AT1 Noteholders, the LRT Trustee, the AT1 Indenture Trustee or the Indenture Trustee, into that number of fully-paid Common Shares determined by dividing (a) the product of the Multiplier and the Note Value, by (b) the Conversion Price (rounded down, if necessary, to the nearest whole number of Common Shares) (an “**NVCC Automatic Conversion**”). For the purposes of the foregoing:

“**Conversion Price**” means, in respect of each AT1 Note, the greater of (i) the Floor Price, and (ii) the Current Market Price.

“**Current Market Price**” means the volume weighted average trading price of the Common Shares on the TSX or, if not then listed on the TSX, on another exchange or market chosen by the board of directors of the Bank on which the Common Shares are then traded, for the 10 consecutive trading days ending on the trading day immediately prior to the date on which the Trigger Event occurs (with the conversion occurring as of the start of business on the date on which the Trigger Event occurs). If no such trading prices are available, “Current Market Price” shall be the Floor Price.

“**Floor Price**” means \$5.00 subject to adjustment in the event of (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all holders of Common Shares as a stock dividend, (ii) the subdivision, redivision or change of the Common Shares into a greater number of Common Shares, or (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of Common Shares, in which case the Floor Price shall be adjusted so that it will equal the price determined by multiplying the Floor Price in effect immediately prior to such effective date or record date of such event by a fraction:

- (i) the numerator of which shall be the total number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization; and
- (ii) the denominator of which shall be the total number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number, without duplication, of Common Shares that would have been outstanding had all such securities been exchanged for or converted into Common Shares on such effective date or record date).

The adjustment shall be calculated to the nearest one-tenth of one cent provided that no adjustment of the Floor Price shall be required unless such adjustment would require an increase or decrease of at least 1% of the Floor Price then in

effect; provided, however, that in such case any adjustment that would otherwise be required to be made will be carried forward and will be made at the time of and together with the next subsequent adjustment which, together with any adjustments so carried forward, will amount to at least 1% of the Floor Price.

“**Multiplier**” means 1.25.

“**Note Value**” means, in respect of each AT1 Note, \$1,000 plus (i) when the AT1 Notes are held by the Limited Recourse Trust, any accrued and unpaid interest on each \$1,000 principal amount of Notes up to, but excluding, the date of the Trigger Event, or (ii) when the AT1 Notes are no longer held by the Limited Recourse Trust, any accrued and unpaid interest on each AT1 Note up to, but excluding, the date of the Trigger Event (except to the extent such unpaid interest was cancelled).

“**Trigger Event**” has the meaning set out in the OSFI Guideline for Capital Adequacy Requirements (CAR), Chapter 2 — Definition of Capital effective November 2018 (the “**OSFI Capital Adequacy Requirements (CAR) Guideline**”) as such term may be amended or superseded by OSFI from time to time, which term currently provides that each of the following constitutes a Trigger Event:

- the Superintendent publicly announces that the Bank has been advised, in writing, that the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and that, after the conversion of the AT1 Notes and all other contingent instruments issued by the Bank and taking into account any other factors or circumstances that are considered relevant or appropriate, it is reasonably likely that the viability of the Bank will be restored or maintained; or
- a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

In any case where the aggregate number of Common Shares to be issued to a AT1 Noteholder pursuant to an NVCC Automatic Conversion includes a fraction of a Common Share, such number of Common Shares to be issued to such AT1 Noteholder shall be rounded down to the nearest whole number of Common Shares and no cash payment shall be made in lieu of such fractional Common Share. Notwithstanding any other provision of the AT1 Notes, the conversion of the AT1 Notes shall not be an Event of Default and the only consequence of a Trigger Event under the provisions of the AT1 Indenture and the AT1 Notes will be the conversion of such AT1 Notes into Common Shares. Upon an NVCC Automatic Conversion, any accrued and unpaid interest (except to the extent such unpaid interest was cancelled), together with the principal amount of the AT1 Notes, will be deemed paid in full by the issuance of Common Shares upon such conversion and the AT1 Noteholders shall have no further rights and the Bank shall have no further obligations under the AT1 Indenture. If tax is required to be withheld from such payment of interest in the form of Common Shares, the number of Common Shares received by an AT1 Noteholder will reflect an amount net of any applicable withholding tax.

In the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares, the Bank will take necessary action to ensure that AT1 Noteholders receive, pursuant to an NVCC Automatic Conversion, the number of Common Shares or other securities that such AT1 Noteholders would have received if the NVCC Automatic Conversion occurred immediately prior to the record date for such event.

#### ***Right Not to Deliver Common Shares pursuant to an NVCC Automatic Conversion***

The terms and conditions applicable to the AT1 Notes will contain provisions that will provide the Bank with the right to have the LRT Trustee not: (a) deliver some or all, as applicable, of the Common Shares held as Corresponding Trust Assets following a Recourse Event that is a Trigger Event) to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Person or any person who, by virtue of the operation of the NVCC Automatic Conversion, would become a Significant Shareholder through the acquisition of Common Shares, or (b) record it its securities register a transfer or issue of Common Shares (issued upon an NVCC Automatic Conversion) to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Government Holder based on a declaration submitted to the Bank or its transfer agent by or on behalf of such person. In such circumstances, the Bank will hold, as agent for such persons, the Common Shares that would have otherwise been delivered to such persons and will attempt to facilitate the sale of such Common Shares to parties other than the Bank and its affiliates on behalf of such persons through a registered dealer to be retained by the Bank on behalf of such persons. Those sales (if any) may be made at any time and at any price. The Bank will not be subject to any liability for failure to sell any such Common Shares on behalf of such persons or at any particular price on any particular day. The net proceeds received by the Bank from the sale of any

such Common Shares will be divided among the applicable persons in proportion to the number of Common Shares that would otherwise have been delivered to them upon the NVCC Automatic Conversion after deducting the costs of sale and any applicable withholding taxes.

### ***Mergers and Similar Events***

Under the AT1 Indenture, the Bank is generally permitted to merge, amalgamate, consolidate or otherwise combine with another entity. The Bank is also permitted to convey, transfer or lease the properties and assets of the Bank substantially as an entirety to another entity. However, the Bank may not take any of these actions unless all the following conditions are met:

- when the Bank merges, amalgamates, consolidates or otherwise combines with, or conveys, transfers or leases its properties and assets substantially as an entirety, the surviving, resulting or acquiring entity must be a corporation, partnership or trust, must be organized and validly existing and must be legally responsible for the AT1 Notes, whether by agreement, operation of law or otherwise;
- the consolidation, amalgamation, merger or other combination, or conveyance, transfer or lease must not cause an event of default, including any event which, after notice or lapse of time or both, would become an event of default, on the AT1 Notes; and
- the Bank has delivered an officer's certificate and a legal opinion to the AT1 Indenture Trustee each stating that such transaction complies with the AT1 Indenture.

If the conditions described above are satisfied, the Bank will not need to obtain the approval of the AT1 Noteholders in order to merge, amalgamate, consolidate or otherwise combine with another entity, or to convey, transfer or lease its properties and assets substantially as an entirety.

Also, these conditions will apply only if the Bank wishes to merge, amalgamate, consolidate or otherwise combine with another entity, or to convey, transfer or lease its properties and assets substantially as an entirety to another entity. The Bank will not need to satisfy the conditions described above conditions if the Bank enters into other types of transactions, including:

- any transaction in which the Bank acquires the stock or assets of another entity but in which the Bank does not merge, amalgamate, consolidate or otherwise combine;
- any transaction that involves a change of control but in which the Bank does not merge, amalgamate, consolidate or otherwise combine; or
- any transaction in which the Bank conveys, transfers or leases less than substantially all of the Bank's properties and assets.

It is possible that this type of transaction may result in a reduction in the Bank's credit ratings or market perceptions about the Bank's credit ratings, may negatively affect the Bank's operating results or may impair the Bank's financial condition. AT1 Noteholders, however, will have no approval right with respect to any transaction of this type.

### ***Modification and Waiver of the AT1 Notes***

There are three types of changes the Bank can make to the AT1 Indenture and the AT1 Notes. In addition to the below-noted consent rights, the Bank will not without, but may from time to time with, the consent of the Superintendent, make any change to the AT1 Indenture or the AT1 Notes which might affect the classification afforded the AT1 Notes from time to time for capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder, including the OSFI Capital Adequacy Requirements (CAR) Guideline, as may be amended from time to time.

*Changes Requiring Consent of All AT1 Noteholders.* First, there are changes that cannot be made to the AT1 Indenture or the AT1 Notes without the consent of each AT1 Noteholder. The following is a list of those types of changes:

- a change in the stated maturity date or Interest Payment Dates of the AT1 Notes;
- a reduction of the principal amount of, or rate of interest on, the AT1 Notes;
- a reduction of the amount payable upon a redemption of the AT1 Notes;

- a change in the currency of payment on the AT1 Notes;
- a change in the place of payment for the AT1 Notes;
- an impairment of an AT1 Noteholder's right to sue for payment;
- a reduction of the percentage in principal amount of AT1 Notes the consent of whose holders is needed to modify or amend the AT1 Indenture;
- a reduction of the percentage in principal amount of AT1 Notes the consent of whose holders is needed to waive compliance with certain provisions of the AT1 Indenture or to waive certain defaults thereunder; or
- a modification of any other aspect of the provisions dealing with modification and waiver of the AT1 Indenture, except certain changes favourable to the AT1 Noteholders.

*Changes Requiring a Majority Consent.* The second type of change to the AT1 Indenture and the AT1 Notes is the kind that requires the consent of AT1 Noteholders owning not less than a majority of the principal amount of the AT1 Notes. Most changes fall into this category, except for clarifying changes and certain other changes that would not adversely affect in any material respect AT1 Noteholders. The Bank may also obtain a waiver of a past default from the AT1 Noteholders owning a majority of the principal amount of the AT1 Notes. However, the Bank cannot obtain a waiver of any aspect of the AT Indenture or the AT1 Notes listed in the first category described above under “— Changes Requiring Consent of All AT1 Noteholders” unless the Bank obtains the individual consent of each AT1 Noteholder to the waiver. The Bank may not modify the subordination provisions of the AT1 Indenture in a manner that would adversely affect in any material respect the outstanding AT1 Notes without the consent of the AT1 Noteholders of a majority of the outstanding principal amount of the AT1 Notes.

*Changes Not Requiring Consent.* The third type of change to the AT1 Indenture and the AT1 Notes does not require consent by AT1 Noteholders. This type is limited to certain changes that would not adversely affect in any material respect the interests of the AT1 Noteholders.

*Further Details Concerning Voting.* The AT1 Notes will not be considered outstanding, and therefore not eligible to vote or take other action under the AT1 Indenture, if the Bank has given a notice of redemption and deposited or set aside in trust for the AT1 Noteholders money for the payment or redemption of those AT1 Notes. AT1 Notes will also not be considered outstanding, and therefore not eligible to vote or take other action under the AT1 Indenture, if the Bank or one of its affiliates is the beneficial owner of the AT1 Notes.

The Bank will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding AT1 Notes that are entitled to vote or take other action under the AT1 Indenture. In certain limited circumstances, the AT1 Indenture Trustee will be entitled to set a record date for action by AT1 Noteholders. If the AT1 Indenture Trustee or the Bank sets a record date for a vote or other action to be taken by AT1 Noteholders, that vote or action may be taken only by persons who are holders of AT1 Notes on the record date. The Bank or the AT1 Indenture Trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action.

Book-entry and other indirect AT1 Noteholders should consult their banks, brokers or other financial institutions for information on how approval may be granted or denied if the Bank seeks to change the AT1 Indenture or AT1 Notes or request a waiver.

### ***Covenants***

The Bank will not be restricted by the AT1 Indenture or the AT1 Notes from incurring, assuming or becoming liable for any type of debt or other obligations or purchasing or redeeming its capital stock except as set forth in “— Restrictions on the Payment of Dividends and Retirement of Shares.” Neither the AT1 Indenture nor the AT1 Notes will require the maintenance of any financial ratios or specified levels of net worth or liquidity, nor will they contain any covenants or other provisions that would limit the Bank or its subsidiaries' rights to incur additional indebtedness, enter into any sale and leaseback transaction or grant liens on the Bank's or its subsidiaries' assets. Neither the AT1 Indenture nor the AT1 Notes will contain any provisions that would require the Bank to repurchase or redeem or otherwise modify the terms of the AT1 Notes upon a change in control or other events that may adversely affect the creditworthiness of the AT1 Notes, for example, a highly leveraged transaction.

Pursuant to the AT1 Indenture, the Bank will covenant with the AT1 Indenture Trustee for the benefit of the AT1 Indenture Trustee and the AT1 Noteholders that, so long as any AT1 Notes remain outstanding, the Bank (i) will duly and punctually pay all

amounts as they become due in accordance with the terms of the AT1 Notes and, with respect to interest, subject to cancellation in accordance with the terms of the AT1 Notes and, if applicable, the Waiver; and (ii) will, subject to certain exceptions, maintain its corporate existence.

### ***Payment of Additional Amounts***

Subject to the Bank's sole and absolute right to cancel interest payments at any time while the AT1 Notes are no longer held by the LRT Trustee, all payments made by or on behalf of the Bank under or with respect to the AT1 Notes will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) imposed or levied by or on behalf of the Government of Canada or any province or territory thereof or by any authority or agency therein or thereof having power to tax (hereafter "**Canadian taxes**"), unless the Bank is required to withhold or deduct Canadian taxes by law or by the interpretation or administration thereof. If the Bank is so required to withhold or deduct any amount for or on account of Canadian taxes from any payment made under or with respect to the AT1 Notes, the Bank will pay to each AT1 Noteholder as additional interest such additional amounts ("**additional amounts**") as may be necessary so that the net amount received by each such AT1 Noteholder after such withholding or deduction (and after deducting any Canadian taxes on such additional amounts) will not be less than the amount such AT1 Noteholder would have received if such Canadian taxes had not been withheld or deducted, except as described below. However, no additional amounts will be payable with respect to a payment made to an AT1 Noteholder (such AT1 Noteholder, an "excluded holder") in respect of the beneficial owner thereof:

- with which the Bank does not deal at arm's length (for the purposes of the Tax Act) at the time of the making of such payment or which is entitled to the payment in respect of a debt or other obligation to pay an amount to a person with which the Bank does not deal at arm's length (within the meaning of the Tax Act) at the time of making such payment;
- which is a "specified non-resident shareholder" of the Bank for purposes of the Tax Act or a non-resident person not dealing at arm's-length with a "specified shareholder" (within the meaning of subsection 18(5) of the Tax Act) of the Bank;
- which is subject to such Canadian taxes by reason of the AT1 Noteholder or beneficial owner being a resident, domiciliary or national of, engaged in business or maintaining a permanent establishment or other physical presence in or otherwise having some connection with Canada or any province or territory thereof otherwise than by the mere holding of the AT1 Notes or the receipt of payments thereunder;
- which is subject to such Canadian taxes by reason of the AT1 Noteholder's or beneficial owner's failure to comply with any certification, identification, documentation or other reporting requirements if compliance is required by law, regulation, administrative practice or an applicable treaty as a precondition to exemption from, or a reduction in the rate of deduction or withholding of, such Canadian taxes (provided that the Bank advises the AT1 Indenture Trustee and the AT1 Noteholders then outstanding of any change in such requirements);
- with respect to any AT1 Note presented for payment more than 30 days after the later of (i) the date payment is due and (ii) the date on which funds are made available for payment, except to the extent that the AT1 Noteholder or beneficial owner thereof would have been entitled to such additional amounts on presenting same for payment on or before such thirtieth day;
- with respect to any estate, inheritance, gift, sale, transfer, personal property or similar tax or other governmental charge;
- which is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that the Canadian taxes would not have been imposed on such payment had such AT1 Noteholder been the sole beneficial owner of such AT1 Notes;
- with respect to any tax, assessment, withholding or deduction imposed pursuant to Sections 1471 to 1474 of the Code, or any similar legislation imposed by any other governmental authority, any agreements entered into pursuant to current Section 1471(b)(1) of the Code, and any fiscal or regulatory legislation adopted pursuant to any intergovernmental agreement, treaty, or convention among governmental authorities entered into in connection with the implementation of the foregoing, and including for greater certainty, Parts XVIII and XIX of the Tax Act, and any rules or practices adopted pursuant to any of them ("**FATCA**"), or any taxes or penalties that arise from the holder or beneficial holder's failure to properly comply with its obligations with respect to

FATCA or the Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act (Canada); or

- in the case of any combination of the foregoing.

For the avoidance of doubt, the Bank will not have any obligation to pay any AT1 Noteholders additional amounts on any Canadian tax which is payable otherwise than by deduction or withholding from payments made under or in respect of the AT1 Notes.

The Bank will also:

- make such withholding or deduction; and
- remit the full amount deducted or withheld to the relevant authority in accordance with applicable law.

The Bank will furnish to registered holders of the relevant AT1 Notes, within 60 days after the date the payment of any Canadian taxes is due pursuant to applicable law, certified copies of tax receipts or other documents evidencing such payment by such person.

The Bank will indemnify and hold harmless each AT1 Noteholder (other than an excluded holder) from and against, and upon written request reimburse each such AT1 Noteholder for the amount (excluding any additional amounts that have previously been paid by the Bank with respect thereto) of:

- any Canadian taxes so levied or imposed and paid by such AT1 Noteholder as a result of payments made by or on behalf of the Bank under or with respect to the AT1 Notes;
- any liability (including penalties, interest and expenses) arising therefrom or with respect thereto; and
- any Canadian taxes imposed with respect to any reimbursement under the preceding two bullet points, but excluding any such Canadian taxes on such AT1 Noteholder's net income.

In any event, no additional amounts or indemnity amounts will be payable under the provisions described above in respect of any AT1 Note in excess of the additional amounts and the indemnity amounts which would be required if, at all relevant times, the beneficial owner of such AT1 Note were a resident of the United States for purposes of and was entitled to the benefits of the Canada-U.S. Income Tax Convention (1980), as amended, including any protocols thereto. As a result of the limitation on the payment of additional amounts and indemnity amounts discussed in the preceding sentence, the additional amounts or indemnity amounts received by certain holders in respect of beneficial owners of the AT1 Notes may be less than the amount of Canadian taxes withheld or deducted or the amount of Canadian taxes (and related amounts) levied or imposed giving rise to the obligation to pay the indemnity amounts, as the case may be, and, accordingly, the net amount received by such holders of those AT1 Notes may be less than the amount such holders would have received had there been no such withholding or deduction in respect of Canadian taxes or had such Canadian taxes (and related amounts) not been levied or imposed.

Wherever in the AT1 Indenture there is mentioned, in any context, the payment of principal, interest, if any, or any other amount payable under or with respect to an AT1 Note, such mention shall be deemed to include mention of the payment of additional amounts to the extent that, in such context, additional amounts are, were or would be payable in respect thereof.

In the event of the occurrence of any transaction or event resulting in a successor to the Bank, all references to Canada in the preceding paragraphs of this subsection shall be deemed to be references to the jurisdiction of organization of the successor entity.

### ***Further Issues***

Subject to regulatory capital requirements applicable to the Bank, there is no limit on the amount of subordinated indebtedness the Bank may issue. The Bank may from time to time, without notice to or the consent of the registered AT1 Noteholders, create and issue further AT1 Notes ranking *pari passu* with the AT1 Notes in all respects (other than issue date, issue price and, if applicable, the first interest payment date and the initial interest accrual date) and so that such further AT1 Notes may be consolidated and form a single series with the AT1 Notes and have the same terms as to status, redemption or otherwise as the AT1 Notes.



## ***Governing Law***

The AT1 Notes and the AT1 Indenture will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Limited Recourse Trust is formed under the laws of the Province of Manitoba.

## **DESCRIPTION OF COMMON SHARES**

For a description of the terms of the Common Shares of the Bank, see “Description of Common Shares” in the Prospectus.

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Bank, and Torys LLP, counsel to the Agents (collectively, “**Counsel**”), the following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Notes, including entitlement to all payments thereunder, as beneficial owner, pursuant to this Prospectus Supplement; AT1 Notes on a Recourse Event; and Common Shares on a Recourse Event that is a Trigger Event or on an NVCC Automatic Conversion, and who, for purposes of the Tax Act and at all relevant times, deals at arm’s length with the Bank and each of the Agents, is not affiliated with the Bank or any of the Agents, holds Notes and will hold any AT1 Notes or Common Shares (as applicable) as capital property (a “**Holder**”).

Generally, Notes, AT1 Notes, and Common Shares will be capital property to a Holder, provided the Holder does not acquire Notes, AT1 Notes or Common Shares in the course of carrying on a business of trading or dealing in securities and does not acquire them as part of an adventure or concern in the nature of trade.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the “**Regulations**”), the *Canada-United States Tax Convention*, and Counsel’s understanding of the administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and assumes that all Tax Proposals will be enacted in the form proposed. However, no assurances can be given that the Tax Proposals will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice, whether by legislative, regulatory, administrative or judicial action, nor does it take into account provincial, territorial or foreign tax considerations which may differ from those discussed herein.

**This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder and no representation with respect to the income tax consequences to any particular Holder is made. This summary is not exhaustive of all federal income tax considerations. Accordingly, prospective Holders should consult their own tax advisors with respect to their particular circumstances.**

### ***Holders Resident in Canada***

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, is, or is deemed to be, resident in Canada (a “**Resident Holder**”). Certain Resident Holders whose Notes, AT1 Notes or Common Shares would not otherwise qualify as capital property may, in certain circumstances, be entitled to have them and all other “Canadian securities” of the Resident Holder, as defined in the Tax Act, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This portion of the summary is not applicable to a Resident Holder (i) that is a “financial institution” as defined in the Tax Act for purposes of the mark-to-market rules; (ii) an interest in which is or would constitute a “tax shelter investment” as defined in the Tax Act; (iii) that reports its “Canadian tax results”, as defined in the Tax Act, in a currency other than Canadian currency; or (iv) that has entered into, with respect to the Notes, AT1 Notes or Common Shares a “derivative forward arrangement” as defined in the Tax Act. Such Resident Holders should consult their own tax advisors. Furthermore, this portion of the summary is not applicable to a Resident Holder that is a “specified financial institution” (as defined in the Tax Act) that receives (or is deemed to receive) dividends in respect of Common Shares acquired on a Recourse Event that is a Trigger Event or on an NVCC Automatic Conversion. Such Resident Holders should consult their own tax advisors.

## **Notes**

### ***Interest***

A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Notes that accrues (or is deemed to accrue) to it to the end of the particular taxation year or that has become receivable by or is received by the Resident Holder before the end of that taxation year, except to the extent that such interest was included in computing the Resident Holder's income for a preceding taxation year.

Any other Resident Holder, including an individual (other than a trust described in the immediately preceding paragraph), will be required to include in income for a taxation year all interest on Notes that is received or receivable by such Resident Holder in that taxation year (depending upon the method regularly followed by the Resident Holder in computing income), except to the extent that the interest was included in the Resident Holder's income for a preceding taxation year.

### ***Dispositions of Notes***

On a disposition or deemed disposition of Notes by a Resident Holder, including a repayment by the Bank upon maturity or a purchase or redemption by the Bank, other than a disposition as the result of a Recourse Event, a Resident Holder will generally be required to include in computing its income for the taxation year in which the disposition occurred the amount of interest (including amounts considered to be interest) that has accrued or been deemed to accrue on the Notes from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Resident Holder's income for the taxation year or a previous taxation year.

On a disposition of Notes by a Resident Holder as a result of a Recourse Event, a Resident Holder that has previously included an amount in income in respect of accrued and unpaid interest on the Notes that exceeds the amount of interest received by such Resident Holder prior to the Recourse Event may be entitled to an offsetting deduction in the year of disposition in an amount equal to the amount of such excess.

Any premium paid by the Bank to a Resident Holder on the repurchase of a Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public) will generally be deemed to be interest received by the Resident Holder at the time of the payment to the extent that it can reasonably be considered to relate to, and does not exceed the value at that time of, the interest that would have been paid or payable by the Bank on the Note for a taxation year of the Bank ending after the time of the payment. Such interest will be required to be included in computing the Resident Holder's income in the manner described above.

In general, on a disposition or deemed disposition of Notes, a Resident Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount required to be included in the Resident Holder's income as interest or otherwise, exceed (or are exceeded by) the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. On a Recourse Event, the proceeds of disposition will be the fair market value of the AT1 Notes or the Common Shares, as the case may be, received on such Recourse Event. The cost of a AT1 Notes or Common Share received on such Recourse Event will generally equal the fair market value of such share on the date of acquisition and will be averaged with the adjusted cost base of all AT1 Notes or Common Shares, as the case may be, held by such Resident Holder as capital property immediately before such time for the purpose of determining thereafter the adjusted cost base of each such share.

## **AT1 Notes**

### ***Interest***

A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the AT1 Notes that accrues (or is deemed to accrue) to it to the end of the particular taxation year or that has become receivable by or is received by the Resident Holder before the end of that taxation year, except to the extent that such interest was included in computing the Resident Holder's income for a preceding taxation year.

Any other Resident Holder, including an individual (other than a trust described in the immediately preceding paragraph), will be required to include in income for a taxation year all interest on AT1 Notes that is received or receivable by such Resident Holder in that taxation year (depending upon the method regularly followed by the Resident Holder in computing income), except to the extent that the interest was included in the Resident Holder's income for a preceding taxation year.

### ***Dispositions of AT1 Notes***

On a disposition or deemed disposition of AT1 Notes by a Resident Holder, including a purchase or redemption by the Bank, a Resident Holder will generally be required to include in computing its income for the taxation year in which the disposition occurred the amount of interest (including amounts considered to be interest) that has accrued or been deemed to accrue on the AT1 Notes from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Resident Holder's income for the taxation year or a previous taxation year.

On a disposition of AT1 Notes by a Resident Holder as a result of a Trigger Event, a Resident Holder that has previously included an amount in income in respect of accrued and unpaid interest on the AT1 Notes that exceeds the amount of interest received by such Resident Holder prior to the Trigger Event may be entitled to an offsetting deduction in the year of disposition in an amount equal to the amount of such excess.

Any premium paid by the Bank to a Resident Holder on the repurchase of a AT1 Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public) will generally be deemed to be interest received by the Resident Holder at the time of the payment to the extent that it can reasonably be considered to relate to, and does not exceed the value at that time of, the interest that would have been paid or payable by the Bank on the AT1 Note for a taxation year of the Bank ending after the time of the payment. Such interest will be required to be included in computing the Resident Holder's income in the manner described above.

In general, on a disposition or deemed disposition of AT1 Notes, a Resident Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount required to be included in the Resident Holder's income as interest or otherwise, exceed (or are exceeded by) the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. On an NVCC Automatic Conversion, the proceeds of disposition will be the fair market value of the Common Shares received on such NVCC Automatic Conversion. The cost of a Common Share received on such NVCC Automatic Conversion will generally equal the fair market value of such share on the date of acquisition and will be averaged with the adjusted cost base of all Common Shares held by such Resident Holder as capital property immediately before such time for the purpose of determining thereafter the adjusted cost base of each such share.

### **Common Shares**

#### ***Dividends***

Dividends (including deemed dividends) received on the Common Shares by a Resident Holder that is an individual (other than certain trusts) will be included in the individual's income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by individuals from taxable Canadian corporations. Taxable dividends received that are designated by the Bank as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the Tax Act. Dividends (including deemed dividends) on the Common Shares received by a Resident Holder that is a corporation will be included in computing the corporation's income and will generally be deductible in computing the taxable income of the corporation.

A Resident Holder that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, will generally be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received by it on the Common Shares to the extent such dividends are deductible in computing its taxable income.

#### ***Dispositions of Common Shares***

A Resident Holder who disposes of or is deemed to dispose of Common Shares (including, generally, on redemption or purchase for cancellation of the shares by the Bank for cash or otherwise) will generally realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to that Resident Holder immediately before the disposition or deemed disposition. The amount of any deemed dividend arising on the redemption or purchase for cancellation, as applicable, by the Bank of Common Shares will generally not be included in computing the proceeds of disposition to any Resident Holder for purposes of computing the capital gain or capital loss arising on the disposition of such shares. See "Acquisitions by the Bank of Common Shares" below. If the Resident Holder is a corporation, any such capital loss realized on a disposition of a Common Share may, in certain circumstances, be reduced by the amount of any dividends which have been received or which are deemed to have been received on such share. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

### *Acquisitions by the Bank of Common Shares*

If the Bank redeems for cash or otherwise acquires Common Shares other than by a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market, the Resident Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Bank, including any redemption premium, in excess of the paid-up capital (as determined for purposes of the Tax Act) of such shares at such time. See “Dividends” above. Generally, the difference between the amount paid and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such shares. See “Dispositions of Common Shares” above. In the case of a corporate Resident Holder, it is possible that in certain circumstances all or part of the amount so deemed to be a dividend may be treated as proceeds of disposition and not as a dividend.

### **Taxation of Capital Gains and Capital Losses**

One-half of the amount of any capital gain (a “**taxable capital gain**”) realized by a Resident Holder in a taxation year will generally be included in the Resident Holder’s income for the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in the year. Any excess allowable capital losses over taxable capital gains of the Resident Holder for that year may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years, subject to the detailed provisions of the Tax Act.

### **Additional Refundable Tax**

A Resident Holder that is throughout the year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on certain investment income including amounts in respect of interest, dividends received or deemed to be received that are not deductible in computing income for a year and the amount of any taxable capital gains. Any such Resident Holder should consult with its own tax advisors in this regard.

### **Alternative Minimum Tax**

Capital gains realized and taxable dividends received by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act.

### **Holders Not Resident in Canada**

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, is not, and is not deemed to be, resident in Canada, deals at arm’s length with the Bank and any transferee resident (or deemed to be resident) in Canada to whom the Holder disposes of the Notes, is not a “specified non-resident shareholder” of the Bank for purposes of the Tax Act or a non-resident person not dealing at arm’s length with a “specified shareholder” (within the meaning of Subsection 18(5) of the Tax Act) of the Bank, and does not use or hold the Notes, AT1 Notes or Common Shares in a business carried on in Canada (a “**Non-resident Holder**”). Special rules, which are not discussed in this summary, may apply to a Holder that is an insurer that carries on an insurance business in Canada and elsewhere. This summary assumes that no interest paid on the Notes will be in respect of a debt or other obligation to pay an amount to a person with whom the Bank does not deal at arm’s length within the meaning of the Tax Act.

**Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Notes, AT1 Notes and Common Shares must be determined in Canadian dollars in accordance with the Tax Act, including the amount of interest and dividends required to be included in the income of, and capital gains or capital losses realized by, a Non-resident Holder.**

### **Notes**

#### *Interest on and Disposition of the Notes*

Under the Tax Act, interest, principal and premium, if any, paid or credited, or deemed to be paid or credited to a Non-resident Holder on Notes will be exempt from Canadian non-resident withholding tax. No other taxes on income (including taxable capital gains) will be payable under the Tax Act in respect of the acquisition, holding, redemption or disposition of Notes, or the receipt of interest, premium or principal thereon by a Non-resident Holder solely as a consequence of such acquisition, holding, redemption or disposition of Notes.

### ***Recourse Events***

A Recourse Event will result in a disposition of Notes for purposes of the Tax Act. A Non-resident Holder will not generally be subject to tax under the Tax Act in respect of such disposition. The cost of a AT1 Note or Common Share received on such Recourse Event will generally equal the fair market value of such share on the date of acquisition and will be averaged with the adjusted cost base of all other AT1 Notes or Common Shares, as the case may be, held by such Non-resident Holder as capital property immediately before such time for the purpose of determining thereafter the adjusted cost base of each such share.

### **AT1 Notes**

#### ***Interest on and Disposition of the AT1 Notes***

Under the Tax Act, interest, principal and premium, if any, paid or credited, or deemed to be paid or credited to a Non-resident Holder on AT1 Notes will be exempt from Canadian non-resident withholding tax. No other taxes on income (including taxable capital gains) will be payable under the Tax Act in respect of the acquisition, holding, redemption or disposition of AT1 Notes, or the receipt of interest, premium or principal thereon by a Non-resident Holder solely as a consequence of such acquisition, holding, redemption or disposition of AT1 Notes.

#### ***NVCC Automatic Conversion***

An NVCC Automatic Conversion will result in a disposition of AT1 Notes for purposes of the Tax Act. A Non-resident Holder will not generally be subject to tax under the Tax Act in respect of such disposition. The cost of a Common Share received on such NVCC Automatic Conversion will generally equal the fair market value of such share on the date of acquisition and will be averaged with the adjusted cost base of all other Common Shares held by such Non-resident Holder as capital property immediately before such time for the purpose of determining thereafter the adjusted cost base of each such share.

### **Common Shares**

#### ***Dividends***

A dividend (including a deemed dividend) paid or credited on the Common Shares to a Non-resident Holder will generally be subject to Canadian non-resident withholding tax under the Tax Act at a rate of 25 percent, subject to any reduction in the rate of such withholding under the provisions of an applicable income tax treaty or convention. For a Non-resident Holder who is a resident of the United States and qualifies for the benefits of the *Canada-United States Tax Convention*, the rate of withholding will generally be reduced to 15 percent.

#### ***Dispositions of Common Shares***

A Non-resident Holder of Common Shares who disposes of or is deemed to dispose of Common Shares (other than as discussed under “*Acquisitions by the Bank of Common Shares*” below) will not be subject to tax in respect of any capital gain realized on a disposition of Common Shares unless such shares constitute “taxable Canadian property” (as defined in the Tax Act) to the Non-resident Holder at the time of the disposition and the Non-resident Holder is not entitled to relief under an applicable income tax treaty or convention. Common Shares will be considered taxable Canadian property if such shares are not listed on a “designated stock exchange” (as defined in the Tax Act, and which currently includes the TSX and the NYSE) and, at any time during the 60-month period immediately preceding the disposition, such shares derived (directly or indirectly) more than 50 percent of their fair market value from real or immovable property situated in Canada, Canadian resource properties, timber resource properties or options in respect of, or interests in, or for civil law rights in, any such property, all as defined for the purposes of the Tax Act.

The disposition by a Non-resident Holder of Common Shares that are taxable Canadian property (other than “treaty-exempt property” as defined in the Tax Act) at the time of their disposition may be subject to certain withholding and reporting requirements under section 116 of the Tax Act.

#### ***Acquisitions by the Bank of Common Shares***

If the Bank redeems for cash or otherwise acquires the Common Shares, other than by a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market, the Non-resident Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Bank in excess of the paid-up capital of such shares for purposes of the Tax Act at such time. Such deemed dividend will be subject to the treatment described above under “Dividends”.

The difference between the amount paid and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on a disposition of such shares. See “Dispositions of Common Shares” above.

## BOOK-ENTRY ONLY SECURITIES

Except in limited circumstances, the Notes will be issued in “book-entry only” form and must be purchased, transferred, redeemed or exchanged through participants in the depository service of CDS. For so long as the AT1 Notes are held by the Limited Recourse Trust the AT1 Notes will be issued in registered form. Thereafter, except in limited circumstances, the AT1 Notes will be issued in “book-entry only” form and must be purchased, transferred, redeemed or exchanged through participants in the depository service of CDS. Reference is made to “Book-entry Only Securities” in the Prospectus.

## RATINGS

The Notes and the AT1 Notes are expected to be assigned a rating of “BBB (high)” by DBRS Limited (“**DBRS**”). “BBB” is the fourth highest of DBRS’s ten rating categories for long term debt obligations which range from AAA to D. According to information made publicly available by DBRS, under the DBRS rating system debt securities rated BBB are of adequate credit quality. The capacity for the payment of financial obligations is considered by DBRS to be acceptable. Each rating category from “AA” to “C” is subject to a “high” and “low” designation to indicate the relative standing of the securities being rated within a particular rating category.

The Notes and the AT1 Notes are expected to be assigned a rating of “Baa3 (hyb)” by Moody’s Canada Inc. (“**Moody’s**”), a subsidiary of Moody’s Corporation. Securities with an “Baa” rating are the fourth highest of the nine rating categories used by Moody’s for long term debt obligations, which range from Aaa to C. Securities rated Baa are considered by Moody’s to be of a medium-grade and are subject to moderate credit risk and as such may possess certain speculative characteristics. The modifier “3” indicates that the obligation ranks at the lower end of the “Baa” rating category. A “(hyb)” indicator is appended to all ratings by Moody’s of hybrid securities issued by banks, insurers, finance companies, and securities firms.

The Notes and the AT1 Notes are expected to be assigned a rating of “BBB-” by S&P Global Ratings, acting through S&P Global Ratings Canada, a business unit of S&P Global Canada Corp. (“**S&P**”) using their global scale for long term debt obligations. The “BBB” rating is the fourth highest of the ten rating categories used by S&P for long term debt, which range from AAA to D. According to information made publicly available by S&P, under the S&P rating system debt securities rated BBB indicate an adequate capacity to meet financial commitments, but that the obligations are more subject to adverse economic conditions or changing circumstances than obligations in higher rated categories. S&P uses the “+” or “-” designations to reflect the relative strength within the rating category.

The Bank pays annual standardized fees to each of the rating agencies to provide ratings of the Bank’s securities (including the Notes and the AT1 Notes) from time to time. In addition, the Bank has or may have made customary payments in respect of certain other services provided to the Bank by each of DBRS, S&P or Moody’s during the last two years.

Prospective purchasers of Notes should consult the relevant rating organization for further details with respect to the interpretation and implications of the foregoing expected ratings. The credit ratings assigned to the Notes and AT1 Notes are not recommendations to purchase, hold or sell the Notes. Ratings may be revised or withdrawn at any time by the respective rating organizations. The credit ratings do not address the market price or suitability of the Notes for a particular investor. The credit ratings assigned to the Notes or the AT1 Notes may not reflect the potential impact of all risks on the value of the Notes or the AT1 Notes. In addition, real or anticipated changes in the credit ratings assigned to the Notes or the AT1 Notes will generally affect the market value of the Notes or the AT1 Notes, as applicable. There can be no assurance that these ratings will remain in effect for any given period of time or that the ratings will not be revised or withdrawn entirely in the future by DBRS, S&P or Moody’s if in their judgment circumstances so warrant. Prospective investors should consult DBRS, S&P or Moody’s with respect to the interpretation and implications of the ratings.

## PLAN OF DISTRIBUTION

Pursuant to an agency agreement (the “**Agency Agreement**”) dated June 8, 2021 among the Bank and the Agents, the Bank has agreed to sell and the Agents have agreed to use their reasonable best efforts to obtain purchasers to purchase on June 15, 2021, or on such other date not later than June 22, 2021 as may be agreed upon, subject to the terms and conditions contained therein, up to \$1,250,000,000 principal amount of Notes at a price of \$1,000 per \$1,000 principal amount for a total consideration of up to \$1,250,000,000 plus accrued interest, if any, from June 15, 2021 to the date of delivery, payable in cash to the Bank against delivery of the Notes. The offering price of the Notes was established by negotiation between the Bank and the Agents. The Agency

Agreement provides that the Agents will be paid an agency fee per \$1,000 principal amount of Notes equal to \$10.00 on account of services rendered. In the event the full amount of the Notes is not sold, the fee paid to the Agents will be pro-rated accordingly.

The AT1 Notes qualified by this Prospectus Supplement will be issued to the LRT Trustee. No agent or underwriter has been involved in the offering of the AT1 Notes qualified by this Prospectus Supplement. The offering price of the AT1 Notes was established by the Bank.

The Notes may only be offered and sold in Canada to “accredited investors” (as such term is defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable) who are not individuals. Each Agent will represent and covenant, severally and not on a joint and several basis, to the Bank that it will only sell the Notes to such purchasers in Canada. **By purchasing a Note in Canada and accepting delivery of a purchase confirmation such purchaser will be deemed to represent to the Bank and the Agent from whom the purchase confirmation is received that such purchaser is an “accredited investor” (as such term is defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable) who is not an individual.**

The obligations of the Agents under the Agency Agreement may be terminated at their discretion upon the occurrence of certain stated events.

While the Agents have agreed to use their reasonable best efforts to sell the Notes offered hereby, they are not obligated to purchase any Notes which are not sold.

The offering is being made concurrently in all provinces and territories of Canada. None of the Notes, the AT1 Notes or the Common Shares into which the AT1 Notes may be converted or for which the Notes may be redeemed upon the occurrence of a Trigger Event have been, or will be, registered under the Securities Act of 1933 of the United States of America, as amended (the “**1933 Act**”) or any state securities laws and may not be offered or sold, directly or indirectly, within the United States, its territories or possessions, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act.

Pursuant to policy statements of certain securities regulators, the Agents may not, throughout the period of distribution under this Prospectus Supplement, bid for or purchase the Notes. The policy statements allow certain exceptions to the foregoing prohibitions. The Agents may only avail themselves of such exceptions on the condition that the bid or purchase not be engaged for the purpose of creating actual or apparent active trading in, or raising the price of, the Notes. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada (or any successor to or of the Investment Industry Regulatory Organization of Canada), relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing, in connection with this offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Notes at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

**Scotia Capital Inc., one of the Agents, is an indirect wholly owned subsidiary of the Bank. As a result, the Bank is a related and connected issuer of Scotia Capital Inc. under applicable securities legislation. The decision to distribute the Notes and the determination of the terms of the offering were made through negotiations between the Bank on the one hand and the Agents on the other hand. RBC Dominion Securities Inc., an Agent, in respect of which the Bank is not a related or connected issuer, has participated in the structuring and pricing of the offering and in the due diligence activities performed by the Agents for the offering. Scotia Capital Inc. will not receive any benefit from the Bank in connection with this offering other than a portion of the Agents’ fee payable by the Bank.**

Neither the Notes nor the AT1 Notes will be listed on any securities exchange and do not have an established trading market. Each of the Agents may from time to time purchase and sell Notes in the secondary market, but no Agent is obligated to do so, and there is no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, each of the Agents may make a market in the Notes, but the Agents are not obligated to do so and may discontinue any market-making activity at any time.

The Bank has applied to the Toronto Stock Exchange (the “**TSX**”) to list the Common Shares into which the AT1 Notes may be converted upon the occurrence of a Trigger Event subject to the Bank fulfilling all of the requirements of the TSX on or before September 7, 2021. The Bank has also applied to list the Common Shares into which the AT1 Notes may be converted upon the occurrence of a Trigger Event on the New York Stock Exchange (“**NYSE**”). Listing will be subject to the Bank fulfilling all of the listing requirements of the NYSE.

## **Selling Restrictions**

### *European Economic Area*

This Prospectus Supplement has been prepared on the basis that any offer of Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Each person in a Member State of the EEA who receives any communication in respect of, or who acquires any Notes under, the offers to the public contemplated in this Prospectus Supplement will be deemed to have represented, warranted and agreed to and with each underwriter and the Bank that it and any person on whose behalf it acquires Notes is not a retail investor (as defined above).

### *United Kingdom*

This Prospectus Supplement has been prepared on the basis that any offer of securities in the UK will be made pursuant to an exemption under the FSMA from the requirement to publish a prospectus for offers of securities. The expression FSMA means the Financial Services and Markets Act 2000 (as amended).

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This Prospectus Supplement and the accompanying Prospectus are for distribution only to persons who (i) have professional experience in matters relating to investments and qualifying as investment professionals falling within Article 19(5) of the Financial Promotion Order, (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This Prospectus Supplement and the accompanying Prospectus are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus Supplement and the accompanying Prospectus relate is available only to relevant persons and will be engaged in only with relevant persons.

### *Hong Kong*

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.



### *Japan*

The Notes offered in this Prospectus Supplement 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”). The Notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

### *Korea*

The Notes may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The Notes have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the Notes may not be re-sold to Korean residents unless the purchaser of the Notes complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with their purchase.

### *Singapore*

This Prospectus Supplement and the accompanying Prospectus have not been registered as a Prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus Supplement, the accompanying Prospectus, and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, notes and units of shares and notes of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

*Singapore Securities and Futures Act Product Classification* — Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Bank has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12; Notice on the Sale of Investment Products and MAS Notice FAA-N16; Notice on Recommendations on Investment Products).

### *Australia*

No prospectus or other disclosure document (as defined in the Corporations Act 2001 (the “Corporations Act”)) in relation to the Notes has been, or will be, lodged with the Australian Securities and Investments Commission (“ASIC”), the Australian Securities Exchange (the “ASX”), or any other stock exchange or trading facility licensed under the Corporations Act. Each Agent has represented and agreed that it:

- (a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

- (b) has not distributed or published, and will not distribute or publish, any offering circular or any other offering material or advertisement relating to the Notes in Australia,

unless:

- (a) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates (as defined in the Corporations Act)) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act;
- (b) such action complies with all applicable laws, regulations and directives;
- (c) such action does not require any document to be lodged with ASIC or the ASX; and
- (d) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act.

#### *Switzerland*

The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (as amended, the “**FinSA**”), no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland, neither this Prospectus Supplement nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Prospectus Supplement nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

#### *Taiwan*

The Notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Notes in Taiwan.

#### *United Arab Emirates*

This Prospectus Supplement and the accompanying Prospectus is strictly private and confidential and is being issued to a limited number of investors who are exempt from the requirements of the Securities and Commodities Authority (“**SCA**”) Board of Directors’ Chairman Decision No.(3/R.M.) of 2017 on the Regulation of Promotion and Introduction (“**PIRs**”).

No Notes have been or are being publicly offered, sold, promoted or advertised in the United Arab Emirates (“**UAE**”) in accordance with the PIRs. The Notes will be sold outside the UAE and are not part of a public offering in the UAE. This Prospectus Supplement and the accompanying Prospectus and the relevant documents have not been reviewed, approved or licensed by the UAE Central Bank, SCA or any other relevant licensing authorities or governmental agencies in the UAE. This Prospectus Supplement is strictly private and confidential and has not been reviewed, deposited or registered with any licensing authority or governmental agency in the UAE.

This Prospectus Supplement and the accompanying Prospectus must not be shown, made available or provided to any person other than the original recipient and may not be reproduced or used for any other purpose. The Notes may not be offered or sold directly or indirectly to the public in the UAE. If you do not understand the contents of this Prospectus Supplement you should consult an authorised financial adviser.

Each Agent has represented and agreed that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of Notes.

## USE OF PROCEEDS

The net proceeds to the Bank from the sale of the Notes, after deducting the estimated expenses of the issue and the Agents' fee, will amount to \$1,236,700,000. Such net proceeds will be added to the Bank's funds and will be used for general banking purposes.

The purchase price payable by the Limited Recourse Trust for the \$1,250,000,000 aggregate principal amount of AT1 Notes qualified hereby shall be satisfied with proceeds received by the Limited Recourse Trust from the Bank in connection with a subscription for units of the Limited Recourse Trust by the Bank. As a result, no proceeds will be raised from the issuance of the AT1 Notes pursuant to this Prospectus Supplement.

## CHANGES TO SHARE CAPITAL AND SUBORDINATED INDEBTEDNESS

On December 8, 2020, the Bank redeemed \$750.0 million of 3.367% Debentures (Non-Viability Contingent Capital (NVCC)) due December 8, 2025 (the "**3.367% Debentures Redemption**"). On February 2, 2021, the Bank redeemed all of its outstanding Non-Cumulative 5-Year Rate Reset Preferred Shares Series 32 and Non-Cumulative Floating Rate Preferred Shares Series 33 for \$409 million (the "**Preferred Shares Series 32 and 33 Redemption**") and on April 26, 2021, the Bank redeemed all of its outstanding Non-cumulative 5-Year Rate Reset Preferred Shares Series 34 (Non-Viability Contingent Capital (NVCC)) for \$350 million (the "**Preferred Shares Series 34 Redemption**").

As at June 9, 2021, the Bank had 1,214,896,375 Common Shares and 52,000,000 preferred shares outstanding.

## CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Bank as at April 30, 2021, before and after giving effect to the sale by the Bank of the Notes offered by this Prospectus Supplement and the issuance of the AT1 Notes. The following table should be read in conjunction with the Bank's interim consolidated financial statements (unaudited) and management's discussion and analysis of financial condition and results of operations for the three and six months ended April 30, 2021, both of which are incorporated by reference into this Prospectus Supplement.

	<b>As at April 30, 2021</b>	<b>Adjusted as at April 30, 2021<sup>(1)</sup></b>
	(in millions of Canadian dollars)	(in millions of Canadian dollars)
<b>Subordinated debentures</b>	\$ 6,439	\$ 6,439
<b>Equity</b>		
Common equity		
Common shares	18,377	18,377
Retained earnings	48,713	48,709
Accumulated other comprehensive income (loss)	(3,979)	(3,979)
Other reserves	348	348
Total common equity	<u>63,459</u>	<u>63,455</u>
Preferred shares and other equity instruments <sup>(2)</sup>	<u>4,549</u>	<u>5,799</u>
Total equity attributable to equity holders of the Bank	68,008	69,254
Non-controlling interests in subsidiaries	<u>2,414</u>	<u>2,414</u>
Total equity	<u>70,422</u>	<u>71,668</u>
<b>Total capitalization</b>	<u>\$ 76,861</u>	<u>\$ 78,107</u>

<sup>(1)</sup> After giving effect to this offering.

<sup>(2)</sup> For accounting purposes, the Notes and the AT1 Notes are compound financial instruments which contain liability and equity features. The Notes, if outstanding, and the AT1 Notes, if not held by the LRT Trustee, are recorded as Preferred shares and other equity instruments within equity as a result of a nominal value ascribed to the respective liability components. For accounting purposes, the AT1 Notes, if held by the LRT Trustee, would be eliminated on the Bank's consolidated balance sheet.

## EARNINGS COVERAGE RATIOS

The Bank's dividend requirements on all of its preferred shares and other equity instruments amounted to: (i) \$262 million for the 12 months ended October 31, 2020, adjusted to a before-tax equivalent using an income tax rate of 18.38% and (ii) \$341

million for the 12 months ended April 30, 2021, adjusted to a before-tax equivalent using an income tax rate of 20.62%. The Bank's interest requirements for subordinated debentures amounted to: (i) \$215 million for the 12 months ended October 31, 2020 and (ii) \$194 million for the 12 months ended April 30, 2021. The Bank's earnings before interest on subordinated indebtedness and income tax for the 12 months ended October 31, 2020 of \$8,536 million after deducting non-controlling interest, was 17.90 times the Bank's aggregate dividend and interest requirements, and 39.70 times the Bank's interest requirements for such period. The Bank's earnings before interest on subordinated indebtedness and income tax for the 12 months ended April 30, 2021 of \$10,143 million after deducting non-controlling interest, was 18.96 times the Bank's aggregate dividend and interest requirements, and 52.28 times the Bank's interest requirements for such period. The foregoing figures have been calculated after giving effect to the 3.367% Debentures Redemption, the Preferred Shares Series 32 and 33 Redemption, the Preferred Shares Series 34 Redemption and the offering, as appropriate for each of the periods presented.

All amounts appearing under this heading, "Earnings Coverage", for the 12 months ended October 31, 2020 are derived from financial information which is audited and prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") except for the adjustment of the effect of the 3.367% Debentures Redemption, the Preferred Shares Series 32 and 33 Redemption, the Preferred Shares Series 34 Redemption and this offering, as appropriate. All amounts appearing under this heading, "Earnings Coverage", for the 12 months ended April 30, 2021 are derived from financial information which is unaudited and prepared in accordance with IFRS as issued by the IASB except for the adjustment in respect of the effect of this offering.

### TRADING PRICE AND VOLUME

The following table sets out the price range and trading volume of the Common Shares on the TSX (as reported by Bloomberg) for the periods indicated.

	Common Shares
<b>June 2020</b>	
-High Price (\$)	\$62.07
-Low Price (\$)	\$54.20
-Volume ('000)	165,542
<b>July 2020</b>	
-High Price (\$)	\$57.50
-Low Price (\$)	\$53.72
-Volume ('000)	136,294
<b>August 2020</b>	
-High Price (\$)	\$58.99
-Low Price (\$)	\$55.00
-Volume ('000)	89,905
<b>September 2020</b>	
-High Price (\$)	\$56.61
-Low Price (\$)	\$53.54
-Volume ('000)	156,953
<b>October 2020</b>	
-High Price (\$)	\$57.93
-Low Price (\$)	\$53.20
-Volume ('000)	155,483
<b>November 2020</b>	
-High Price (\$)	\$65.35
-Low Price (\$)	\$55.11
-Volume ('000)	142,689
<b>December 2020</b>	
-High Price (\$)	\$69.30
-Low Price (\$)	\$63.93
-Volume ('000)	136,748
<b>January 2021</b>	
-High Price (\$)	\$71.17
-Low Price (\$)	\$67.43
-Volume ('000)	128,751
<b>February 2021</b>	
-High Price (\$)	\$76.92
-Low Price (\$)	\$68.28
-Volume ('000)	96,370
<b>March 2021</b>	
-High Price (\$)	\$80.30
-Low Price (\$)	\$74.57
-Volume ('000)	157,604
<b>April 2021</b>	
-High Price (\$)	\$80.50

-Low Price (\$)	\$76.45
-Volume ('000)	123,928
<b>May 2021</b>	
-High Price (\$)	\$81.65
-Low Price (\$)	\$78.06
-Volume ('000)	92,126
<b>June 1 - 9, 2021</b>	
-High Price (\$)	\$82.11
-Low Price (\$)	\$80.17
-Volume ('000)	30,616

## RISK FACTORS

An investment in the Notes (and AT1 Notes or Common Shares upon certain Recourse Events) is subject to certain risks including those set out in this Prospectus Supplement and the Prospectus. Before deciding whether to invest in any Notes, purchasers should consider carefully the risks set out herein and incorporated by reference in this Prospectus Supplement and in the Prospectus (including subsequently filed documents incorporated by reference). Prospective purchasers should also consider the categories of risks identified and discussed in the 2020 Annual MD&A, which is incorporated herein by reference, including credit risk, market risk, liquidity risk, operational risk, reputational risk, environmental risk, strategic risk and insurance risk. For a discussion of the recent COVID-19 pandemic and its impact on the Bank's business, please refer to the Bank's 2020 Annual Report under the heading "Overview of Performance — Impact of COVID-19".

***The Notes and the AT1 Notes are loss-absorption financial instruments that involve significant risk and may not be a suitable investment for all investors***

The Notes and the AT1 Notes are loss-absorption financial instruments designed to comply with applicable Canadian banking regulations and involve significant risks. Each potential investor in the Notes must determine the suitability (either alone or with the help of a financial adviser) of that investment in light of its own circumstances. In particular, each potential investor should understand thoroughly the terms of the Notes and the AT1 Notes, such as the provisions governing the limited remedies of Noteholders and NVCC Automatic Conversion, including the circumstances constituting a Recourse Event, including a Trigger Event. A potential investor should not invest in the Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the likelihood of an NVCC Automatic Conversion into Common Shares, the delivery of Corresponding Trust Assets and the value of the Notes, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus Supplement and the Prospectus or incorporated by reference herein or therein.

***The value of the Notes and the AT1 Notes will be affected by the general creditworthiness of the Bank***

Any payment to be made on the Notes and the AT1 Notes depends on the ability of the Bank to satisfy its obligations as they come due. As a result, the actual and perceived creditworthiness of the Bank may affect the market value of the Notes and the AT1 Notes and, in the event the Bank was to default on its obligations, Noteholders may not receive the amounts owed to them under the terms of the Notes, in which case the Noteholders will have limited remedies. See "—Noteholders will have limited remedies" below. Upon the occurrence of a Recourse Event that is a Trigger Event, each Noteholder will receive, and the LRT Trustee will deliver to each Noteholder, such Noteholder's proportionate share of Common Shares issued upon the conversion of the AT1 Notes into Common Shares upon the happening of an NVCC Automatic Conversion upon the occurrence of such Trigger Event. The number of Common Shares issuable in connection with the Trigger Event pursuant to each outstanding AT1 Note will be determined by dividing (a) the product of the Multiplier and the Note Value, by (b) the Conversion Price (rounded down, if necessary, to the nearest whole number of Common Shares). Such delivery of Common Shares will be each Noteholder's sole remedy against the Bank for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable. See "Description of the AT1 Notes—NVCC Automatic Conversion" and "—An investment in the Notes may become an investment in AT1 Notes or Common Shares of the Bank in certain circumstances" below. Prospective investors should consider the categories of risks identified in the Bank's 2020 Annual Report, as updated by quarterly reports, which is incorporated by reference herein, including credit risk, market risk, liquidity risk, operational risk, reputational risk, environmental risk, strategic risk and insurance risk.

***Noteholders will have limited remedies***

In the event of a non-payment in cash by the Bank of the Redemption Price for the Notes when due or the occurrence of a Failed Principal Payment Date, Failed Coupon Payment Date or another Recourse Event, the sole remedy of Noteholders shall be the delivery of the Corresponding Trust Assets. The market value of the Corresponding Trust Assets could be significantly less

than the face value of the Notes. In the event that the value of the Corresponding Trust Assets delivered to Noteholders is less than the principal amount of and any accrued and unpaid interest on, or the Redemption Price of, the Notes, all losses arising from such shortfall shall be borne by such Noteholders and no claim may be made against the Bank.

***An investment in the Notes may become an investment in AT1 Notes or Common Shares of the Bank in certain circumstances***

In the event of a non-payment in cash by the Bank of the Redemption Price for the Notes when due or the occurrence of a Failed Principal Payment Date, Failed Coupon Payment Date or another Recourse Event, the sole remedy of Noteholders will be the delivery of the Corresponding Trust Assets, which may consist of cash, AT1 Notes or, upon a Trigger Event, Common Shares. All claims of the Noteholders against the Bank under the Notes will be extinguished upon receipt of the Corresponding Trust Assets. Upon the occurrence of a Recourse Event that is not a Trigger Event, you may become an AT1 Noteholder, in which case your investment will be governed by the terms of the AT1 Notes as described in “Description of the AT1 Notes” and the risks related thereto as described herein. Upon delivery of Corresponding Trust Assets upon a Trigger Event (which constitutes a Recourse Event), you may become a shareholder of the Bank at a time when the Bank’s financial condition is deteriorating or when the Bank has become insolvent or have been ordered to be wound-up or liquidated. In the event of the Bank’s liquidation, the claims of the Bank’s depositors and creditors (including holders of Higher Ranked Indebtedness) would be entitled to priority of payment over AT1 Noteholders or Common Shares. If the Bank were to become insolvent or be ordered to be wound-up or liquidated after your investment in the Notes has become an investment in AT1 Notes or Common Shares of the Bank, you may receive, if anything, substantially less than you would have received as a holder of notes without a limited recourse feature.

***The AT1 Notes have no scheduled maturity and no scheduled redemption date and AT1 Noteholders will not have any right to accelerate the repayment of the principal amount of the AT1 Notes***

The AT1 Notes have no scheduled maturity and no scheduled redemption date and, if you become an AT1 Noteholder, you will not have the right to cause the AT1 Notes to be redeemed. Although the Bank may elect to redeem the AT1 Notes under certain circumstances as described under “Description of the AT1 Notes — Redemption,” the Bank has no obligation prior to an event of default to return the principal amount of the AT1 Notes to AT1 Noteholders. In addition, there is no right of acceleration in the case of any non-payment of interest (whether by cancellation or otherwise) on or other amounts owing under the AT1 Notes or in the case of a failure by the Bank to perform any other covenant under the AT1 Notes or under the AT1 Indenture (as defined herein). An Event of Default (as defined in the AT1 Indenture) will occur only if the Bank becomes bankrupt or insolvent or becomes subject to the provisions of the *Winding-up and Restructuring Act* (Canada), the Bank goes into liquidation, either voluntary or under court order, resolves to wind-up, liquidate or dissolve, is ordered wound-up or otherwise acknowledges its insolvency. Accordingly, the Bank is not required to make any repayment of the principal amount of the AT1 Notes except in the event of bankruptcy or insolvency and provided that an NVCC Automatic Conversion has not occurred. The operation of any of these provisions may cause AT1 Noteholders to lose part or all of their investment in the AT1 Notes.

***Interest on the AT1 Notes will be due and payable only at the Bank’s sole and absolute discretion at any time while the AT1 Notes are no longer held by the LRT Trustee, and the Bank may cancel interest payments (in whole or in part). Cancelled interest shall not be due and shall not accumulate or be payable at any time thereafter and you shall have no rights thereto***

Interest on the AT1 Notes will be due and payable only at the Bank’s sole and absolute discretion at any time while the AT1 Notes are no longer held by the LRT Trustee, and the Bank may, for any reason, cancel (in whole or in part) any interest payment that would otherwise be payable on any AT1 Interest Payment Date. Interest will only be due and payable to an AT1 Noteholder on an AT1 Interest Payment Date to the extent it is not cancelled in accordance with the terms of the AT1 Notes.

Cancelled interest shall not be due and shall not accumulate or be payable at any time thereafter, and AT1 Noteholders shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation. Accordingly, the Bank will be under no obligation to make up for such non-payment at any later point in time. Any such cancellation will also not constitute an Event of Default under the AT1 Indenture or the AT1 Notes and will not permit any acceleration of the repayment of any principal on the AT1 Notes. As a result, if you become an AT1 Noteholder, you may not receive any interest on any AT1 Interest Payment Date or at any other time, and you will have no claims whatsoever in respect of that cancelled interest. Failure to provide notice of a cancellation of interest to AT1 Noteholders will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation of interest, or give AT1 Noteholders any rights as a result of such failure.

The market may have certain expectations with respect to the Bank making interest payments in the future on the basis of past practice or otherwise and such expectations may be reflected in the market price of the AT1 Notes. Any actual or anticipated cancellation of interest on the AT1 Notes will likely have an adverse effect on the market price of the AT1 Notes. In addition, as a result of the interest cancellation provisions of the AT1 Notes, the market price of the AT1 Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Bank’s financial condition.

***The interest rate on the Notes and the AT1 Notes will reset on each Interest Reset Date or AT1 Reset Date, as applicable***

The interest rate on the Notes will initially be 3.70% per annum and the interest rate on the AT1 Notes will initially be 3.70% per annum. However, the interest rate will be reset on each Interest Reset Date or AT1 Reset Date, as applicable, such that from and including each Interest Reset Date or AT1 Reset Date and to, but excluding, the next following Interest Reset Date or AT1 Reset Date, the applicable per annum interest rate will be equal to: (i) the Government of Canada Yield on the business day prior to such Reset Date or AT1 Reset Date, as applicable, plus (ii) the Reset Spread or the AT1 Reset Spread. The interest rate following any Reset Date or AT1 Reset Date may be less than the initial interest rate and/or the interest rate that applies immediately prior to such Reset Date or AT1 Reset Date, which could affect the amount of any interest payments under the Notes and (to the extent interest is not cancelled) the AT1 Notes and so affect the market value of the Notes and the AT1 Notes.

In the past, the level of the Government of Canada Yield experienced fluctuations. Historical levels, fluctuations and trends of the Government of Canada Yield are not necessarily indicative of future levels, fluctuations and trends. Any historical upward or downward trend in the Government of Canada Yield is not an indication that the Government of Canada Yield is more or less likely to increase or decrease in respect of any Reset Rate Period or AT1 Reset Rate Period, and you should not take the historical levels of the Government of Canada Yield as an indication of its future performance.

***The Notes and the AT1 Notes are subject to optional redemption every five years during the period from June 27 to and including July 27 commencing in 2026, at any time following a Regulatory Event Date or AT1 Regulatory Event Date, as applicable, and upon the occurrence of a Tax Event or AT1 Tax Event, as applicable, subject to certain conditions***

The Bank may, at its option, with the prior written approval of the Superintendent, redeem the Notes or the AT1 Notes, as applicable, (i) in whole or in part, every five years during the period from June 27 to and including July 27, commencing in 2026, (ii) in whole but not in part, at any time following a Regulatory Event Date or AT1 Regulatory Event Date, as applicable (each as defined herein) and (iii) in whole but not in part, at any time following the occurrence of a Tax Event or AT1 Tax Event, as applicable (each as defined herein), in each case at the Redemption Price (as defined herein) or the AT1 Redemption Price (as defined herein), as applicable.

Upon any redemption by the Bank of the AT1 Notes held in the Limited Recourse Trust in accordance with their terms prior to the Maturity Date (such redemption will be subject to the prior written approval of the Superintendent), outstanding Notes with an aggregate principal amount equal to the aggregate principal amount of AT1 Notes redeemed by the Bank shall automatically and immediately be redeemed, for a cash amount equal to the Redemption Price thereof, without any action on the part of, or the consent of, the Indenture Trustee or the Noteholders. For certainty, to the extent that the Bank has immediately prior to or concurrently with such AT1 Notes redemption redeemed a corresponding principal amount of Notes in accordance with the terms of the AT1 Indenture, such requirement to redeem a corresponding aggregate principal amount of Notes shall be deemed satisfied.

If at any time the Bank redeems the Notes in accordance with their terms (including in connection with an Optional Redemption), then the Bank shall, subject to the provisions of the Bank Act and the prior written approval of the Superintendent, redeem such aggregate principal amount of AT1 Notes that is equal to the aggregate principal amount of Notes redeemed by the Bank, by the payment of an amount in cash equal to the aggregate principal amount of the AT1 Notes to be redeemed, together with all accrued and unpaid interest, if any and except to the extent such unpaid interest was cancelled as described in “Description of the AT1 Notes—Waiver and Cancellation of Interest Payments”, up to, but excluding, the date fixed for redemption.

In addition, concurrently with or upon the maturity of the Notes, subject to the provisions of the Bank Act and the prior written approval of the Superintendent, the Bank may, at the Bank’s option, redeem all but not less than all of the outstanding AT1 Notes at the AT1 Redemption Price.

An optional redemption feature is likely to limit the market value of the Notes and the AT1 Notes. During any period when the Bank may elect to redeem the Notes or the AT1 Notes, the market value of the Notes or the AT1 Notes, as applicable, generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. In addition, investors will not receive a make-whole amount or any other compensation in the event of any redemption of Notes or AT1 Notes.

It is not possible to predict whether any of the circumstances mentioned above will occur and so lead to the circumstances in which the Bank is able to elect to redeem the Notes or the AT1 Notes, and if so, whether or not the Bank will elect to exercise such option to redeem the Notes or the AT1 Notes. Additionally, although the terms of the Notes and the AT1 Notes have been established to satisfy the criteria for Additional Tier 1 regulatory capital within the meaning of the regulatory capital adequacy requirements to which the Bank is subject, it is possible that the Notes and the AT1 Notes may not satisfy the criteria in future rulemaking or interpretations. If the Bank redeems the Notes or the AT1 Notes in any of the circumstances mentioned above, there

is a risk that the Notes or the AT1 Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or the AT1 Notes, as applicable, or when prevailing interest rates may be relatively low, in which latter case investors may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The AT1 Notes are subject to an NVCC Automatic Conversion and will automatically be converted into Common Shares upon a Trigger Event, in which case an investment in the Notes or the AT1 Notes will become an investment in Common Shares***

Upon the occurrence of a Trigger Event, whether held by the Limited Recourse Trust or the AT1 Noteholders, each outstanding AT1 Note will automatically and immediately be converted, on a full and permanent basis, without the consent of the Noteholders, the AT1 Noteholders, the LRT Trustee, the Indenture Trustee or the AT1 Indenture Trustee, into Common Shares. Immediately following such NVCC Automatic Conversion, pursuant to the limited recourse feature described in “Description of the Notes—Limited Recourse”, each Noteholder will be entitled to receive, and the LRT Trustee will deliver to each Noteholder, such Noteholder’s proportionate share of Common Shares issued in connection with the Trigger Event upon the conversion of the AT1 Notes into Common Shares upon such Trigger Event. Prior to the conversion of the AT1 Notes to Common Shares pursuant to an NVCC Automatic Conversion and the distribution of the Corresponding Trust Assets (if applicable), neither the Noteholders nor the AT1 Noteholders are entitled to any rights of holders of Common Shares, including any rights of shareholders to receive notice, to attend or to vote at any meeting of the shareholders of the Bank. The claims of Noteholders and AT1 Noteholders have certain priority of payment over the claims of holders of Common Shares. After an NVCC Automatic Conversion and, if applicable, delivery of the Corresponding Trust Assets, a Noteholder or an AT1 Noteholder will no longer have any rights as a Noteholder and will only have rights as a holder of Common Shares and, as a result, the terms and conditions of the Notes and AT1 Notes, including with respect to priority and subordination, will no longer be relevant. Given the nature of a Trigger Event, a Noteholder or AT1 Noteholder will become a holder of Common Shares, rather than a Noteholder or an AT1 Noteholder, at a time when the Bank’s financial condition has deteriorated. If the Bank were to become insolvent or wound-up after the occurrence of a Trigger Event, as a result of an NVCC Automatic Conversion and the delivery of the Corresponding Trust Assets, the holders of Common Shares may receive, if anything, substantially less than the Noteholders or AT1 Noteholders might have received had the AT1 Notes comprising the Corresponding Trust Assets not been converted into Common Shares. An NVCC Automatic Conversion may also occur at a time when a federal or provincial government or other government agency in Canada has provided, or will provide, a capital injection or equivalent support, the terms of which may rank in priority to the Common Shares with respect to the payment of dividends, rights on liquidation or other terms.

***A Trigger Event involves a subjective determination outside the Bank’s control***

The decision as to whether a Trigger Event will occur is a subjective determination by the Superintendent that the Bank has ceased, or is about to cease, to be viable and that the conversion of all contingent instruments is reasonably likely, taking into account any other factors or circumstances that are considered relevant or appropriate by the Superintendent, to restore or maintain the viability of the Bank. Such determination may be beyond the control of the Bank. See the definition of Trigger Event under “Description of the AT1 Notes — NVCC Automatic Conversion.”

OSFI has stated that the Superintendent will consult with the Canada Deposit Insurance Corporation (“**CDIC**”), the Bank of Canada, the Department of Finance and the Financial Consumer Agency of Canada prior to making a non-viability determination. The conversion of contingent instruments alone may not be sufficient to restore an institution to viability and other public sector interventions, including liquidity assistance, would likely be used along with the conversion of contingent instruments to maintain an institution as a going concern.

In assessing whether the Bank has ceased, or is about to cease, to be viable and that, after the conversion of all contingent instruments, it is reasonably likely that the viability of the Bank will be restored or maintained, OSFI has stated that the Superintendent will consider, in consultation with the authorities referred to above, all relevant facts and circumstances. Those facts and circumstances may include, in addition to other public sector interventions, a consideration of whether, among other things:

- the assets of the Bank are, in the opinion of the Superintendent, sufficient to provide adequate protection to the Bank’s depositors and creditors;
- the Bank has lost the confidence of depositors or other creditors and the public (for example, ongoing increased difficulty in obtaining or rolling over short-term funding);
- the Bank’s regulatory capital has, in the opinion of the Superintendent, reached a level, or is eroding in a manner, that may detrimentally affect its depositors and creditors;



- the Bank has failed to pay any liability that has become due and payable or, in the opinion of the Superintendent, the Bank will not be able to pay its liabilities as they become due and payable;
- the Bank failed to comply with an order of the Superintendent to increase its capital;
- in the opinion of the Superintendent, any other state of affairs exists in respect of the Bank that may be materially prejudicial to the interests of the Bank's depositors or creditors or the owners of any assets under the Bank's administration; and
- the Bank is unable to recapitalize on its own through the issuance of Common Shares or other forms of regulatory capital (for example, no suitable investor or group of investors exists that is willing or capable of investing in sufficient quantity and on terms that will restore the Bank's viability, nor is there any reasonable prospect of such an investor emerging in the near-term in the absence of conversion of contingent instruments).

Upon the occurrence of a Trigger Event and an NVCC Automatic Conversion, and delivery of the Corresponding Trust Assets, the interests of depositors, other creditors of the Bank, and holders of securities of the Bank other than Common Shares that are not contingent instruments will all rank in priority to the holders that previously held contingent instruments, including the Notes and the AT1 Notes. The Superintendent retains full discretion to choose not to trigger non-viability contingent capital notwithstanding a determination that the Bank has ceased, or is about to cease, to be viable. Under such circumstances, the Noteholders or AT1 Noteholders may be exposed to losses through the use of other resolution tools or in liquidation.

***Number and value of Common Shares to be received pursuant to an NVCC Automatic Conversion is variable***

The number of Common Shares to be received for each AT1 Note is calculated by reference to the Current Market Price of the Common Shares immediately prior to a Trigger Event, subject to the Floor Price. If there is an NVCC Automatic Conversion at a time when the Current Market Price of the Common Shares is below the Floor Price, investors may receive Common Shares with an aggregate market price less than the Note Value.

The Bank is expected to have outstanding from time to time other capital notes, subordinated debt and preferred shares that will automatically convert into Common Shares upon a Trigger Event. Other capital notes, subordinated debt and preferred shares of the Bank that are convertible into Common Shares upon a Trigger Event may also use a lower effective floor price (for example, using a different multiplier) than that applicable to the AT1 Notes to determine the maximum number of Common Shares to be issued to holders of such instruments pursuant to an NVCC Automatic Conversion. In such cases, the Noteholders, pursuant to the distribution of Corresponding Trust Assets or otherwise pursuant to an NVCC Automatic Conversion, or the AT1 Noteholders pursuant to an NVCC Automatic Conversion, may receive Common Shares at a time when other capital notes or subordinated debt of the Bank are converted into Common Shares at a conversion rate that is more favorable to the holder of such instruments and preferred shares are converted into Common Shares at a conversion rate that may be more favorable to the holder of such instruments, in each case, than the rate applicable to the AT1 Notes, thereby causing substantial dilution to holders of Common Shares, including Noteholders or AT1 Noteholders, who will become holders of Common Shares after a Trigger Event.

In addition, fractions of Common Shares will not be issued or delivered pursuant to an NVCC Automatic Conversion and no cash payment will be made in lieu of a fractional Common Share.

***The Common Shares to be received pursuant to an NVCC Automatic Conversion may be subject to further dilution***

In the circumstances surrounding a Trigger Event, the Superintendent or other governmental authorities or agencies may also require other steps to be taken to restore or maintain the viability of the Bank under the Canadian bank resolution powers, including the injection of new capital and the issuance of additional Common Shares or other securities. Accordingly, in connection with a distribution of Corresponding Trust Assets or otherwise pursuant to an NVCC Automatic Conversion, Noteholders or AT1 Noteholders will receive Common Shares at a time when other debt obligations of the Bank may be converted into Common Shares, at a conversion rate that is more favorable to the holders of such obligations than the rate applicable to the AT1 Notes, and additional Common Shares or securities ranking in priority to the Common Shares may be issued, thereby causing substantial dilution to holders of Common Shares, the holders of shares other than Common Shares, and the Noteholders or AT1 Noteholders that will become holders of Common Shares pursuant to the distribution of Corresponding Trust Assets following a Recourse Event that is a Trigger Event or otherwise upon a Trigger Event.

In particular, as part of the Canadian bank resolution powers, certain provisions of, and regulations under, the Bank Act, the *Canada Deposit Insurance Corporation Act* (Canada) (the "CDIC Act") and certain other Canadian federal statutes pertaining to banks provide for a bank recapitalization regime (collectively, the "Bail-In Regime") for banks designated by the Superintendent

as domestic systemically important banks, which include the Bank. If the CDIC were to take action under the Canadian bank resolution powers with respect to the Bank, this could result in a conversion of prescribed types of shares and liabilities in whole or in part — by means of a transaction or series of transactions and in one or more steps — into Common Shares of the Bank or any of its affiliates (a “**Bail-In Conversion**”). Subject to certain exceptions, including for certain structured notes, senior debt issued on or after September 23, 2018, with an initial or amended term to maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and that has been assigned a CUSIP or ISIN or similar identification number, is subject to Bail-In Conversion. Subordinated debt and shares, other than common shares, issued on or after September 23, 2018 are also subject to a Bail-In Conversion, unless they are non-viability contingent capital.

Given that the Notes and the AT1 Notes are non-viability contingent capital, they are not subject to Bail-In Conversion. However, the Bail-In Regime provides that the CDIC must use its best efforts to ensure that the prescribed types of shares and liabilities are converted only if all subordinate prescribed shares and liabilities and any subordinate non-viability contingent capital (such as the Notes and the AT1 Notes) have previously been converted or are converted at the same time. Accordingly, in the case of a Bail-In Conversion, the AT1 Notes would be subject to NVCC Automatic Conversion prior to, or at the same time as, a Bail-In Conversion. In addition, the Bail-in Regime prescribes that holders of unsubordinated or senior ranking instruments that are subject to Bail-In Conversion must receive more common shares per dollar amount converted than holders of any subordinate ranking instruments that are subject to Bail-In Conversion or NVCC instruments converted, including the Notes and the AT1 Notes. The holders of senior ranking instruments that are subject to Bail-In Conversion would therefore receive Common Shares at a conversion rate that would be more favorable to the holders of such obligations than the rate applicable to the Notes and the AT1 Notes.

***The terms and conditions of the Notes and the AT1 Notes will contain provisions that will provide the Bank with the right not to deliver, or have the LRT Trustee not deliver, as applicable, Common Shares upon a Trigger Event***

The terms and conditions of the Notes and the AT1 Notes will contain provisions that will provide the Bank with the right to (a) not deliver, or to have the LRT Trustee not deliver some or all, as applicable, of the Common Shares (held as Corresponding Trust Assets following a Recourse Event that is a Trigger Event or otherwise upon a Trigger Event) to any Ineligible Person or any person who, by virtue of that delivery would become a Significant Shareholder or (b) record it its securities register a transfer or issue of Common Shares (issued upon an NVCC Automatic Conversion) to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Government Holder based on a declaration submitted to the Bank or its transfer agent by or on behalf of such person. In such circumstances, the Bank will hold, as agent for such persons, the Common Shares that would have otherwise been delivered to such persons and will attempt to facilitate the sale of such Common Shares to parties other than the Bank and its affiliates on behalf of such persons through a registered dealer to be retained by the Bank on behalf of such persons. Those sales (if any) may be made at any time and at any price. The Bank will not be subject to any liability for failure to sell such Common Shares on behalf of such persons or at any particular price on any particular day. The net proceeds received by the Bank from the sale of any such Common Shares will be divided among the applicable persons in proportion to the number of Common Shares that would otherwise have been delivered to them after deducting the costs of sale and any applicable withholding taxes.

***Circumstances surrounding a potential NVCC Automatic Conversion may have an adverse effect on the market price of the Notes and the AT1 Notes***

The occurrence of a Trigger Event is a subjective determination by the Superintendent that the conversion of all contingent instruments is reasonably likely to restore or maintain the viability of the Bank. As a result, an NVCC Automatic Conversion may occur in circumstances that are beyond the control of the Bank. Also, even in circumstances where the market expects the Superintendent to cause an NVCC Automatic Conversion, the Superintendent may choose not to take that action. Because of the inherent uncertainty regarding the determination of when an NVCC Automatic Conversion may occur, it will be difficult to predict, when, if at all, the AT1 Notes will be mandatorily converted into Common Shares. Accordingly, trading behavior in respect of the Notes and the AT1 Notes is not necessarily expected to follow trading behavior associated with other types of convertible or exchangeable securities. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Notes, the AT1 Notes and the Common Shares, whether or not such Trigger Event actually occurs.

***In the event of insolvency or winding-up of the Bank, an investment in the Notes will become an investment in the AT1 Notes and the AT1 Notes will rank subordinate to all Higher Ranked Indebtedness, and the rights of the Noteholders and the AT1 Noteholders will be further subordinated upon a Trigger Event***

The Notes and the AT1 Notes will be the Bank’s direct unsecured obligations. The Notes and the AT1 Notes will constitute subordinated indebtedness for the purposes of the Bank Act. In the event of the Bank’s insolvency or winding-up, a Recourse Event that is an Event of Default will have occurred with respect to the Notes and the sole remedy of a Noteholder shall be recourse to such Noteholder’s proportionate share of the Corresponding Trust Assets. Upon delivery to the Noteholders of their

proportionate share of the Corresponding Trust Assets following such Recourse Event, all Notes will cease to be outstanding. See “—Noteholders will have limited remedies.”

In the event of the Bank’s insolvency or winding-up, the AT1 Notes will rank (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness, and (b) in right of payment equally with and not prior to Deeply Subordinated Indebtedness (other than Deeply Subordinated Indebtedness which by its terms ranks subordinate to the AT1 Notes) of the Bank, in each case, from time to time outstanding. In the event of the Bank’s insolvency or winding-up, the Notes and the AT1 Notes will rank ahead of the Bank’s Common Shares and preferred shares.

If the Bank becomes insolvent or is wound-up while the AT1 Notes remain outstanding, and provided that a Trigger Event has not occurred, the Bank’s assets must be used to pay Higher Ranked Indebtedness, including other Subordinated Indebtedness, except Deeply Subordinated Indebtedness before payments may be made on the AT1 Notes. Except to the extent regulatory capital requirements affect the Bank’s decisions to issue subordinated or more senior debt, there is no limit on the Bank’s ability to incur additional subordinated debt or more senior debt.

In addition, upon the occurrence of a Trigger Event, all of the Bank’s obligations under the AT1 Notes shall be deemed paid in full by the issuance of Common Shares upon a Trigger Event, and each AT1 Noteholder will be effectively further subordinated due to the change in their status following an NVCC Automatic Conversion from being the holder of a debt instrument ranking ahead of holders of Common Shares to being a holder of Common Shares. If the Trigger Event occurs when the AT1 Notes are held by the Limited Recourse Trust, immediately following such NVCC Automatic Conversion, pursuant to the limited recourse feature described in “Description of the Notes—Limited Recourse”, each Noteholder will be entitled to receive, and the LRT Trustee will deliver to each Noteholder, such Noteholder’s proportionate share of Common Shares issued upon the conversion of the AT1 Notes into Common Shares upon a Trigger Event. In this case, the priority of the AT1 Notes to be delivered to the Noteholders following a Recourse Event that is an Event of Default as described above will not be relevant as such Common Shares will rank on parity with all other issued and outstanding Common Shares.

As a result, pursuant to the distribution of Corresponding Trust Assets following a Recourse Event that is a Trigger Event or otherwise upon a Trigger Event, the Noteholders could lose all or part of their investment in the Notes or the AT1 Notes, as applicable, irrespective of whether the Bank has sufficient assets available to settle what would have been the claims of the Noteholders or the AT1 Noteholders, as applicable, or other securities subordinated to the same extent as the Notes or the AT1 Notes, as applicable in proceedings relating to an insolvency or winding-up.

***The value of the Notes and the AT1 Notes may be affected by changes in credit ratings***

Real or anticipated changes in credit ratings on the Bank’s deposit liabilities may affect the market value of the Notes and the AT1 Notes. In addition, real or anticipated changes in credit ratings can affect the cost at which the Bank can transact or obtain funding, and thereby affect the Bank’s liquidity, business, financial condition or results of operations and, therefore, the Bank’s ability to make payments on the Notes or the AT1 Notes could be adversely affected.

***The value of the Notes and the AT1 Notes may be affected by market value and interest rate fluctuations***

The value of the Notes and the AT1 Notes may be affected by market value fluctuations resulting from factors which influence the Bank’s operations, including legal and regulatory developments, competition and global market activity. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes and the AT1 Notes.

Prevailing interest rates will affect the market value of the Notes and the AT1 Notes. Assuming all other factors remain unchanged, the market value of the Notes and the AT1 Notes will decline as prevailing interest rates for similar debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

***There is no established trading market for the Notes or the AT1 Notes***

The Notes and the AT1 Notes are new issues of securities and there may be no market through which the Notes and the AT1 Notes may be sold and purchasers may therefore be unable to resell such Notes or AT1 Notes. In addition, the Bank does not intend to apply for listing or quotation of the Notes or the AT1 Notes on any securities exchange or automated quotation system. These factors may affect the pricing of the Notes and the AT1 Notes in any secondary market, the transparency and availability of trading prices and the liquidity of the Notes and the AT1 Notes.

There can be no assurance that an active trading market will develop for the Notes and the AT1 Notes after this offering, or if developed, that such a market will be sustained at the offering price of the Notes and the AT1 Notes. Each of the Agents may

from time to time purchase and sell Notes in the secondary market or make a market for the Notes, but no Agent is obliged to do so and there can be no assurance as to a secondary market for the Notes, liquidity in any such market or any market making activities by any Agent.

If any of the Notes or the AT1 Notes are traded after their initial issuance, they may trade at a discount from their initial offering price. Future trading prices of the Notes and the AT1 Notes will depend on many factors, including prevailing interest rates, the market for similar securities, general economic conditions and the Bank's financial condition, performance, prospects and other factors. Accordingly, you may be required to bear the financial risk of an investment in the Notes or the AT1 Notes for an indefinite period of time.

The Bank has applied to list the Common Shares to be issued upon the occurrence of a Trigger Event on the TSX subject to the Bank fulfilling all of the requirements of the TSX on or before September 7, 2021. The Bank has also applied to list the Common Shares to be issued upon the occurrence of a Trigger Event on the NYSE in accordance with its rules and requirements. However, there is no assurance that the Common Shares will be listed on the TSX and the NYSE.

***If a trading market develops, the AT1 Notes may trade with accrued interest even though interest may not be paid on the relevant AT1 Interest Payment Date***

If an active trading market develops for the AT1 Notes, their prices are expected to appear with accrued interest. However, if a payment of interest on any AT1 Interest Payment Date is cancelled (in each case, in whole or in part) and thus is not due and payable, AT1 Noteholders will not be entitled to that interest payment (in whole or in part, as applicable) on the relevant AT1 Interest Payment Date. This may affect AT1 Noteholders' ability to sell the AT1 Notes in the secondary market and, as a result, the value of AT1 Noteholders' investment in the AT1 Notes.

***The Bank has no limitation on issuing senior or pari passu securities***

The Trust Indenture governing the Notes and the AT1 Indenture governing the AT1 Notes will not contain any financial covenants and will contain only limited restrictive covenants. In addition, the Trust Indenture and the AT1 Indenture will not limit the Bank's or its subsidiaries' ability to incur additional indebtedness, issue or repurchase securities or engage in transactions with affiliates. The Bank's ability to incur additional indebtedness and use its funds for any purpose in the Bank's discretion may increase the risk that the Bank may be unable to service its debt, including paying its obligations under the Notes and the AT1 Notes.

***The Notes are not covered by deposit insurance***

The Notes will not constitute deposits that are insured under the CDIC Act or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution. Therefore, you will not be entitled to insurance from the Canada Deposit Insurance Corporation or other such protection, and as a result, you could lose all or a portion of your investment.

## **TRANSFER AGENT AND REGISTRAR**

The Indenture Trustee and AT1 Indenture Trustee and registrar of the Notes and the AT1 Notes is Computershare Trust Company of Canada at its principal office in Toronto.

Computershare Trust Company of Canada, at its principal office in Toronto, will be the transfer agent and registrar for any Common Shares issued upon an NVCC Automatic Conversion.

## **LEGAL MATTERS**

Legal matters in connection with the issue and sale of the Notes will be passed upon, on behalf of the Bank, by Osler, Hoskin & Harcourt LLP and, on behalf of the Agents, by Torys LLP. Shearman & Sterling LLP is advising the Bank as to United States law matters.

## **INTERESTS OF EXPERTS**

As at June 10, 2021, the partners and associates of each of Osler, Hoskin & Harcourt LLP and Torys LLP beneficially owned, directly or indirectly, less than 1% of the issued and outstanding securities of each class of the Bank or of any associate or affiliate of the Bank.

## CERTIFICATE OF THE AGENTS

Dated: June 10, 2021

To the best of our knowledge, information and belief, the short form prospectus dated July 21, 2020, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement(s) as required by the *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces and territories of Canada.

SCOTIA CAPITAL INC.

By: (signed) GRAHAM FRY

RBC DOMINION SECURITIES INC.

By: (signed) PETER HAWKRIGG

DESJARDINS SECURITIES INC.

By: (signed) RYAN GODFREY

BMO NESBITT BURNS INC.

By: (signed) MICHAEL  
CLEARY

CIBC WORLD MARKETS  
INC.

By: (signed) AMBER  
CHOUDHRY

NATIONAL BANK  
FINANCIAL INC.

By: (signed) JOHN  
CARRIQUE

TD SECURITIES INC.

By: (signed) GREG  
MCDONALD

MERRILL LYNCH CANADA INC.

By: (signed) JAMIE HANCOCK

WELLS FARGO SECURITIES  
CANADA, LTD.

By: (signed) DARIN DESCHAMPS

IA PRIVATE WEALTH INC.

By: (signed) DAVID ANDERSON

LAURENTIAN BANK SECURITIES INC.

By: (signed) BENOIT LALONDE

MANULIFE SECURITIES  
INCORPORATED

By: (signed) WILLIAM PORTER

## Short Form Base Shelf Prospectus

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

*This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of The Bank of Nova Scotia at the Corporate Governance Office, 44 King Street West, Toronto, Ontario M5H 1H1, telephone: (416) 866-3672, and are also available electronically at [www.sedar.com](http://www.sedar.com).*

### SHORT FORM BASE SHELF PROSPECTUS

New Issue

July 21, 2020

# Scotiabank<sup>®</sup>

**The Bank of Nova Scotia**

**\$15,000,000,000**

**Senior Debt Securities (Unsubordinated Indebtedness)  
Subordinated Debt Securities (Subordinated Indebtedness)  
Preferred Shares  
Common Shares**

The Bank of Nova Scotia (the “Bank”) may from time to time offer and issue the following securities: (i) unsecured unsubordinated debt securities (“Senior Debt Securities”); (ii) unsecured subordinated debt securities (“Subordinated Debt Securities”); (iii) preferred shares in series (“Preferred Shares”); and (iv) common shares (“Common Shares”), or any combination thereof. The Senior Debt Securities, Subordinated Debt Securities, Preferred Shares and Common Shares (collectively, the “Securities”) offered hereby may be offered separately or together, in amounts, at prices and on terms to be set forth in an accompanying shelf prospectus supplement (a “Prospectus Supplement”). All shelf information omitted from this short form base shelf prospectus (the “Prospectus”) will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. The Bank may sell up to \$15,000,000,000 in aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof if any of the Securities are denominated in a foreign currency or currency unit) during the 25 month period that this Prospectus, including any amendments thereto, remains valid.

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Senior Debt Securities or Subordinated Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Senior Debt Securities or Subordinated Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, any terms for redemption at the option of the Bank or the holder, any exchange or conversion terms and any other specific terms; and (ii) in the case of Preferred Shares, the designation of the particular series, aggregate principal amount, the number of shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of the Bank or the holder, any exchange or conversion terms and any other specific terms.

Senior Debt Securities will be direct unsecured unsubordinated obligations of the Bank that rank equally and rateably with all of the Bank's other unsecured and unsubordinated debt, including deposit liabilities, other than certain governmental claims in accordance with applicable law. Effective September 23, 2018, Senior Debt Securities issued on or after that date may, depending on their terms, be subject to Bail-In Regulations (as defined below) and Bail-In Conversion (as defined below) as described below under "Other Material Facts". In the event any Senior Debt Securities issued under this Prospectus are subject to the Bail-In Regulations and Bail-In Conversion, the applicable Prospectus Supplement will provide further details.

Subordinated Debt Securities will be direct unsecured obligations of the Bank constituting subordinated indebtedness for the purposes of the *Bank Act* (Canada) (the "Bank Act") that rank equally and rateably with all of the Bank's other subordinated indebtedness from time to time outstanding (other than subordinated indebtedness which has been further subordinated in accordance with its terms).

**Neither the Senior Debt Securities nor the Subordinated Debt Securities (collectively, "Debt Securities") will constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.**

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests, including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or a bankers' acceptance rate, or to recognized market benchmark interest rates.

The outstanding Common Shares of the Bank are currently listed on the Toronto and New York stock exchanges and the outstanding Preferred Shares Series 32, 33, 34, 36, 38 and 40 are listed on the Toronto Stock Exchange.

Effective as of January 1, 2013, in accordance with capital adequacy requirements adopted by the Office of the Superintendent of Financial Institutions Canada ("OSFI"), non-common capital instruments issued after January 1, 2013, including subordinated debt securities or preferred shares, must include terms providing for the full and permanent conversion of such securities into common shares upon the occurrence of certain trigger events relating to financial viability (the "Non-Viability Contingent Capital Provisions") in order to qualify as regulatory capital. The specific terms of any Non-Viability Contingent Capital Provisions for any Subordinated Debt Securities and Preferred Shares that the Bank issues under this Prospectus will be described in one or more Prospectus Supplements relating to such Securities.

The Securities may be sold through underwriters or dealers purchasing as principals, through agents designated by the Bank (such underwriters, dealers and agents are collectively referred to in this Prospectus as "Investment Dealers" and individually as an "Investment Dealer") or by the Bank directly pursuant to applicable statutory exemptions, from time to time. See "Plan of Distribution". Each Prospectus Supplement will identify each Investment Dealer engaged in connection with the offering and sale of those Securities to which the Prospectus Supplement relates, and will also set forth the terms of the offering of such Securities, including the net proceeds to the Bank and, to the extent applicable, any fees payable to the Investment Dealers. The offerings are subject to approval of certain legal matters by the Bank's counsel.

Guillermo E. Babatz, Scott. B. Bonham, Charles H. Dallara and Susan L. Segal (each a director of the Bank resident outside of Canada), have appointed the Bank, at 44 King Street West, Toronto, Ontario M5H 1H1, Canada, as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if such person has appointed an agent for service of process.

The head office of the Bank is located at 1709 Hollis Street, Halifax, Nova Scotia B3J 1W1 and its executive offices are located at 44 King Street West, Toronto, Ontario M5H 1H1.

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### Forward-looking Statements

From time to time, the Bank’s public communications often include oral or written forward-looking statements. Statements of this type may be included in this Prospectus, in the documents incorporated by reference in this Prospectus and in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. In addition, representatives of the Bank may include forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may include, but are not limited to, statements made in this Prospectus, or incorporated by reference in this Prospectus, statements in the Management’s Discussion and Analysis in the 2019 Annual Report (as defined below), as updated by quarterly reports, under the headings “Outlook” and in other statements regarding the Bank’s objectives, strategies to achieve those objectives, the regulatory environment in which the Bank operates, anticipated financial results, and the outlook for the Bank’s businesses and for the Canadian, U.S. and global economies. Such statements are typically identified by words or phrases such as “believe,” “expect,” “foresee,” “forecast,” “anticipate,” “intend,” “estimate,” “plan,” “goal,” “project,” and similar expressions of future or conditional verbs, such as “will,” “may,” “should,” “would” and “could.”

By their very nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the Bank’s predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that the Bank’s assumptions may not be correct and that the Bank’s financial performance objectives, vision and strategic goals will not be achieved. The Bank cautions prospective investors not to place undue reliance on these statements as a number of risk factors, many of which are beyond the Bank’s control and effects of which can be difficult to predict, could cause the Bank’s actual results to differ materially from the expectations, targets, estimates or intentions expressed in such forward-looking statements. The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions in the countries in which we operate; changes in currency and interest rates; increased funding costs and market volatility due to market illiquidity and competition for funding; the failure of third parties to comply with their obligations to the Bank and its affiliates; changes in monetary, fiscal or economic policy and tax legislation and interpretation; changes in laws and regulations or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, and the effect of such changes on funding costs; changes to the Bank’s credit ratings; operational and infrastructure risks; reputational risks; the accuracy and completeness of information the Bank receives on customers and



counterparties; the timely development and introduction of new products and services; the Bank's ability to execute our strategic plans, including the successful completion of acquisitions and dispositions, including obtaining regulatory approvals; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; global capital markets activity; the Bank's ability to attract, develop and retain key executives; the evolution of various types of fraud or other criminal behaviour to which the Bank is exposed; disruptions in or attacks (including cyber-attacks) on the Bank's information technology, internet, network access, or other voice or data communications systems or services; increased competition in the geographic and in business areas in which we operate, including through internet and mobile banking and non-traditional competitors; exposure related to significant litigation and regulatory matters; the occurrence of natural and unnatural catastrophic events and claims resulting from such events; the emergence of widespread health emergencies or pandemics, including the magnitude and duration of the COVID-19 pandemic and its impact on the global economy and financial market conditions and the Bank's business, results of operations, financial condition and prospects; and the Bank's anticipation of and success in managing the risks implied by the foregoing. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's financial results, businesses, financial condition or liquidity. These and other factors may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements. The Bank cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. For more information, please see the "Risk Management" section of the 2019 Annual Report, which is incorporated by reference herein, as may be updated by quarterly reports.

Material economic assumptions underlying the forward-looking statements contained in, or incorporated by reference in, this Prospectus are set out in the 2019 Annual Report under the headings "Outlook", as updated by quarterly reports. The "Outlook" sections are based on the Bank's views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing these sections.

When relying on forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking statements contained in, or incorporated by reference in, this Prospectus represent the views of management only as of the date hereof or thereof and are presented for the purpose of assisting the holders or prospective holders of the Bank's securities and analysts in understanding the Bank's financial position, objectives and priorities, and anticipated financial performance as at and for the periods ended on the dates presented and may not be appropriate for other purposes. Except as required by law, the Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf.

### **Documents Incorporated by Reference**

The following documents have been filed with the securities regulatory authorities in each province and territory of Canada and are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the Bank's annual information form dated November 26, 2019, for the year ended October 31, 2019 (the "Annual Information Form");
- (b) the Bank's management proxy circular attached to the notice of meeting dated February 11, 2020;
- (c) the Bank's consolidated interim financial statements (unaudited) and management's discussion and analysis for the three and six months ended April 30, 2020;
- (d) the Bank's consolidated statements of financial position as at October 31, 2019 and 2018 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended October 31, 2019, together with the auditors' report thereon dated November 26, 2019; and
- (e) the Bank's management's discussion and analysis for the year ended October 31, 2019 (the "2019 Annual MD&A") as contained in the Bank's Annual Report as of October 31, 2019 (the "2019 Annual Report").

Any documents of the type referred to in the preceding paragraph or required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any material change reports (excluding confidential material change reports) and any other disclosure documents required to be incorporated by reference in this Prospectus, filed by the Bank with a securities regulatory authority in Canada after the date of this Prospectus and prior to the termination of the offering under any Prospectus Supplement, will be deemed to be incorporated by reference in this Prospectus.

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein or contemplated in this Prospectus will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.**

A Prospectus Supplement containing the specific terms of an offering of Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of the Prospectus Supplement solely for the purposes of the offering of the Securities covered by that Prospectus Supplement unless otherwise expressly provided therein.

Upon a new management proxy circular, annual information form or new annual financial statements, together with the auditors' report thereon and management's discussion and analysis contained therein, being filed by the Bank with the applicable securities regulatory authority during the term of this Prospectus, the previous annual information form, management proxy circular, or annual financial statements, as applicable and all interim financial statements, material change reports, and information circulars, as applicable filed prior to the commencement of the Bank's financial year in which the new management proxy circular, annual information form or annual financial statements are filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder. The Bank will file updated earnings coverage ratios quarterly with securities regulatory authorities in Canada, which updates will be deemed to be incorporated by reference into this Prospectus.

### **Currency Information**

Unless otherwise indicated, all dollar amounts appearing in this Prospectus are stated in Canadian dollars.

### **Business of the Bank**

The Bank is a Canadian chartered bank under the Bank Act. The Bank is a Schedule I Bank under the Bank Act and is regulated by OSFI.

The Bank is a leading bank in the Americas. The Bank helps its customers, their families and their communities achieve success through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking and capital markets with a team of approximately 97,000 employees and assets of over \$1.2 trillion (as at April 30, 2020).

A list of the principal subsidiaries directly or indirectly owned or controlled by the Bank as at October 31, 2019 is incorporated by reference from the Bank's Annual Information Form.

### **Description of Debt Securities**

The following is a general description of the Debt Securities. The Debt Securities may be issued under one or more indentures (each, an "Indenture"), in each case between the Bank and a trustee (a "Trustee") determined by the Bank in accordance with applicable laws or pursuant to a fiscal agency or paying agency agreement, in each case between the Bank and an agent, which agent may be an affiliate of or otherwise non-arm's length to the Bank. Any series of

Debt Securities may also be created and issued without an Indenture or a fiscal agency or paying agency agreement. The Bank may also appoint a calculation agent in connection with any Debt Securities issued under this Prospectus, which agent may be an affiliate or otherwise non-arm's length to the Bank. The statements made below relating to any Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof, are not complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Indenture and the applicable Prospectus Supplement to this Prospectus.

Senior Debt Securities will be direct unsubordinated obligations of the Bank that rank equally and rateably with other unsecured and unsubordinated debt of the Bank from time to time issued and outstanding, including deposit liabilities, other than certain governmental claims in accordance with applicable law. Effective as of September 23, 2018, Senior Debt Securities issued on or after that date may, depending on their terms, be subject to Bail-In Regulations (as defined below) and Bail-In Conversion (as defined below) as described below under "Other Material Facts". In the event any Senior Debt Securities issued under this Prospectus are subject to the Bail-In Regulations and Bail-In Conversion, the applicable Prospectus Supplement will provide further details.

Subordinated Debt Securities will be direct unsecured obligations of the Bank, constituting subordinated indebtedness for the purposes of the Bank Act, ranking at least equally with other subordinated indebtedness of the Bank from time to time issued and outstanding (other than subordinated indebtedness which has been further subordinated in accordance with its terms). In the event of the insolvency or winding-up of the Bank, the subordinated indebtedness of the Bank (including any Subordinated Debt Securities issued hereunder if a trigger event has not occurred as contemplated under the specific Non-Viability Contingent Capital Provisions as may be applicable to such Subordinated Debt Securities) will be subordinate in right of payment to the prior payment in full of the deposit liabilities of the Bank and other liabilities of the Bank, including Senior Debt Securities, except those liabilities which by their terms rank in right of payment equally with or subordinate to indebtedness evidenced by such debentures.

Subject to regulatory capital requirements applicable to the Bank, there is no limit on the amount of Senior Debt Securities or Subordinated Debt Securities that the Bank may issue.

If the Bank becomes insolvent, the Bank Act provides that priorities among payments of the Bank's deposit liabilities and payments of all of the Bank's other liabilities (including payments in respect of Senior Debt Securities and Subordinated Debt Securities) are to be determined in accordance with the laws governing priorities and, where applicable, by the terms of the indebtedness and liabilities. Because the Bank has subsidiaries, the Bank's right to participate in any distribution of the assets of such banking or non-banking subsidiaries, upon a subsidiary's dissolution, winding-up liquidation or reorganization or otherwise, and thus a purchaser's ability to benefit indirectly from such distribution, is subject to the prior claims of creditors of that subsidiary, except to the extent that the Bank may be a creditor of that subsidiary and the Bank's claims are recognized. There are legal limitations on the extent to which some of the Bank's subsidiaries may extend credit, pay dividends or otherwise supply funds to, or engage in transactions with, the Bank or some of the Bank's other subsidiaries.

**Neither the Senior Debt Securities nor the Subordinated Debt Securities will constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.**

Each Indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Bank. Reference is made to any Prospectus Supplement which accompanies this Prospectus for the terms and other information with respect to the Debt Securities being offered thereby, including: (i) the designation, aggregate principal amount and authorized denominations of the Debt Securities; (ii) the currency for which the Debt Securities may be purchased and the currency in which the principal and any interest is payable (in either case, if other than Canadian dollars); (iii) the percentage of the principal amount at which the Debt Securities will be issued; (iv) the date or dates on which the Debt Securities will mature; (v) the rate or rates (if any); (vi) the dates on which such interest will be payable and the record dates for such payments; (vii) the Trustee under the Indenture pursuant to which the Debt Securities are to be issued; (viii) any extension or redemption term or terms under which such Debt Securities may be defeased; (ix) whether the Debt Securities are to be issued in registered form, "book-entry only" form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof; (x) any exchange or conversion terms (including terms relating to any conversion of Debt Securities into Common Shares); (xi) the ratings, if any, issued by rating agencies in respect of the Debt Securities; and (xii) any other specific terms.

This Prospectus does not qualify the issuance of Debt Securities in respect of which the payment of principal and/or interest may be determined or linked, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, a currency, consumer price or mortgage index, or the price or value of one or more commodities, indices, securities, financial ratios or other items, or other model or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or a bankers' acceptance rate, or to recognized market benchmark interest rates. The specifics of any such provisions will be described in applicable Prospectus Supplement to this Prospectus. In compliance with applicable Canadian securities laws, the Bank has filed an undertaking with the applicable securities regulatory authorities that we will not distribute, among other things, any Debt Securities that are considered novel specified derivatives or asset-backed securities (as such terms are defined under applicable Canadian securities laws) at the time of distribution without preclearing with the applicable securities regulatory authorities the disclosure contained in the prospectus supplements pertaining to such Debt Securities in accordance with applicable Canadian securities laws.

Debt Securities may, at the option of the Bank, be issued in fully registered form, in bearer form or in "book-entry only" form. See "Book-Entry Only Securities" below. Debt Securities in registered form will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for the same aggregate principal amount in authorized denominations and will be transferable at any time or from time to time at the corporate trust office of the Trustee for the Debt Securities. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

Unless otherwise specified in the Prospectus Supplement which accompanies this Prospectus, principal, premium (if any) and interest payable on Debt Securities are to be payable at any branch in Canada of the Bank provided that such payments may also be made at the option of the Bank by electronic or wire transfer or, by cheque mailed, delivered or otherwise transferred to the persons in whose names the Debt Securities are registered.

### **Description of Preferred Shares**

The following describes certain general terms and provisions of the Preferred Shares. The particular terms and provisions of a series of Preferred Shares offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such Prospectus Supplement.

The following is a summary of the rights, privileges, restrictions and conditions of or attaching to the Preferred Shares of the Bank as a class.

#### ***Issuable in Series***

The authorized preferred share capital of the Bank consists of an unlimited number of Preferred Shares without nominal or par value. The directors of the Bank may divide any unissued Preferred Shares into series and fix the number of shares in each series and the rights, privileges, restrictions and conditions thereof.

#### ***Priority***

The Preferred Shares of each series will rank on a parity with Preferred Shares of every other series (including any Preferred Shares issued hereunder if a trigger event has not occurred as contemplated under the specific Non-Viability Contingent Capital Provisions applicable to such Preferred Shares) and are entitled to preference over Common Shares and over any other shares of the Bank ranking junior to the Preferred Shares with respect to the payment of dividends and upon any distribution of assets in the event of liquidation, dissolution or winding-up of the Bank.

#### ***Restrictions***

The Bank may not, without the approval of the holders of Preferred Shares, create any other class of shares ranking prior to or on a parity with the Preferred Shares, increase the authorized number of Preferred Shares or amend the provisions attaching to the Preferred Shares.

### ***Shareholder Approval***

Any approval to be given by the holders of the Preferred Shares may be given by a resolution carried by the affirmative vote of not less than 66 2/3% of the votes cast at a meeting of holders of Preferred Shares at which a majority of the outstanding Preferred Shares is represented or, if no quorum is present at such meeting, at any adjourned meeting at which no quorum requirements would apply.

### **Description of Common Shares**

The authorized common share capital of the Bank consists of an unlimited number of Common Shares, without nominal or par value. Holders of Common Shares are entitled to vote at all meetings of the shareholders of the Bank except meetings at which only the holders of Preferred Shares are entitled to vote. Holders of Common Shares are entitled to receive dividends, as and when declared on Common Shares. After the payment to the holders of the Preferred Shares of the amount or amounts to which they may be entitled, the holders of Common Shares shall be entitled to receive the remaining property of the Bank upon liquidation, dissolution or winding-up thereof.

### **Book-Entry Only Securities**

#### **CDS Clearing**

Securities issued in “book-entry only” form must be purchased, transferred or redeemed through participants (“CDS Participants”) in the depository service of CDS Clearing and Depository Services Inc. or a successor or its nominee (collectively, “CDS”), as described below. Each of the Investment Dealers named in an accompanying Prospectus Supplement offering securities in “book-entry only” form will be a CDS Participant. On the closing of a book-entry only offering, the Bank will cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from the Bank or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the Investment Dealer from which the Securities are purchased in accordance with the practices and procedures of that Investment Dealer. The practices of Investment Dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants having interests in the Securities. If (i) the book-entry only system ceases to exist, (ii) the Bank determines that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and the Bank is unable to locate a qualified successor, or (iii) the Bank at its option elects, or is required by applicable law or the rules of any securities exchange, to withdraw the Securities from the book-entry only system, then physical certificates representing the Securities will be issued to holders thereof or their nominees.

#### ***Transfer, Conversion and Redemption of Securities***

Transfers of ownership, conversions or redemptions of Securities will be effected only through records maintained by CDS for such Securities with respect to interests of CDS Participants and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Holders of Securities who are not CDS Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities, may do so only through CDS Participants. The ability of a holder to pledge Securities or otherwise take action with respect to such holder’s interest in Securities (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

#### ***Payments and Deliveries***

The Bank will make, or cause to be made, payments of principal, redemption price, if any, dividends and interest, as applicable, on Securities to CDS as the registered holder of the Securities and the Bank understands that the payment will be forwarded by CDS to CDS Participants in accordance with the customary practices and procedures of CDS. As long as CDS is the registered owner of the Securities, CDS will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. As long as the Securities are held in the CDS book-

entry only system, the responsibility and liability of the Bank in respect of the Securities is limited to making payments of principal, redemption price, if any, dividends and interest, as applicable, on the Securities to CDS, as registered holder of the Securities. The Bank expects that CDS, upon receipt of any payment in respect of Securities, will credit CDS Participants' accounts in amounts proportionate to their respective interests in the principal amount of such Securities as shown on the records of CDS in accordance with the customary practices and procedures of CDS. The Bank also expects that payments by CDS Participants to the owners of beneficial interests in Securities held through such CDS Participants will be governed by standing instructions and customary practices, and will be the responsibility of such CDS Participants. The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS, and persons other than CDS Participants having an interest in Securities must look solely to CDS Participants, for payments or deliveries made by or on behalf of the Bank to CDS in respect of such Securities.

Each beneficial owner must rely on the procedures of CDS and, if such beneficial owner is not a CDS Participant, on the procedures of the CDS Participant through which such beneficial owner owns its interest, to exercise any rights with respect to the Securities. The Bank understands that under existing policies of CDS and industry practices, if the Bank requests any action of a beneficial owner or if a beneficial owner desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the CDS Participant acting on behalf of the beneficial owner to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by the Bank, any Trustee and CDS. Any beneficial owner that is not a CDS Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

None of the Bank, the Investment Dealers, the Trustee or any other trustee (in the case of Debt Securities) will assume liability or responsibility for (i) any aspect of the records relating to the beneficial ownership of the Securities held by CDS or the payments or deliveries relating thereto, (ii) maintaining, supervising or reviewing any records relating to the Securities, or (iii) any advice or representation made by or with respect to CDS relating to the rules governing CDS or any action to be taken by CDS or at the direction of CDS Participants.

#### **Bank Act Restrictions and Restrictions on Payment of Dividends**

The Bank Act restricts the beneficial ownership of shares of a bank. The following is a summary of such restrictions. No person may be a major shareholder of a bank if such bank has equity of \$12 billion or more, which applies to the Bank. A major shareholder is defined as a person, or group of persons under common control or acting jointly or in concert, that beneficially owns more than 20% of any class of voting shares or more than 30% of any class of non-voting shares of a bank.

In addition, no person may have a significant interest in any class of shares of a bank, including the Bank, unless the person first receives the approval of the Minister of Finance (Canada). A person has a significant interest in a class of shares of a bank when the person, or group of persons under common control or acting jointly or in concert, beneficially owns more than 10% of any class of shares of a bank.

Governments and their agents are also restricted from acquiring shares of a bank, except for certain cases that require the Minister of Finance's consent.

Under the Bank Act, the Bank cannot redeem or purchase any of its shares, including the Preferred Shares and Common Shares, unless the consent of OSFI has been obtained. In addition, the Bank Act prohibits the Bank from purchasing or redeeming any shares or paying any dividends if there are reasonable grounds for believing that the Bank is, or the payment would cause the Bank to be, in contravention of the Bank Act requirement to maintain, in relation to the Bank's operations, adequate capital and appropriate forms of liquidity and to comply with any regulations or directions of OSFI in relation thereto.

If on any interest payment date (each, an "Interest Payment Date") for the Bank's US\$1,250,000,000 aggregate principal amount of 4.650% Fixed to Floating Rate Non-Cumulative Subordinated Additional Tier 1 Capital Notes (Non-Viability Contingent Capital (NVCC)) or the Bank's US\$1,250,000,000 aggregate principal amount of 4.900% Fixed Rate Resetting Perpetual Subordinated Additional Tier 1 Capital Notes (Non-Viability Contingent Capital (NVCC)) (collectively, the "Notes"), the Bank does not pay in full the applicable interest on the Notes that is due and payable on each such Interest Payment Date (whether as a result of cancellation or otherwise), the Bank will

not (a) declare dividends on the Common Shares or the Preferred Shares or (b) redeem, purchase or otherwise retire any Common Shares or Preferred Shares (except pursuant to any purchase obligation, retraction privilege or mandatory redemption provisions attaching to the Preferred Shares), in each case, until the month commencing immediately after the Bank makes an interest payment in full on such Notes.

The Bank has covenanted that, if a distribution is not paid when due on any outstanding Scotiabank Trust Securities (also known as “Scotia BaTS”) issued by Scotiabank Capital Trust, the Bank will not pay dividends on its Common Shares and Preferred Shares, until the twelfth month following the failure to pay the required distribution in full, unless the required distribution is paid to the holders of Scotia BaTS.

### Changes to Share Capital and Subordinated Indebtedness

On June 4, 2020, the Bank issued US\$1,250,000,000 aggregate principal amount of 4.900% Fixed Rate Resetting Perpetual Subordinated Additional Tier 1 Capital Notes (Non-Viability Contingent Capital (NVCC)) (the “Additional Tier 1 Capital Issuance”).

### Earnings Coverage

The consolidated financial ratios for the Bank set forth in the table below are calculated for the 12 months ended October 31, 2019 and April 30, 2020, respectively, are presented on a *pro forma* as adjusted basis, which gives effect to the redemption on April, 27, 2020 by the Bank of all of its outstanding Non-cumulative 5-Year Rate Reset Preferred Shares Series 30 and Non-cumulative Floating Rate Preferred Shares Series 31 at their par values of \$154 million and \$111 million, respectively, together with declared and unpaid dividends (the “Preferred Shares Series 30 and Series 31 Redemption”) and the Additional Tier 1 Capital Issuance, as appropriate for each of the periods presented.

Twelve months ended	October 31, 2019 <sup>(1)</sup>	April 30, 2020 <sup>(2)</sup>
Grossed up dividend coverage on Preferred Shares Series 30, 31, 32, 33, 34, 36, 38 and 40 and other equity instruments <sup>(3)</sup>	32.92 times	29.48 times
Interest coverage on subordinated indebtedness	37.95 times	34.35 times
Grossed up dividend and interest coverage on preferred shares, subordinated indebtedness and other equity instruments	17.88 times	16.12 times

Notes:

- (1) As adjusted to give effect to the Preferred Shares Series 30 and Series 31 Redemption and the Additional Tier 1 Capital Issuance.
- (2) As adjusted to give effect to the Additional Tier 1 Capital Issuance.
- (3) The Preferred Shares Series 30 and the Preferred Shares Series 31 were redeemed on April 27, 2020.

The Bank’s dividend requirements on all of its outstanding Preferred Shares and other equity instruments amounted to: (i) \$330 million for the 12 months ended October 31, 2019, adjusted to a before-tax equivalent using an effective income tax rate of 21.93% for the 12 months ended October 31, 2019, and (ii) \$336 million for the 12 months ended April 30, 2020, adjusted to a before-tax equivalent using an effective income tax rate of 22.02% for the 12 months ended April 30, 2020. The Bank’s interest requirements for subordinated debentures amounted to (i) \$294 million for the 12 months ended October 31, 2019, and (ii) \$297 million for the 12 months ended April 30, 2020. The Bank’s earnings before interest on subordinated indebtedness and income tax for (i) the 12 months ended October 31, 2019 were \$11,156 million after deducting non-controlling interest, which was 17.88 times the Bank’s aggregate dividend and interest requirements for that period, and (ii) the 12 months ended April 30, 2020 were \$10,201 million, which was 16.12 times the Bank’s aggregate dividend and interest requirements for that period. The foregoing figures have been calculated after giving effect to the Preferred Shares Series 30 and Series 31 Redemption and the Additional Tier 1 Capital Issuance, as appropriate for each of the periods presented.

In calculating the dividend and interest coverages, foreign currency amounts have been converted to Canadian dollars using a October 31, 2019 and April 30, 2020 average rate of exchange for each of the October 31, 2019 and April 30, 2020 calculations, respectively.

All amounts presented under this heading, “Earnings Coverage” are derived from financial information which is unaudited and prepared in accordance with International Financial Reporting Standards (IFRS).

### **Plan of Distribution**

The Bank may sell Securities to or through underwriters or dealers purchasing as principal, and also may sell Securities to one or more purchasers directly or through agents. Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers.

A Prospectus Supplement will set forth the terms of any offering of Securities, including the name or names of any Investment Dealers, the initial public offering price, the proceeds to the Bank, any underwriting discount or commission to be paid to any Investment Dealers and any discounts, concessions or commissions allowed or re-allowed or paid by any Investment Dealers to other investment dealers.

The Securities may be sold directly by the Bank at such prices and upon such terms as agreed to by the Bank and the purchaser or through agents designated by the Bank from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by the Bank to such agent will be set forth, in the applicable Prospectus Supplement. Unless otherwise indicated in the applicable Prospectus Supplement, any agent is acting on a best efforts basis for the period of its appointment.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased.

Any public offering price and any discounts or concessions allowed or re-allowed or paid to Investment Dealers may be changed from time to time. The Bank may agree to pay the Investment Dealers a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of the general corporate funds of the Bank. Investment Dealers who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Bank to indemnification by the Bank against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such Investment Dealers may be required to make in respect thereof.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the Investment Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

This Prospectus and related Prospectus Supplement may be used by direct or indirect wholly-owned subsidiaries of the Bank in connection with offers and sales related to secondary market transactions in the Securities in the United States. Those subsidiaries may act as principal or agent in those transactions. Secondary market sales will be made at prices related to prevailing market prices at the time of sale.

### **Trading Price and Volume of Bank’s Securities**

Trading prices and volume of the Bank’s Securities will be provided for all of the Bank’s issued and outstanding Common Shares and Preferred Shares in each Prospectus Supplement to this Prospectus.



### **Prior Sales**

Prior sales will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

### **Other Material Facts**

On June 22, 2016, legislation came into force amending the Bank Act, the Canada Deposit Insurance Corporation Act (“CDIC Act”) and certain other federal statutes pertaining to banks to create a bail-in regime for Canada’s domestic systemically important banks, which include the Bank. On April 18, 2018, the Government of Canada published the final regulations under the CDIC Act and the Bank Act providing the final details of the conversion, issuance and compensation regimes for bail-in instruments issued by domestic systemically important banks, including the Bank (collectively, the “Bail-In Regulations”). Pursuant to the CDIC Act, in circumstances where the Superintendent of Financial Institutions has determined that the Bank has ceased, or is about to cease, to be viable, the Governor in Council may, upon a recommendation of the Minister of Finance that he or she is of the opinion that it is in the public interest to do so, grant an order directing CDIC to convert all or a portion of certain shares and liabilities of the Bank into common shares of the Bank (a “Bail-In Conversion”).

The Bail-In Regulations prescribe the types of shares and liabilities (“Eligible Shares and Liabilities”) that will be subject to a Bail-In Conversion. In general, any senior debt with an initial or amended term to maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and has been assigned a CUSIP or ISIN or similar identification number would be prescribed liabilities subject to a Bail-In Conversion. Shares, other than Common Shares, and subordinated debt would also be prescribed liabilities subject to a Bail-In Conversion, unless they are non-viability contingent capital. Holders of Common Shares, and holders of Debt Securities or Preferred Shares who receive Common Shares following the occurrence of a trigger event under the Non-Viability Contingent Capital Provisions, may sustain substantial dilution following a Bail-In Conversion of the Eligible Shares and Liabilities.

Notwithstanding the above, any shares and liabilities issued before the date the Bail-In Regulations came into force would not be subject to a Bail-In Conversion, unless, in the case of a liability, the terms of such liability are, on or after that day, amended to increase its principal amount or to extend its term to maturity and the liability, as amended, meets the requirements to be subject to a Bail-In Conversion. The Bail-In Regulations came into force on September 23, 2018 and the related compensation regime came into force on March 26, 2018.

In the event that any Securities issued under this Prospectus are subject to the Bail-In Regulations and Bail-In Conversion, the applicable Prospectus Supplement will provide further details.

For a description of Canadian bank resolution powers and the consequent risk factors, reference is made to the disclosure set out under the heading “Description of the Bank’s Business” – Bank Recapitalization (Bail-In) Regime” contained in the Annual Information Form, which disclosure is incorporated by reference herein.

### **Risk Factors**

Investment in the Securities is subject to various risks including those risks inherent in conducting the business of a diversified financial institution. Before deciding whether to invest in any Securities, investors should consider carefully the risks set out herein and incorporated by reference in this Prospectus (including filed and subsequently filed documents incorporated by reference) and, if applicable, those described in a Prospectus Supplement relating to a specific offering of Securities. Prospective investors should consider the categories of risks identified and discussed in the Annual Information Form and the 2019 Annual MD&A, as updated by quarterly reports, which are incorporated herein by reference, including credit risk, market risk, liquidity risk, operational risk, information technology & cybersecurity risk, data risk, compliance risk, money laundering & terrorist financing and sanctions risks, reputational risk, environmental risk, strategic risk and other risks.

### **Use of Proceeds**

Unless otherwise specified in a Prospectus Supplement, the net proceeds to the Bank from the sale of the Securities will be added to the general funds of the Bank and utilized for general banking purposes.

### **Interests of Experts**

KPMG LLP, Chartered Professional Accountants, Toronto, Ontario, is the external auditor who prepared the Independent Auditors' Report with respect to the consolidated statements of financial position of the Bank as at October 31, 2019 and 2018 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended October 31, 2019. KPMG LLP has confirmed with respect to the Bank that it is independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

### **Purchasers' Statutory Rights**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

Original Canadian purchasers of Debt Securities or Preferred Shares that are convertible or exchangeable into other securities of the Bank will have a contractual right of rescission against the Bank in respect of the conversion, exchange or exercise of such convertible, exchangeable or exercisable securities. The contractual right of rescission will entitle such original purchasers to receive from the Bank, upon surrender of the underlying securities acquired upon the conversion, exchange or exercise of such Debt Securities or Preferred Shares, the amount paid for the Debt Securities or Preferred Shares (and any additional amount paid upon conversion, exchange or exercise), in the event that this Prospectus, the applicable Prospectus Supplement or any amendment contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the Debt Securities or Preferred Shares that are convertible, exercisable or exchangeable under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the Debt Securities or Preferred Shares that are convertible, exercisable or exchangeable under this Prospectus and the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law. Original Canadian purchasers are further advised that in certain provinces and territories the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible or exchangeable security that was purchased under a prospectus and, therefore, a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the province or territory in which the purchaser resides for the particulars of these rights, or consult with a legal adviser.

## Certificate of the Bank

Dated: July 21, 2020

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces and territories of Canada.

(signed) Brian J. Porter  
President and Chief Executive Officer

(signed) Rajagopal Viswanathan  
Group Head and Chief Financial Officer

On behalf of the Board of Directors

(signed) Aaron W. Regent  
Director

(signed) Una M. Power  
Director