

THE BANK OF NOVA SCOTIA
FIXED COUPON PLUS RANGE BONUS DEPOSIT NOTES F CLASS (USD)
Due January 28, 2027

January 17, 2025

Final Terms and Conditions**Issue**

The Bank of Nova Scotia Fixed Coupon Plus Range Bonus Deposit Notes F Class (USD), pays a quarterly 2.00% fixed coupon per annum, and a variable coupon per annum that varies depending on if the Reference Rate determined in respect of the applicable Determination Date is greater than or equal to 3.50% and less than or equal to 4.50%, for a term of 2 years (the “Notes”).

Issuer

The Bank of Nova Scotia (the “Issuer”).

Trade Date

January 14, 2025.

Issue Date

January 28, 2025.

Repayment of Principal Amount

100.00% of the Principal Amount will be repaid on the Maturity Date.

Coupon Payments and Coupon Payment Dates

The coupon payment per Note will be calculated by the Calculation Agent in accordance with the following formula:

$$\text{Principal Amount} \times (\text{Fixed Coupon Rate} + \text{Variable Coupon Rate}) \times \text{Day Count Fraction}$$

(the “Coupon Payment”) and will be payable quarterly in arrears on the 28th day of January, April, July, and October (each a “Scheduled Coupon Payment Date”), commencing on April 28, 2025 and ending on (and including) the Maturity Date. The Notes will accrue interest based on the Day Count Fraction. If a Scheduled Coupon Payment Date is not a Business Day, the Coupon Payment for such Scheduled Coupon Payment Date shall be paid on the first Business Day which follows such Scheduled Business Day without adjustment to the Coupon Payment.

See “Hypothetical Examples” below for sample calculations showing how the Coupon Payment will be determined and calculated based on certain hypothetical values and assumptions.

Fixed Coupon Rate

The fixed coupon rate is equal to **2.00% per annum** (the “Fixed Coupon Rate”).

Variable Coupon Rate

If the Reference Rate applicable to the Determination Date that falls within the relevant Coupon Period is (i) within the Reference Range, **4.00%** per annum, and (ii) outside of the Reference Range, 0.00% per annum (as determined under (i) or (ii), the “Variable Coupon Rate”).

Reference Range

Greater than or equal to 3.50% and less than or equal to 4.50% (the “Reference Range”).

CONTACT INFORMATION

www.scotianotes.com

Sales and Marketing:

1-866-416-7891

The Notes are not conventional notes or debt securities. For the various risks associated with such an investment please see the “Risk Factors” section herein.

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Initially the Reference Rate shall be SOFR. If SOFR cannot be determined for the applicable Determination Date because the Benchmark Administrator or an authorized distributor fails to publish SOFR in respect of such Determination Date but the Calculation Agent has determined that a Fallback Effective Date has not occurred with respect to SOFR on or before such Determination Date, then the Reference Rate for such Determination Date shall be determined by the Calculation Agent in accordance with the Calculation Agent Standard.

If SOFR cannot be determined or cannot be used for the applicable Determination Date because the Calculation Agent has determined that a Fallback Effective Date has occurred with respect to SOFR on or before such Determination Date, the Reference Rate shall be deemed to mean a rate determined in accordance with the Fed Recommended Rate for the relevant Determination Date. If there is a Fed Recommended Rate on or before the Fallback Effective Date but neither the administrator nor authorized distributors of that rate provide or publish the Fed Recommended Rate in respect of a Determination Date, then, the Fed Recommended Rate for such Determination Date will be deemed to be the last provided or published Fed Recommended Rate; provided, however, that if there is no last provided or published Fed Recommended Rate, then the Fed Recommended Rate for such Determination Date shall be determined by the Calculation Agent in accordance with the Calculation Agent Standard.

If the Fed Recommended Rate cannot be determined for the applicable Determination Date because the Benchmark Administrator or an authorized distributor fails to publish the Fed Recommended Rate in respect of such Determination Date but the Calculation Agent has determined that a Fallback Effective Date has not occurred with respect to the Fed Recommended Rate on or before such Determination Date, then the Reference Rate for such Determination Date shall be determined by the Calculation Agent in accordance with the Calculation Agent Standard. If there is no Fed Recommended Rate for any Determination Date because the Calculation Agent has determined that a Fallback Effective Date has occurred with respect to the Fed Recommended Rate, the Reference Rate for the relevant Determination Date shall be deemed to mean OBFR. If there is a OBFR rate on or before the Fallback Effective Date but neither the administrator nor authorized distributors of that rate provide or publish the OBFR rate in respect of a Determination Date, then, the OBFR rate for such Determination Date will be deemed to be the last provided or published OBFR rate; provided, however, that if there is no last provided or published OBFR rate, then the OBFR rate for such Determination Date shall be determined by the Calculation Agent in accordance with the Calculation Agent Standard.

If the OBFR Rate cannot be determined for the applicable Determination Date because the Benchmark Administrator or an authorized distributor fails to publish the OBFR Rate in respect of such Determination Date but the Calculation Agent has determined that a Fallback Effective Date has not occurred with respect to the OBFR Rate on or before such Determination Date, then the Reference Rate for such Determination Date shall be determined by the Calculation Agent in accordance with the Calculation Agent Standard. If there is no OBFR rate for any Determination Date because the Calculation Agent has determined that a Fallback Effective Date has occurred with respect to OBFR, the Reference Rate for the relevant Determination Date shall be deemed to mean the FOMC Target Rate. If there is an FOMC Target Rate on or before the Fallback Effective Date but neither the administrator nor authorized distributors of that rate provide or publish the FOMC Target Rate in respect of a Determination Date, then, the FOMC Target Rate for such Determination Date will be deemed to be the last provided or published FOMC Target Rate; provided, however, that if there is no last provided or published FOMC Target Rate, then the FOMC Target Rate for such Determination Date shall be determined by the Calculation Agent in accordance with the Calculation Agent Standard.

For purposes hereof,

“Administrator/Benchmark Event” means the delivery of a notice by the Issuer or the Calculation Agent as per the Notices provision set out below specifying, and citing Publicly Available Information that reasonably confirms, an event or circumstance which has the effect

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that the Issuer or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use the applicable Relevant Rate to perform its or their obligations under the Notes.

“Benchmark Administrator” means, in respect of the Relevant Rate, the administrator for that rate, or if there is no administrator, the provider of such rate and, in either case, any successor administrator or, as applicable, any successor administrator or provider.

“Fallback Effective Date” means, in respect of a Relevant Rate, the date on which an Index Cessation Event or Administrator/Benchmark Event occurs in regard to such Relevant Rate.

“Fed Recommended Rate” means the rate recommended as the replacement for SOFR by the Board of Governors of the U.S. Federal Reserve System or the Federal Reserve Bank of New York, or by a committee officially endorsed or convened by the Board of Governors of the U.S. Federal Reserve System or the Federal Reserve Bank of New York for the purpose of recommending a replacement for SOFR (which rate may be produced by the Federal Reserve Bank of New York or other administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof, published by an authorized distributor, in respect of the relevant Determination Date.

“Fixing Date” means, in respect of a Determination Date, the day which is one US Government Securities Business Day following such Determination Date.

“Fixing Time” means 8:00 a.m. (New York City time).

“FOMC Target Rate” means the short-term interest rate target set by the Federal Open Market Committee or, if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest one hundred-thousandth of a percentage point).

“Index Cessation Event” means in respect of SOFR, the Fed Recommended Rate or OBFR (as applicable, the “Relevant Rate”):

- (a) a public statement or publication of information by or on behalf of the Benchmark Administrator announcing that it has ceased or will cease to provide the applicable Relevant Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the applicable Relevant Rate;
- (b) a public statement or publication of information by the regulatory supervisor for the Benchmark Administrator, the Board of Governors of the U.S. Federal Reserve System, an insolvency official with jurisdiction over the Benchmark Administrator, a resolution authority with jurisdiction over the Benchmark Administrator or a court or an entity with similar insolvency or resolution authority over the Benchmark Administrator, which states that the Benchmark Administrator has ceased or will cease to provide the applicable Relevant Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the applicable Relevant Rate; or
- (c) a public statement or publication of information by the regulatory supervisor for the Benchmark Administrator announcing that (I) the regulatory supervisor has determined that the applicable Relevant Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that the applicable Relevant Rate is intended to measure and that representativeness will not be restored and (II) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts.

“OBFR” means the overnight banking funding rate administered by the Federal Reserve Bank of New York (or a successor administrator).

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“Publicly Available Information” means, in respect of an Administrator/Benchmark Event, one or both of the following:

- (a) information received from or published by (I) the Benchmark Administrator or sponsor of the applicable Relevant Rate or (II) any national, regional or other supervisory or regulatory authority which is responsible for supervising the Benchmark Administrator or sponsor of the applicable Relevant Rate or regulating the applicable Relevant Rate. However, where any information of the type described in (I) or (II) is not publicly available, it shall only constitute Publicly Available Information if it can be made public without violating any law, regulation, agreement, understanding or other restriction regarding the confidentiality of that information; or
- (b) information published in Bloomberg, Refinitiv, Dow Jones Newswires, The Wall Street Journal, The New York Time, The Nikkei, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and, in each case, any successor publications, the main source(s) of business news in the country in which the Benchmark Administrator or the sponsor of SOFR is incorporated or organized and any other internationally recognized published or electronically displayed news sources.

“SOFR” means the daily secured overnight financing rate as published by the Benchmark Administrator as of the Fixing Time on the Fixing Date applicable to the relevant Determination Date.

“US Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association (or a successor) recommends that the fixed income departments of its members be closed for the entire day for the purpose of trading in U.S. government securities.

Determination Date

In respect of a Coupon Period, the first day of such Coupon Period (each a “Determination Date”).

Coupon Period

Each period commencing on, and including, a Scheduled Coupon Payment Date to, but excluding, the next Scheduled Coupon Payment Date; provided, however, that the initial Coupon Period shall commence on, and include, the Issue Date and the final Coupon Period shall end on, but exclude, the Maturity Date (each a “Coupon Period”).

Maturity Date and Early Unwind Costs

January 28, 2027 (the “Maturity Date”); provided, however, that if the then applicable Reference Rate cannot be determined or cannot be used for a Determination Date because the Calculation Agent has determined that a Fallback Effective Date has occurred with respect to such Reference Rate on or before such Determination Date, the Issuer may, by notice to holders of the Notes, elect that the Scheduled Coupon Payment Date applicable to the Coupon Period to which such Determination Date pertains shall be the Maturity Date in which case such Scheduled Coupon Payment Date shall be the Maturity Date for all purposes of the Notes (such election, an “Early Redemption Election”). The Reference Rate applicable to the final Coupon Period resulting from such election to terminate shall be determined in accordance with the Reference Rate provision above. If the Maturity Date is not a Business Day, the Principal Amount shall be paid on the first Business Day following the Maturity Date with no obligation to adjust the Principal Amount or to pay any amount in respect of interest for the period commencing on the Maturity Date to the date on which the Principal Amount is actually paid. If an Early Redemption Election is made by the Issuer, the amount payable by the Issuer to holders on the Maturity Date may be reduced by Unwind Costs. “Unwind Costs” means an amount determined by the Calculation Agent equal to the aggregate sum of (without duplication) all costs (including loss of funding), fees, charges, expenses, tax and duties incurred by the Issuer and/or any of its affiliates in connection with the early redemption of the Notes and the related termination, liquidation, transfer, settlement or re-establishment (whether in whole or in part) of any Hedging Arrangements. “Hedging Arrangements” means any underlying or related transaction(s), swap(s), asset(s), option(s), financing or other arrangement(s) or trading position(s) the Issuer and/or any of its affiliates or agents may enter into or hold from time to time (including, if applicable, on a portfolio basis) to hedge directly or indirectly and whether in whole or in part the credit or other price risk or funding of the Issuer issuing and performing its obligations with respect to the Notes.

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90/360 unadjusted.

Business Day

A day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealing in foreign exchange and foreign currency deposits) in Toronto, Ontario, Canada.

Principal Amount

\$100.00 per Note (the "Principal Amount").

Issue Price

\$100.00 per Note.

Issue Size

The Issuer may issue up to a maximum of \$30,000,000 (300,000 Notes) (the "Issue Size"). The Issuer reserves the right to change the maximum Issue Size in its sole and absolute discretion.

ISIN / CUSIP

CA06418YKP20 / 06418YKP2.

Status

The Notes will be direct senior unsecured and unsubordinated liabilities of the Issuer ranking *pari passu* with all other senior unsecured and unsubordinated debt of the Issuer.

Senior Debt Ratings

The following are the Issuer's ratings for senior debt issued on or after September 23, 2018, which is excluded from the Canadian bank recapitalization "bail-in" regime:

Morningstar DBRS: AA; Moody's: Aa2; S&P: A+.

There is no assurance that if the Notes were specifically rated that they would have the same rating as the Issuer's senior unsecured and unsubordinated obligations with a term to maturity of one year or more. **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.**

No CDIC Eligibility

The Notes do not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (the "CDIC Act") or under any other deposit insurance regime.

Selling Agent

Scotia Capital Inc. ("SCI").

Selling Agent's Commission

There is no selling commission payable in respect of the Notes.

Secondary Market

The Notes will not be listed on any stock exchange. SCI, as a market maker, agrees to repurchase the Notes in whole at the holder's request, at the market price determined by SCI in its sole discretion acting reasonably, and subject to the occurrence of any event, circumstance or cause beyond the reasonable control of SCI that has or may have an adverse effect on its ability to maintain a secondary market, as determined in its sole discretion. A holder who sells a Note to SCI prior to the Maturity Date may receive sales proceeds that are less than the Principal Amount of the Notes.

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SCI acting as principal, may earn a profit in connection with the acquisition and disposition of the Notes. SCI may, for any reason, elect not to purchase the Notes from any particular holder and may, in its sole and absolute discretion, limit the aggregate Principal Amount of the Notes that will be acquired on any given day from any particular holder and/or defer the purchase of any or all of the Notes from any particular holder. A holder does not have the right to retract or redeem the Notes prior to the Maturity Date. The sale of a Note to SCI in the secondary market, if any such secondary market exists at such time, prior to the Maturity Date will be effected at a price equal to: (i) the bid price provided by SCI on the day the request is deemed to have been made, which may be less than the Principal Amount, minus (ii) any transaction charges that may or may not be levied by the relevant selling agent.

There is no guarantee that the bid price for any day will be the highest possible price available in any secondary market for the Notes, but it will represent a bid price generally available to holders as at the relevant close of business. The bid price at any time will generally depend on, among other things, the Principal Amount that is payable on the Maturity Date, the time remaining to maturity, the credit of the Issuer, prevailing interest rates, and the cost of hedging the Issuer's obligations under the Notes. A holder should consult their investment advisor as to whether it would be more favourable in the circumstances at any time to sell the Notes (assuming the availability of a secondary market) or hold the Notes until the Maturity Date. A holder should also consult their advisor as to the income tax consequences arising from a sale prior to the Maturity Date as compared to holding the Notes until the Maturity Date.

Calculation Agent

SCI. Whenever the Calculation Agent is required to act or make a determination it shall do so in good faith and using commercially reasonable procedures to produce a commercially reasonable result (the "Calculation Agent Standard"). All determinations made by the Calculation Agent will be made without liability on the part of the Calculation Agent and shall be final and binding on holders absent manifest error. The Calculation Agent does not act as a fiduciary for, or as an advisor to, the issuer or the holder in discharging its duties as Calculation Agent. The issuer may change the Calculation Agent at any time without notice and the Calculation Agent may resign as Calculation Agent at any time upon 60 days' written notice to the issuer.

Governing Law

The Province of Ontario and the federal laws of Canada applicable therein.

Amendments

The Issuer may amend the Notes to correct, cure or rectify any ambiguities, defective or inconsistent provisions, errors or omissions, and the correction, cure or rectification of any of the provisions shall be final and binding on the registered holder(s) and any recorded transferee, without the approval of the registered holder(s).

Currency

References herein to \$ are to United States dollars.

Notices

The Issuer will provide notice of certain events relating to the Notes as required by applicable regulations or the terms of the Notes. Notices will be validly given if given through CDS to CDS participants and/or by posting the notice on the Issuer's website at www.scotianotes.com.

Tax Considerations

Purchasers should consult their own tax advisors regarding the tax consequences of an investment in the Notes.

Registered Account Eligible

100% qualified for RRSPs, RRIFs, RESPs, RDSPs, TFSAs, DPSPs and FHSAs.

Selling Restrictions

This document does not constitute an offer or invitation by anyone in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or invitation. The distribution of this document and the offering or sale of the

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Notes in some jurisdictions may be restricted by law. In addition, distribution of the Notes in jurisdictions other than Canada may also be restricted. Persons into whose possession this document comes are required by the Issuer and SCI to inform themselves about and to observe any such restrictions. This document constitutes an offering of the Notes only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale and where not restricted by policies of the Issuer and SCI, and then only through persons duly qualified to effect such sales. **The Notes have not been, and will not be, registered under the Securities Act of 1933, as amended (U.S.) or the state securities laws of any state of the United States of America or the securities laws of any other jurisdiction and may not be offered, sold, pledged or otherwise transferred within the United States of America or to, or for the account or the benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, as amended (U.S.).** SCI agrees that neither it, nor its affiliates(s), nor any persons acting on its behalf have engaged or will engage in any directed selling efforts (within the meaning of Regulation S of the 1933 Act) in the United States with respect to the Notes.

Book Entry Only System

The Notes will be book entry only through participants in CDS Clearing and Depository Services Inc. ("CDS"). The Notes will be issued by way of a single global certificate (the "Global Note") registered in the name of a nominee of CDS and deposited with CDS. Registration of interests in and transfers of the Notes will be made only through the Book Entry Only (BEO) system of CDS. The Notes must be purchased either directly or indirectly through a participant in the CDS BEO system. No holder will be entitled to any Note or other instrument from the Issuer or CDS evidencing the ownership thereof, and no holder will be shown on the records maintained by CDS except through an agent who is a participant of CDS.

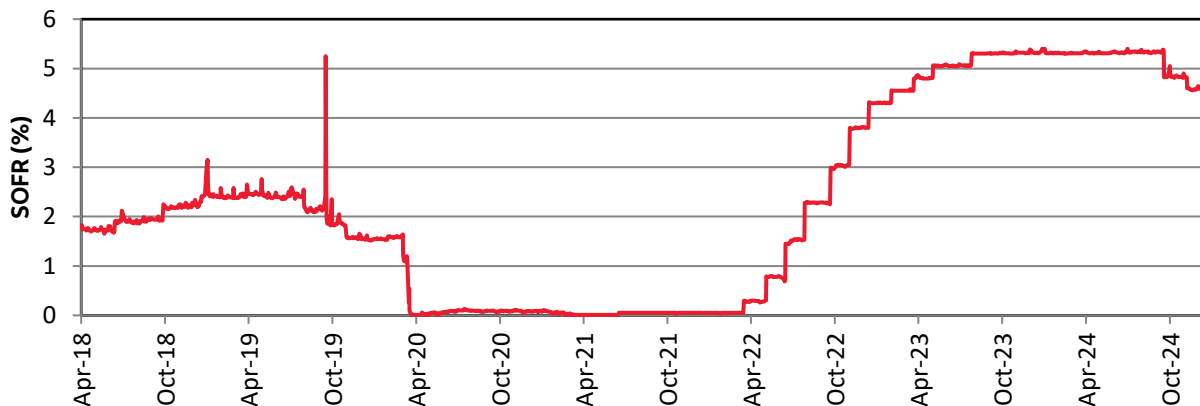
No Cancellation Rights

A person cannot cancel, revoke or withdraw an order to purchase a Note. Orders to purchase Notes are final.

Historical Performance of SOFR

Publication of SOFR began on April 2, 2018. Accordingly, SOFR has limited historical performance and an investment with a return based on its performance may be more risky than a comparable investment with a return based on the performance of an interest rate with a more established record of performance. The future performance of SOFR cannot be predicted based on its historical performance and may bear little or no relation to its historical performance.

The graph below sets forth the historical performance of the SOFR from April 2, 2018 to January 14, 2025 inclusive. SOFR at the start of the period was 1.80% and SOFR at the end of the period was 4.28%. The lowest SOFR was 0.01% on March 24, 2020 and the highest SOFR was 5.40% on December 28, 2023. Past performance of SOFR is not indicative of future performance of SOFR. Neither the Issuer nor SCI assumes any responsibility for the accuracy or completeness of such information.

Secured Overnight Financing Rate (SOFR)

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Risks and Suitability

Potential investors in the Notes are urged to consult their own legal, accounting and tax advisors in order to determine the suitability of this investment and to consult on any risks or consequences of an investment in the Notes as well as to make an independent evaluation of such investment. Before reaching a decision to purchase the Notes, the investor should carefully consider the risks of investing in the Notes, including the following.

Suitability

An investment in the Notes may not be suitable for all investors. An investor should reach a decision to purchase the Notes after carefully considering the suitability of the Notes and their investment objectives. Neither the Issuer nor SCI makes any recommendation as to the suitability of the Notes for an investor's investment purposes. The Notes may be suitable for investors who: (i) have an investment horizon consistent with the term, (ii) seek the return of the Principal Amount combined with the return potential of the Coupon Payments, (iii) expect the Reference Rate to be within the Reference Range, (iv) seek to diversify the fixed income component of their investment portfolios, and (v) are prepared to accept the risks set out in this section, "Risks and Suitability". Investors should consult with their investment advisors before making a decision regarding an investment in Notes.

Non-Standard Investments

The Notes have certain investment characteristics that differ from traditional fixed income instruments. Specifically, the performance of the Notes will not track the same price movements as traditional interest rate products. An investor should reach a decision to invest in the Notes after careful consideration with their advisors on the suitability of the Notes in light of their specific investment objectives and the information set out in the above terms and conditions. Neither the Issuer nor SCI makes any recommendation as to whether the Notes are a suitable investment for any person.

Payment of the Variable Coupon Rate is Uncertain and may be Zero

Whether the Variable Coupon Rate is payable on a Scheduled Coupon Payment Date is dependent upon SOFR. SOFR has in the past experienced significant movements and it is impossible to predict future levels of SOFR. It is possible that no Variable Coupon Rate will be payable on the Notes on a Scheduled Coupon Payment Date. If the Reference Rate sets outside of the applicable Reference Range in respect of a Determination Date, the Variable Coupon Rate will be zero and no Variable Coupon Rate will be payable on the applicable Scheduled Coupon Payment Date.

Determination Date for the Variable Coupon Rate

For the purposes of calculating the Coupon Payment for a Coupon Period, the Reference Rate is determined in respect of the first day of the applicable Coupon Period irrespective of whether the Reference Rate may change during that Coupon Period. Changes or uncertainty in respect of the Reference Rate including where the Reference Rate may not be available, may affect whether a Variable Coupon Rate is paid on the applicable Coupon Payment Date.

SOFR has Limited History

The publication of SOFR began in April 2018, and, therefore, it has a limited actual performance history. However, the Benchmark Administrator has published indicative historical data dating back to 2014. The future performance of SOFR cannot be predicted based on either the limited actual or indicative historical performance of SOFR. Future levels of SOFR may bear little or no relation to the historical actual or historical indicative SOFR data. Prior observed patterns, if any, in the behaviour of market variables and their relation to SOFR, such as correlations, may change in the future. While some historical indicative data have been released by the Benchmark Administrator, as noted above, such analysis inherently involves assumptions, estimates and approximations. The future performance of SOFR is impossible to predict and therefore no future performance of SOFR may be inferred from any of the historical actual or historical indicative data. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR.

SOFR may be Volatile

Since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in other benchmark or market rates, such as three-month USD LIBOR, during corresponding periods, and SOFR may bear little or no relation to the historical actual or historical indicative data. The return on value of and market for the Notes may fluctuate more than securities that

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are linked to less volatile rates. The volatility of SOFR has reflected the underlying volatility of the overnight U.S. Treasury repo market. The Benchmark Administrator has at times conducted operations in the overnight U.S. Treasury repo market in order to help maintain the federal funds rate within a target range. There can be no assurance that the Benchmark Administrator will continue to conduct such operations in the future, and the duration and extent of any such operations is inherently uncertain. The effect of any such operations, or of the cessation of such operations to the extent they are commenced, is uncertain, could be materially adverse to investors in the Notes and could adversely affect the price at which investors can sell the Notes.

SOFR may not Gain Market Acceptance

According to the Alternative Reference Rates Committee, SOFR was developed for use in certain U.S. dollar derivatives and other financial contracts as an alternative to USD LIBOR in part because it is considered a good representation of general funding conditions in the overnight U.S. Treasury repurchase market. However, as a rate based on transactions secured by U.S. Treasury securities, SOFR does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants would not consider SOFR a suitable replacement or successor for all of the purposes for which USD LIBOR historically has been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen market acceptance of SOFR. Any failure of SOFR to gain market acceptance could adversely affect the return on and value of the Notes and the price at which investors can sell such Notes in the secondary market.

Secondary Market for the Note may be Limited

If SOFR does not prove to be widely used as a benchmark in securities that are similar or comparable to the Notes, the trading price of the Notes may be lower than those of securities that are linked to rates that are more widely used. Similarly, market terms for securities that are linked to SOFR, including, but not limited to, the spread over the reference rate reflected in the interest rate provisions, may evolve over time and, as a result, trading prices of the Notes may be lower than those of later-issued securities that are based on SOFR. Investors may not be able to sell the Notes at all or may not be able to sell the Notes at prices that will provide them with a return comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. In addition, there currently is no uniform market convention with respect to the implementation of SOFR as a base rate for securities. The manner of calculation and related conventions with respect to the determination of interest rates based on SOFR in markets may differ materially compared with the manner of calculation and related conventions with respect to the determination of interest rates based on SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any potential inconsistencies between the manner of calculation and related conventions with respect to the determination of interest rates based on SOFR across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposition of the Notes.

There is no assurance that Scotia Capital Inc. will maintain a secondary market for the Notes and if not, a secondary market may not be available. If a holder sells the Notes prior to maturity, the holder may have to do so at a discount from the Principal Amount and as a result, the holder may suffer losses.

Benchmark Replacement Event

The determination by the Calculation Agent that a Fallback Effective Date has occurred in respect of then applicable Reference Rate may result in the early redemption or termination of the Notes or the replacement of such Reference Rate with a different Reference Rate. A Fallback Effective Date will occur if an Index Cessation Event or an Administrator/Benchmark Event occurs in respect of the then applicable Reference Rate. If the Issuer elects to effect an early redemption of the Notes, the amount payable by the Issuer on the accelerated maturity date may be reduced by Unwind Costs incurred by the Issuer or its affiliates.

The Benchmark Administrator may make methodological or other changes that could change the value of the Reference Rate, including changes related to the method by which the Reference Rate is calculated, eligibility criteria applicable to the transactions used to calculate the Reference Rate, or timing related to the publication of the Reference Rate. If the manner in which Reference Rate is calculated is changed, that change may result in a reduction of the amount of interest payable on the Notes, which may adversely affect the trading prices of the Notes. The Benchmark Administrator may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of the Reference Rate in its sole discretion and without notice and has no obligation to consider the interests of holders of

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the Notes in calculating, withdrawing, modifying, amending, suspending or discontinuing the Reference Rate. For purposes of calculating interest in respect of the Notes, the Reference Rate in respect of a particular Determination Date will not be adjusted for any modifications or amendments to Reference Rate data that the Benchmark Administrator may publish after the Reference Rate has been determined for such Determination Date. If the Calculation Agent determines that a Fallback Effective Date has occurred, then a replacement rate for the Reference Rate will be determined by the Calculation Agent in accordance with the provisions of these Notes. Such replacement rate could result in adverse consequences to the Variable Coupon Rate applicable to a Coupon Period which could adversely affect the return on, value of and market for the Notes. There is no assurance that the characteristics of such replacement rate will be similar to the relevant Reference Rate or will produce the economic equivalent of such Reference Rate.

Potential Conflicts of Interest

The Issuer, the Calculation Agent and their affiliates may engage in activities and perform functions that could adversely impact the value of the Notes or the amount or timing of receipt of payments under the Notes. Consequently, potential conflicts between the interests of holders and the Issuer's interests may arise. It is possible that hedging or trading activities of the Issuer or its affiliates in connection with the Notes could result in substantial returns for the Issuer or its affiliates while the value of the Notes declines. No independent calculation agent will be retained to make or confirm the determinations and calculations of the Calculation Agent.

Changes in Legislation

There can be no assurance that income tax, securities and other laws will not be amended or changed in a manner which may adversely affect the Notes and holders of the Notes.

No Independent Investigation

None of the Issuer, the Calculation Agent, the Selling Agent nor any of their respective affiliates or associates have performed and will not perform any due diligence investigation or review of SOFR or the suitability thereof as a basis for determining whether the Variable Coupon Rate will be paid during the term on the Notes. Information in the Terms and Conditions relating to SOFR is derived from publicly available sources. None of the Issuer, the Calculation Agent, the Selling Agent or any of their respective affiliates or associates have independently verified, nor do they make any representation regarding, the accuracy or completeness of the public information relating to SOFR. Prospective investors should undertake their own independent investigation of SOFR in order to make an informed decision as to the merits of an investment in the Notes.

Credit Risk

The Notes are not eligible for deposit insurance coverage by the Canada Deposit Insurance Corporation. The likelihood that holders will receive the payments owing to them will be dependent upon the financial health and creditworthiness of the Issuer and the actual and perceived creditworthiness of the Issuer may affect the market value of the Notes and, in the event the Issuer were to default on its obligations, holders may not receive amounts owed to them under the terms of the Notes.

Currency Risk

The Principal Amount and Coupon Payments will be denominated and payable in U.S. dollars. To the extent other assets or income of a holder of the Notes are denominated in another currency, such as the Canadian dollar, an investment in the Notes will entail foreign exchange related risks. Due to, among other factors, possible significant changes in the value of such currency relative to the U.S. dollar because of economic, political and other factors. Appreciation of the Canadian dollar against the U.S. dollar could result in a loss to a holder of Notes on a Canadian dollar basis.

Interest Rate Risk

The Fixed Coupon Rate applicable during each Coupon Period may be lower than the interest rates for similar debt securities then-prevailing in the market. Accordingly, holders of the Notes would earn less interest on the Notes than holders could earn on other investments with a similar level of risk available at such time. The value of the Notes may decline during a period of rising interest rates and the amount that holders would receive for their interest in the Notes in any secondary market transaction if a holder attempted to sell such interest would be adversely affected. Further, in order for the Variable Coupon applicable to a Coupon Period to exceed zero, the Reference Rate must fall within the narrow range of rates specified as the Reference Range on the relevant Determination Date.

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This may not occur during periods of high interest rate volatility and the failure of the Reference Rate to do so would mean holders of the Notes would earn less interest on the Notes than holders could earn on other investments with a similar level of risk available at such time and the realizable value of the Notes in any secondary market.

Canadian Investor Protection Fund

There is no assurance that an investment in the Notes will be eligible for protection under the Canadian Investor Protection Fund. A prospective investor should consult a financial advisor for advice as to whether an investment in the Notes is eligible for protection in light of such investor's particular circumstances.

Pledging the Notes

The ability of a holder to pledge the Notes or otherwise take action with respect to such holder's interest in such Notes (other than through a CDS participant) may be limited due to the lack of a certificate.

Fees and Transaction Costs

Expenses and transaction costs may reduce a holder's return on the Notes.

Hypothetical Examples

The following hypothetical examples show how Coupon Payments will be calculated and determined based on certain hypothetical values and assumptions that are set out below. **These examples are for illustrative purposes only and should not be construed as an estimate or forecast of the performance of the Reference Rate or the return that an investor might realize on the Notes.**

Example 1 – Assume that the Reference Rate is 4.55% on a Determination Date.

Since Reference Rate is outside the Reference Range on the Determination Date, no Variable Coupon Rate is payable and the holder will only be entitled to receive the Fixed Coupon Rate on the Coupon Payment Date calculated as follows:

Principal Amount x (Fixed Coupon Rate + Variable Coupon Rate) x Day Count Fraction

\$100.00 x (2.00% + 0.00%) x (90/360) = \$0.50

The holder will be paid a Coupon Payment of \$0.50 per Note on the applicable Coupon Payment Date.

Example 2 – Assume that the Reference Rate is 4.15% on a Determination Date.

Since Reference Rate is within the Reference Range on the Determination Date, the holder will be entitled to receive the Fixed Coupon Rate and Variable Coupon Rate on that Coupon Payment Date calculated as follows:

Principal Amount x (Fixed Coupon Rate + Variable Coupon Rate) x Day Count Fraction

\$100.00 x (2.00% + 4.00%) x (90/360) = \$1.50

The holder will be paid a Coupon Payment of \$1.50 per Note on the applicable Coupon Payment Date.

Important Information

A purchaser purchasing the Notes should have such knowledge and experience in financial and business matters to evaluate the merits and risks of the prospective investment. The information contained herein is issued for information purposes only to provide an overview of the Notes and does not constitute investment advice or an offer to sell or a solicitation to purchase. The Notes may not be suitable for all types of investors. This document does not purport to identify or suggest all of the risks (direct or indirect) which may be associated with an investment in the Notes. To the extent applicable, holders should contact their financial advisors and consult their tax advisors

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regarding the tax consequences of the interest payable on the Notes in their particular circumstances, including if they plan to sell the Notes prior to maturity. Before reaching a decision to purchase the Notes, the purchaser should carefully consider a variety of risk factors associated with the Notes under the “Risks and Suitability” section of this document.

Neither The Bank of Nova Scotia, Scotia Capital Inc. nor their respective affiliates make any recommendations concerning fixed income investments as an asset class or the suitability of investing in securities generally or the Notes in particular. In connection with the issue and sale of the Notes by The Bank of Nova Scotia, no person has been authorized to give any information or make any representation not contained herein relating to the Notes and neither The Bank of Nova Scotia, Scotia Capital Inc. nor their respective affiliates accept any responsibility for any information not contained herein.

A hard copy of this document will be sent to each holder upon request. Prospective investors may enquire about the terms and conditions of the Notes by contacting their investment advisor, or Scotiabank Global Banking and Markets at 1-866-416-7891. During the term of the Notes, holders may enquire as to the Principal Amount and accrued interest applicable to their investment by contacting their investment advisor or Scotiabank Global Banking and Markets at the telephone number referenced above.

Information concerning Scotiabank Global Banking and Markets’ procedures established for dealing with complaints, Scotiabank’s Whistleblower Policy and the Scotiabank Whistleblower Program have been made available at <https://www.gbm.scotiabank.com/en/legal.html>.

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