



THE BANK OF NOVA SCOTIA RANGE ACCRUAL DEPOSIT NOTES (CAD) Due September 12, 2027

September 2, 2025

Final Terms and Conditions

Issue

The Bank of Nova Scotia Range Accrual Deposit Notes (CAD), pays a quarterly variable coupon that varies depending on the number of days in the Coupon Period with respect to which the Reference Rate is greater than or equal to 2.00% and less than or equal to 3.05%, for a term of 2 years (the “Notes”).

Issuer

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

Issue Date

September 12, 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:

$$\text{Principal Amount} \times \text{Coupon Rate} \times (N \div D) \times \text{Day Count Fraction}$$

(the “Coupon Payment”) and will be payable quarterly in arrears on the 12th day of March, June, September, and December (each a “Scheduled Coupon Payment Date”), commencing on December 12, 2025 and ending on (and including) the Maturity Date.

Where:

“N” means in relation to a Coupon Period, the number of Determination Dates in the Coupon Period with respect to which the Reference Rate is within the Reference Range (“Range Compliant Days”).

“D” means the number of Determination Dates in the applicable Coupon Period.

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 Coupon Payment Date 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.

Coupon Rate

4.00% per annum (the “Coupon Rate”).

Reference Range

Greater than or equal to 2.00% and less than or equal 3.05% (the “Reference Range”).

Reference Rate

Reference Rate means, in respect of a Determination Date, the Reference Rate determined as of the Fixing Time on the Fixing Day applicable to the second Business Day preceding such Determination Date (such second preceding Business Day being the “Lookback Date”).

CONTACT INFORMATION

www.scotianotes.com

Sales and Marketing: 1-866-416-7891

Fundserv Customer Service for Advisors: 1-833-594-3143

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

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Initially the Reference Rate shall be CORRA. If CORRA cannot be determined for a Fixing Day applicable to a Lookback Date because the Benchmark Administrator or an authorized distributor fails to publish CORRA in respect of such Fixing Day but the Calculation Agent has determined that a Fallback Effective Date has not occurred with respect to CORRA on or before such Lookback Date, then the Reference Rate for such Fixing Day shall be the last provided or published CORRA.

If CORRA cannot be determined or cannot be used for the Fixing Day applicable to a Lookback Date because the Calculation Agent has determined that a Fallback Effective Date has occurred with respect to CORRA on or before such Lookback Date, the Reference Rate for a Fixing Day occurring on or after such Fallback Effective Date shall be deemed to mean the CAD Recommended Rate.

If there is a CAD Recommended Rate on or before the end of the first Business Day following the Fallback Effective Date with respect to CORRA but neither the administrator nor authorized distributors of that rate provide or publish the CAD Recommended Rate in respect of a Fixing Day, then, subject to the following paragraph, in respect of any date for which the CAD Recommended Rate is required, references to CAD Recommended Rate will be deemed to be references to the last provided or published CAD Recommended Rate; provided, however, that if there is no last provided or published CAD Recommended Rate, then in respect of any date for which the CAD Recommended Rate is required, references to the CAD Recommended Rate will be deemed to be references to the last provided or published CORRA.

If (a) there is no CAD Recommended Rate before the end of the first Business Day following the Fallback Effective Date applicable to CORRA, or (b) there is a CAD Recommended Rate and a Fallback Effective Date subsequently occurs with respect to the CAD Recommended Rate, then, the rate for a Fixing Day occurring on or after the Fallback Effective Date applicable to CORRA or the Fallback Effective Date applicable to the CAD Recommended Rate will be the BOC Target Rate.

In respect of any day for which the BOC Target Rate is required, references to the BOC Target Rate will be deemed to be references to the last provided or published BOC Target Rate as at the close of business in Toronto on that day.

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 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.

“BOC Target Rate” means, in respect of any relevant day, the Bank of Canada’s Target for the Overnight Rate as set by the Bank of Canada, in respect of that day.

“CAD Recommended Rate” means, in respect of any relevant day, the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor in respect of that day.

“CORRA” means the Canadian Overnight Repo Rate Average as published by the Benchmark Administrator as of the Fixing Time on the Fixing Day applicable to the relevant Determination Date.

“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.



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“Fixing Day” means, in respect of a Lookback Date and where the Reference Rate is to be determined by reference to (1) CORRA, the day which is one Business Day following such Lookback Date, and (2) the CAD Recommended Rate or the BOC Target Rate, as applicable, the publication day specified, or determined for such Lookback Date pursuant to a methodology specified by the Benchmark Administrator in its benchmark methodology or, if different, the day on which the CAD Recommended Rate or BOC Target Rate (as applicable) would ordinarily be observed for such Lookback Date.

“Fixing Time” means 8:00 a.m. (Toronto time).

“Index Cessation Event” means in respect of CORRA or the CAD Recommended Rate (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 Bank of Canada, 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.

“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 Times, 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 CORRA is incorporated or organized and any other internationally recognized published or electronically displayed news sources.

Determination Date

In respect of a Coupon Period, each calendar day in the applicable Coupon Period (each a “Determination Date”). If a Determination Date in the Coupon Period is not a Business Day (each such Determination Date which is not a Business Day being a “Non-Business Day Determination Date”), then, for purposes of determining if such Non-Business Day Determination Date is a Range Compliant Day, the Reference Rate determined with respect to the last Determination Date preceding such Non-Business Day Determination Date which is a Business Day shall be deemed to be the Reference Rate applicable to such Non-Business Day 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”).



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Available Until Date for Purchase

September 9, 2025.

Maturity Date and Early Unwind Costs

September 12, 2027 (the "Maturity Date"); provided, however, that if the then applicable Reference Rate cannot be determined or cannot be used in respect of 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 the Fixing Day applicable to the Lookback Date that applies to 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 in which such Determination Date falls 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.

Day Count Fraction

90/360 unadjusted.

Business Day

A day (other than a Saturday or Sunday) on which commercial banks are open for general business 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 without notice.

Minimum Investment

\$1,000.00 and integral multiples thereof.

Fundserv Code

SSPR0044.

ISIN / CUSIP

CA06419FCR79 / 06419FCR7.

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.



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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* or under any other deposit insurance regime.

Selling Agent

Scotia Capital Inc. ("SCI").

Selling Agent's Commission

The Issuer will pay a selling commission equal to 0.40% of the Principal Amount to a holder's investment advisor in respect of the Notes.

Early Trading Charge

The Notes are designed for investors who are prepared to hold the Notes to maturity. Any sale of Notes in a secondary market prior to the Maturity Date will be subject to an early trading charge, deductible from the sale proceeds of the Notes and determined as follows:

If Sold Within	Early Trading Charge (% of Principal Amount)
0-90 days of Issue Date	0.40%
91-180 days of Issue Date	0.20%
Thereafter	Nil

An investor should be aware that any price for the Notes appearing on their monthly or quarterly investment account statement will be before the application of any applicable Early Trading Charge.

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 Note.

SCI will post a daily bid price (the "Bid Price") for the Notes through the Fundserv network. 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 for the Note as posted to the Fundserv network by SCI on the day the request is deemed to have been made, which may be less than the Principal Amount, minus (ii) any applicable Early Trading Charge, minus (iii) any transaction charges that may or may not be levied by the relevant selling agent. A sale of the Notes originally purchased through a distributor on the Fundserv network will be subject to certain additional limitations and procedures. See "Fundserv". The Notes may in certain circumstances be transferable through CDS and not the Fundserv network.



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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.

Tax Considerations

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

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. 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 Canadian 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.

Registered Account Eligible

100% qualified for RRSPs, RRIFs, RESPs, RDSPs, TFSA's, 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 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.



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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. Notes purchased through the Fundserv network ("Fundserv-enabled Notes") will also be evidenced by the Global Note in which holders will have an indirect beneficial interest. That beneficial interest will be recorded in the book-entry system of CDS as being owned by Scotia Capital Inc., as a market intermediary, which in turn will record in its books the respective beneficial interests in the Fundserv-enabled Notes.

Fundserv

The Notes may be purchased through dealers and other firms on the Fundserv network. The Fundserv network is owned and operated by both fund sponsors and distributors and provides distributors of funds and certain other financial products (including brokers and dealers who sell investment funds, issuers that administer registered plans that include investment funds and issuers who sponsor and sell financial products) with online order access to financial products and enables participants to clear certain financial product transactions between participants, to settle the payment obligations arising from such transactions, and to make other payments between themselves.

The purchaser should consult with their investment advisor to obtain further information on Fundserv procedures and any limitations on the ability to purchase the Notes through certain registered plans. In order to complete the purchase of the Notes on the Fundserv network, orders must be placed via Fundserv before 1:00 p.m. EST (Toronto time) on the last day of the selling period and the Principal Amount must be delivered in full to the Issuer in immediately available funds by no later than the Issue Date. There is no interim interest payable between the day the purchaser deposits funds to purchase the Notes and the Issue Date. Despite delivery of such funds, the Issuer reserves the right not to accept any offer to purchase the Notes through the Fundserv network. If the Notes are not issued to the person who has delivered such funds, the funds will be returned and no interest or other compensation will be paid to such person on such funds.

A holder wishing to sell Fundserv-enabled Notes prior to the Maturity Date is subject to certain procedures and limitations to which a holder holding Notes through a "full service broker" with direct connections to CDS may not be subject. Any holder wishing to sell a Fundserv-enabled Note should consult with such holder's financial advisor in advance in order to understand the timing and other procedural requirements and limitations of selling. Information regarding Fundserv can be found at www.fundserv.com. Fundserv-enabled Notes may be sold prior to the Maturity Date by using the "redemption" procedures of the Fundserv network commencing the day after the Issue Date. Such sales will be subject to certain procedures, requirements and limitations relating to the use of the Fundserv network. Any other sale or redemption of Fundserv-enabled Notes will not be recognized. To give effect to a sale of Fundserv-enabled Notes, the financial advisor for the holder will need to initiate an irrevocable request to "redeem" the applicable Fundserv-enabled Notes in accordance with the then established procedures of the Fundserv network. Generally, this will mean the financial advisor will need to initiate such request by 1:00 p.m. (Toronto time) on a Business Day (or such other time as may hereafter be established by the Fundserv network). Any request received after such time will be deemed to be a request sent and received on the next following Business Day. Sale of the Fundserv-enabled Notes will be effected at a sale price equal to (i) the Bid Price for the Note as posted to the Fundserv network 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. SCI is the "fund sponsor" for the Fundserv-enabled Notes within the Fundserv network. It is required to post the Bid Price for the Fundserv-enabled Notes on a daily basis, which Bid Price may also be used for valuation purposes in any statement sent to holders. Holders should be aware that the use of the Fundserv network to facilitate redemption procedures for this purpose is a matter of convenience to give effect to a sale transaction within Fundserv's existing systems and procedures. Despite this terminology, Fundserv-enabled Notes will not be "redeemed", but rather will be sold in the secondary market to SCI. In turn, SCI will be able, in its discretion, to resell those Fundserv enabled Notes to other parties at any price or to hold them for its own account. Holders should also be aware that from time to time such "redemption" mechanism to sell Fundserv-enabled Notes may be suspended for any reason without notice, thus effectively preventing investors from selling their Fundserv-enabled Notes. Investors requiring liquidity should carefully consider this possibility before purchasing Fundserv-enabled Notes. A holder holding Fundserv-enabled Notes should also be aware that such Fundserv-enabled Notes may not be transferable to another dealer if the holder were to decide to move their investment account to such other dealer. In that event, the holder would have to sell the Fundserv-enabled Notes pursuant to the procedures outlined above.



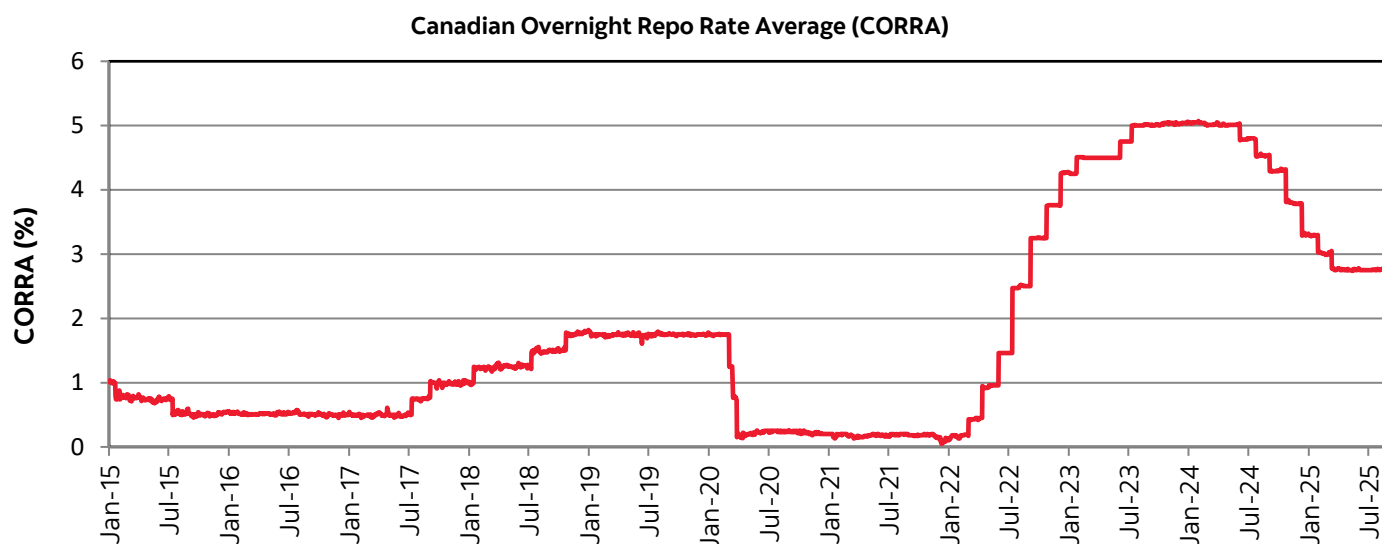
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No Cancellation Rights

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

Historical Performance of CORRA

The graph below sets forth the historical performance of the CORRA from January 2, 2015 to June 12, 2020, when CORRA was published by Refinitiv Benchmark Services (UK) Limited and from June 15, 2020 to September 2, 2025 when it was published by the Bank of Canada. The performance of CORRA over these periods may reflect, in part, the different methodologies employed by Refinitiv Benchmark Services (UK) Limited and the Bank of Canada in determining CORRA. Past performance of CORRA is not indicative of future performance of CORRA. Neither the Issuer nor SCI assumes any responsibility for the accuracy or completeness of such information.



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) want exposure to the Reference Rate, (v) seek to diversify the fixed income component of their investment portfolios, and (vi) 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 Coupon is Uncertain and may be Zero

A holder will realize the maximum Coupon Payment in respect of a Coupon Period only if the number of Range Compliant Days in such Coupon Period is equal to the number of Determination Dates in such Coupon Period. To the extent the number of Range Compliant



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Days in the relevant Coupon Period is less than the number of Determination Dates in such Coupon Period, the Coupon Payment will be reduced. If there are no Range Compliant Days in the relevant Coupon Period, no Coupon Payment will be made for such Coupon Period. The number of Range Compliant Days in a Coupon Period is dependent upon CORRA. CORRA has in the past experienced significant movements and it is impossible to predict future levels of CORRA. The number of Range Compliant Days in a Coupon Period will also be impacted by the number of calendar days in such Coupon Period which are not Business Days since the Reference Rate applicable to any such non-Business Day will be deemed to be the Reference Rate determined with respect to the last preceding Determination Date which is a Business Day. This means that the Reference Rate determined in respect of such last preceding Determination Date may apply for multiple Determination Dates within a Coupon Period. If such last preceding Determination Date is not a Range Compliant Day, then, each of the Determination Dates to which such Reference Rate is deemed to apply will also not be Range Compliant Days. It is possible that no Coupon Payment will be payable on the Notes on a Scheduled Coupon Payment Date.

CORRA History

The publication of CORRA began August 12, 1997, and was published by Refinitiv Benchmark Services (UK) Limited until June 12, 2020. The Bank of Canada began publishing CORRA on June 15, 2020. The performance of CORRA over these time periods may reflect, in part, the different methodologies used by Refinitiv Benchmark Services (UK) Limited and the Bank of Canada in determining CORRA. The future performance of CORRA cannot be predicted based on either the limited actual or indicative historical performance of CORRA. Future levels of CORRA may bear little or no relation to the historical actual or historical indicative CORRA data. Prior observed patterns, if any, in the behaviour of market variables and their relation to CORRA, 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 CORRA is impossible to predict and therefore no future performance of CORRA 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 CORRA.

CORRA may be Volatile

Since the initial publication of CORRA, daily changes in the rate have, on occasion, been more volatile than daily changes in other benchmark or market rates, and CORRA 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 are linked to less volatile rates. The volatility of CORRA has reflected the average cost of overnight secured funding in the Canadian financial market. The Benchmark Administrator has at times conducted operations in the overnight Canadian repo market in order to help maintain the 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.

CORRA vs. CDOR

CORRA was expected to be the alternative reference rate to the Canadian Dollar Offered Rate ("CDOR") when it ceased publication. CORRA 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 CORRA a suitable replacement or successor for all of the purposes for which CDOR 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 CORRA.

Secondary Market for the Notes may be Limited

If CORRA 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 CORRA, 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 CORRA. 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 CORRA as a base rate for securities. The manner of calculation and related conventions with respect to the determination of interest rates based on CORRA in markets may differ materially compared with the manner of calculation and related conventions with respect to the determination of interest rates based on CORRA in other markets, such as the derivatives and loan markets. Investors should carefully



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consider how any potential inconsistencies between the manner of calculation and related conventions with respect to the determination of interest rates based on CORRA 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 the 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 the Reference Rate is calculated is changed, that change may result in a reduction of the Coupon Payment for a Coupon Period, 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 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 the 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 Coupon Payment 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, the ability of the holder to resell their 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 CORRA or the suitability thereof as a basis for determining the quantum of the Coupon Payments that will be paid during the term of the Notes. Information in the Terms and Conditions relating to CORRA 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 CORRA. Prospective investors should undertake their own independent investigation of CORRA 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



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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.

Interest Rate Risk

The actual Coupon Payments paid during the term of the Notes may reflect a return that may be lower than interest rates for similar fixed income products 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 a Coupon Payment to be paid to exceed zero in respect of a Coupon Period, there must be at least one Range Compliant Day in the relevant Coupon Period.

The number of Range Compliant Days in a Coupon Period may be reduced (possibly to zero) during periods of high interest rate volatility and the reduction in the number of Range Compliant Days would mean that holders of the Notes may (i) earn less interest on the Notes than holders could earn on other investments with a similar level of risk available at such time, and (ii) realize a smaller resale value 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 their interest in 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 number of Range Compliant Days in the relevant Coupon Period is equal to the number of Determination Dates in such Coupon Period.

The Coupon Payment shall be calculated as follows:

$$\text{Principal Amount} \times \text{Coupon Rate} \times \frac{N}{D} \times \text{Day Count Fraction} \\ \$100.00 \times 4.00\% \times \frac{90}{90} \times (90/360) = \$1.00$$

The holder will be paid a Coupon Payment of \$1.00 per Note on the applicable Coupon Payment Date.

Example 2 – Assume that there are 54 Range Compliant Days in the relevant Coupon Period.

The Coupon Payment shall be calculated as follows:

$$\text{Principal Amount} \times \text{Coupon Rate} \times \frac{N}{D} \times \text{Day Count Fraction} \\ \$100.00 \times 4.00\% \times \frac{54}{90} \times (90/360) = \$0.60$$

The holder will be paid a Coupon Payment of \$0.60 per Note on the applicable Coupon Payment Date.



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Example 3 – Assume that there are no Range Compliant Days in the relevant Coupon Period.

The Coupon Payment shall be calculated as follows:

$$\text{Principal Amount} \times \text{Coupon Rate} \times \frac{N}{D} \times \text{Day Count Fraction} \\ \$100.00 \times 4.00\% \times \frac{0}{90} \times (90/360) = \$0.00$$

No Coupon Payment will be paid to the holder 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 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. The Notes may not be purchased or sold outside of Canada. No securities commission or similar authority in Canada has in any way passed upon the merits of the Notes and any representation to the contrary is an offence.

A soft copy of this document is available at www.scotianotes.com and 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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