

THE BANK OF NOVA SCOTIA

CHARTER

RISK COMMITTEE OF THE BOARD OF DIRECTORS

The Risk Committee of the Board of Directors (the “Committee”) has the responsibilities and duties as outlined below:

A. Mandate

1. To perform such duties as may be required by:
 - the *Bank Act* (the “Bank Act”) and the regulations thereunder and risk-related requirements of the Office of the Superintendent of Financial Institutions (“OSFI”); and
 - other applicable legislation and regulations including those of the Ontario Securities Commission and the Canadian Securities Administrators, the Toronto Stock Exchange, the New York Stock Exchange and the Securities and Exchange Commission,as more fully described under the heading “**Duties**” below.
2. To advise executive management on highly sensitive or major strategic issues as they relate to the Bank’s Enterprise Risk Appetite Framework.
3. To assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities for:
 - the review of the Bank’s risk appetite and identifying and monitoring key financial and non-financial risks;
 - the review of risk management frameworks and policies;
 - the Bank’s environmental, social and governance (ESG) risks, including climate change risk;
 - the promotion and maintenance of a strong risk culture throughout the Bank; and
 - the Bank’s risk management and anti-money laundering/anti-terrorist financing functions.
4. From time to time, to examine and report to the Board on the public issues facing the Bank and, where necessary, to recommend policies in respect of these issues.
5. To perform such other duties as may from time to time be assigned to the Committee by the Board.

B. Duties

The Committee shall:

Risk Management

- review and recommend for Board approval at least annually, the Bank's Enterprise-wide Risk Management Framework;
- review and recommend for Board approval at least annually, the Bank's Enterprise Risk Appetite Framework and assess the effectiveness of the Enterprise Risk Appetite Framework. The Committee shall also review the alignment of the Bank's strategic plan including any proposed material changes thereto, with the Enterprise Risk Appetite Framework;
- review and recommend for Board approval, the Bank's key credit risk appetite limits;
- review and approve the delegation of risk and credit limits to management and approve any transactions exceeding those delegated authorities;
- review the risks in the Bank's loan and trading portfolios;
- review management's report on the Bank's stress testing, and discuss with management identified material risks and emerging risk issues and trends;
- review and approve significant risk management frameworks and policies recommended by Bank management for identifying, accepting, monitoring, managing, mitigating and reporting on the financial and non-financial risks to which the Bank is exposed as identified within the Bank's Enterprise Risk Appetite Framework;
 - as part of such review, satisfy itself with the manner in which material exceptions to such policies are identified, monitored, measured and controlled, as well as the remedial actions required when exceptions are identified;
- as required by regulatory agencies, review, monitor and recommend to the Board for approval, risk related frameworks, policies, procedures and standards;
- review quarterly reports on the Bank's enterprise-wide risk profile including review against its risk appetite, and seek assurances from management as to the objectivity of such analysis;
- regularly meet with management, as necessary and appropriate, to review technology, cyber-security and related risks;
- regularly meet with management, as necessary and appropriate, to review the Bank's ESG risks, including climate change risks;
- review and approve, the Bank's Crisis Management Recovery Plan;
- review and recommend for the Board's approval, the Bank's Crisis Management Resolution Plan;
- oversee the promotion and maintenance of a strong risk culture and risk-aware driven values throughout the Bank;
- in conjunction with the Human Capital and Compensation Committee:
 - satisfy itself that adequate procedures are in place to identify, assess and manage the risks associated with the Bank's material compensation programs and that such procedures are consistent with the Bank's risk management programs;
 - review the Bank's material incentive plans at least every two years and satisfying itself that they comply with the design policies and procedures,

including compensation outcomes, risk measurements and risk outcomes as measured against business objectives, operations and risks:

- as part of such review, jointly recommending to the Board for approval the Bank's Tier 1A material incentive plans and any material changes thereto;
- for non-material changes to the Bank's Tier 1A material incentive plans, Human Capital and Compensation Committee approval is required with the Committee jointly reviewing such non-material changes;
- for any changes to the Bank's Tier 1A material incentive plan documents, Human Capital and Compensation Committee approval is required with the Committee jointly reviewing such documents; and
- review the definition and composition of employees that may have a material impact on the risk exposure of the Bank and oversee that their compensation structures align with key and specific risks, and that there are appropriate linkages between recommended incentive awards for these employees and compliance with the Bank's policies, guidelines, risk appetite and remuneration-related regulatory requirements;
- review and approve any other matters required by OSFI and other regulators from time to time;
- review any issues raised by Internal Audit that address the appropriateness and effectiveness of the Bank's Enterprise Risk Appetite Framework and management of significant risks;
- oversee the Global Risk Management Department, having regard to its independence, by:
 - reviewing and approving the appointment and/or removal of the Chief Risk Officer of the Bank;
 - annually reviewing and approving the mandate of the Chief Risk Officer and the charter of the Global Risk Management Department;
 - annually reviewing and approving the organizational structure of the Global Risk Management Department;
 - annually reviewing and approving the Global Risk Management Department's resources and budget;
 - annually assessing the effectiveness of the Chief Risk Officer and the effectiveness of the Global Risk Management Department, and annually approving the performance review of the Chief Risk Officer, taking into consideration any regulatory findings with respect to the Global Risk Management Department;
 - conveying its view to the Human Capital and Compensation Committee on the following matters:
 - the assessment of the effectiveness and performance review of the Chief Risk Officer;
 - considerations to be factored into the total compensation to be paid to the Chief Risk Officer; and
 - succession planning for the role of Chief Risk Officer;
 - overseeing that the Global Risk Management Department has unfettered access and a functional reporting line to the Committee;
 - periodically requesting independent reviews of the Global Risk Management Department, reviewing the results of such reviews and reporting such results to the Board; and

- overseeing that deficiencies identified related to the Global Risk Management Department are remedied within an appropriate time frame and reporting to the Board on the progress of necessary corrective actions.

Anti-Money Laundering and Anti-Terrorist Financing

- oversee the Bank's Anti-Money Laundering and Anti-Terrorist Financing and Sanctions program;
- review and approve the Bank's Anti-Money Laundering/Anti-Terrorist Financing and Sanctions Policy and any significant changes thereto;
- receive reports on the Bank's compliance with legal and regulatory anti-money laundering requirements;
- review any issues raised by Internal Audit that address the appropriateness and effectiveness of the Bank's Anti-Money Laundering and Anti-Terrorist Financing and Sanctions program and management of significant risks with this program;
- regularly meet with the Chief Anti-Money Laundering Officer to discuss the effectiveness of the Bank's Anti-Money Laundering and Anti-Terrorist Financing and Sanctions program; and
- oversee the Anti-Money Laundering function, having regard to its independence, by:
 - reviewing and approving the appointment and/or removal of the Chief Anti-Money Laundering Officer;
 - annually reviewing and approving the mandate of the Chief Anti-Money Laundering Officer and the charter of the Anti-Money Laundering function;
 - annually reviewing and approving the organizational structure of the Anti-Money Laundering function;
 - annually reviewing and approving the Anti-Money Laundering function's resources and budget;
 - annually assessing the effectiveness of the Chief Anti-Money Laundering Officer and the effectiveness of the Anti-Money Laundering function, and annually approving the performance review of the Chief Anti-Money Laundering Officer, taking into consideration any regulatory findings with respect to the Anti-Money Laundering function;
 - conveying its view to the Chief Risk Officer and the Human Capital and Compensation Committee on the following matters:
 - the assessment of the effectiveness and performance review of the Chief Anti-Money Laundering Officer;
 - considerations to be factored into the total compensation to be paid to the Chief Anti-Money Laundering Officer; and
 - succession planning for the role of Chief Anti-Money Laundering Officer;
 - overseeing that the Anti-Money Laundering function has unfettered access and a functional reporting line to the Committee;
 - periodically requesting independent reviews of the Anti-Money Laundering function, reviewing the results of such reviews and reporting such results to the Board; and

- overseeing that deficiencies identified related to the Anti-Money Laundering function are remedied within an appropriate time frame and reporting to the Board on the progress of necessary corrective actions.

Other Duties

- have unrestricted access to management in carrying out its responsibilities;
- have the authority to engage, retain or terminate counsel, consultants and advisors as the committee sees fit, including the sole responsibility to approve the fees and terms;
- annually, review the charter for the Committee and evaluate the Committee's effectiveness in fulfilling its mandate; and
- prepare a committee report for inclusion in the Bank's management proxy circular.

COMMITTEE OPERATIONS

C. Reporting

After each meeting of the Committee, the Committee is required to report to the Board on matters reviewed by the Committee at the next regularly scheduled Board meeting. The Committee shall also report, as required, to the Audit and Conduct Review Committee on relevant issues.

The Committee shall review and assess the adequacy of this Charter on an annual basis and report the results of this review to the Corporate Governance Committee of the Board.

D. Composition

Structure

The Committee shall consist of a minimum of three Directors as the Board shall determine from time to time.

Each member of the Committee should have an understanding of issues related to risk management of financial institutions or related business experience, or be willing or able to acquire the requisite knowledge within a reasonable period of time.

Independence

The Committee is composed entirely of independent directors as defined in applicable laws, rules and regulations and as determined pursuant to the Director Independence Standards approved by the Board for Committee members.

No member of the Committee may be an officer or employee of the Bank or of any of its subsidiaries or affiliates. No member may be a person who is affiliated with the Bank.

Directors' fees are the only compensation a member of the Committee may be paid by the Bank.

Appointment of Committee Members

Members of the Committee are appointed or reappointed annually by the Board, upon the recommendation of the Corporate Governance Committee, such appointments to take effect immediately following the annual meeting of the shareholders of the Bank. Members of the Committee shall hold office until their successors are appointed, or until they cease to be Directors of the Bank.

Vacancies

Vacancies may be filled for the remainder of the current term of appointment of members of the Committee by the Board, subject to the requirement under the heading "Structure" and "Independence" above.

Appointment and Qualifications of Committee Chair

The Board shall appoint from the Committee membership, a Chair for the Committee to preside at meetings. In the absence of the Chair, one of the other members of the Committee present shall be chosen by the Committee to preside at that meeting.

The Chair for the Committee must have all of the qualifications for Committee membership, including risk management of financial institutions or related business experience.

E. Meetings

Calling of Meetings

Meetings of the Committee may be called by the Chair or by any two members of the Committee. Members may participate in meetings in person or by telephone, electronic or other communications facilities.

Written resolutions in lieu of a meeting are permitted, solely in accordance with the Bank Act.

The Committee shall hold an in camera session immediately prior to and/or following the conclusion of the regular agenda matters. The Committee shall also hold in camera sessions with each of the Chief Risk Officer and the Chief Anti-Money Laundering Officer of the Bank during Committee meetings. The Committee may also meet with the Chief Financial Officer, as requested by the Committee or management from time to time.

To facilitate communication between the Committee and the Audit and Conduct Review Committee, the Chair of the Audit and Conduct Review Committee shall receive notice of all Committee meetings and may attend Committee meetings by invitation as a non-voting observer.

The Committee shall meet jointly with the Human Capital and Compensation Committee as needed to review risks associated with, and jointly review and recommend to the Board for approval as required, the Bank's material compensation programs. The Committee may discharge its responsibilities, as set out in this Charter, during any such joint meeting.

The Committee may invite any director, officer or employee or any other person to attend meetings to assist the Committee with its deliberations.

Notice of Meetings

Notice of meeting of the Committee shall be sent by prepaid mail, by personal delivery or other means of transmitted or recorded communication or by telephone at least 12 hours before the meeting to each member of the Committee at the member's address or communication number last recorded with the Corporate Secretary. A Committee member may in any manner waive notice of a meeting of the Committee and attendance at a meeting is a waiver of notice of the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.

Frequency

The Committee shall meet at least quarterly.

Quorum

The quorum for a meeting of the Committee shall be a majority of its members, subject to a minimum of two members.

Delegation

The Committee may designate a sub-committee to review any matter within the Committee's mandate.

Secretary and Minutes

The Corporate Secretary or, in the absence of the Corporate Secretary, an Assistant Corporate Secretary of the Bank shall act as Secretary of the Committee.

Minutes of meetings of the Committee shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Committee and to the Board, if required by the Board.

This Charter was last reviewed and approved by the Board on June 27, 2022.