

Program Information

**The Bank of Nova Scotia
Scotiabank Europe plc**

PROGRAM INFORMATION

Type of Information:	Program Information
Date of Announcement:	June 30, 2016
Issuer Name:	(1) The Bank of Nova Scotia (the " Bank ") and (2) Scotiabank Europe plc (" Scotiabank Europe ")
Name and Title of Representative:	(1) The Bank: Christy Bunker Managing Director, Secured & Capital Funding (2) Scotiabank Europe: Julian Rhys Company Secretary
Address of Head Office:	(1) The Bank: 64 th Floor, 40 King Street West, Toronto, ON Canada M5H 1H1 (2) Scotiabank Europe: 201 Bishopsgate, 6th Floor, London EC2M 3NS
Telephone:	(1) The Bank: +1 416 933 7974 (2) Scotiabank Europe: + 44 20 7826 5616
Contact Person:	Attorney-in-Fact: Eiko Hakoda, Attorney-at-law Mori Hamada & Matsumoto Address: Marunouchi Park Building, 2-6-1, Marunouchi, Chiyoda-ku, Tokyo 100-8222, Japan Telephone: +81 3 6212 8320
Type of Securities:	Notes, including the Guaranteed Notes (collectively, referred to as the " Notes ")
Scheduled Issuance Period:	July 1, 2016 to June 30, 2017.

Maximum Outstanding Issuance Amount: Up to U.S.\$20,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any time. Within such aggregate principal amount of Notes, Scotiabank Europe may issue up to U.S.\$1,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate principal amount of Guaranteed Notes or such other amount as authorized from time to time.

Address of Website for Announcement: <http://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html>

Name of Arranger: Barclays Bank PLC

Status of Submission of Annual Securities Reports or Issuer Filing Information: None

Notes to Investors:

1. The TOKYO PRO-BOND Market is a market for the Professional Investors, Etc. (*Tokutei Toushika tou*) as defined in Article 2, Paragraph 3, Item 2(b)(2) of the Financial Instruments and Exchange Act of Japan (the "FIEA") (the "**Professional Investors, Etc.**"). Notes listed on the market ("**Listed Notes**") may involve high investment risk. Investors should be aware of the listing eligibility and timely disclosure requirements that apply to issuers of Listed Notes on the TOKYO PRO-BOND Market and associated risks such as the fluctuation of market prices and shall bear responsibility for their investments. Prospective investors should make investment decisions after having carefully considered the contents of the Program Information.
2. Where the Program Information (a) contains (a) any false statement on important matters, or (b) lacks information on: (i) important matters that should be announced or (ii) a material fact that is necessary to avoid misleading content, a person who, at the time of announcement of the Program Information, is an officer (meaning an officer stipulated in Article 21, Paragraph 1 of the FIEA (meaning a director (*torishimari-yaku*), accounting advisor (*kaikai-sanyo*), corporate auditor (*kansa-yaku*) or executive officer (*shikkou-yaku*), or a person equivalent to any of these) (the "**Officer**") of the Issuer that announced the Program Information shall be liable to compensate persons who acquired the Notes for any damage or loss arising from the false statement or lack of information in accordance with the provisions of Article 21, Paragraph 1, Item 1 of the FIEA applied mutatis mutandis in Article 27-33 of the FIEA and Article 22 of the FIEA applied mutatis mutandis in Article 27-34 of the FIEA. However, this shall not apply to cases where the person who acquired the Notes was aware of the existence of the false statement or the lack of information at the time of subscription for acquisition of the Notes. Additionally, the Officer shall not be required to assume the liability prescribed above, where he/she proves that he/she was not aware of, and was unable to obtain knowledge of, even with reasonable care, the existence of the false statement or the lack of information.
3. The regulatory framework for the TOKYO PRO-BOND Market is different in fundamental aspects from the regulatory framework applicable to other exchange markets in Japan. Investors should be aware of the rules and regulations of the TOKYO PRO-BOND Market, which are available on the Japan Exchange Group, Inc. website.
4. Tokyo Stock Exchange, Inc. ("**Tokyo Stock Exchange**") does not express opinions or issue guarantees, etc. regarding the content of the Program Information (including but not limited to, whether the Program Information (a) contains a false statement or (b) lacks information on: (i) important matters that should be announced or (ii) a material fact that is necessary to avoid misleading content) and shall not be liable for any damage or loss.

5. The Program Information is prepared pursuant to Rule 206, Paragraph 2 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities of Tokyo Stock Exchange (hereinafter referred to as the "**Special Regulations**") as information prescribed in Article 2, Paragraph 1, Item 1 of the Cabinet Office Ordinance on Provision and Publication of Information on Securities, etc. Accordingly, the Program Information shall constitute Specified Securities Information stipulated in Article 27-31, Paragraph 1 of the FIEA.
6. All prospective investors who purchase the Notes shall be required to agree not to sell, transfer or otherwise dispose of the Notes to be held by them to any person other than the Professional Investors, Etc., except for the transfer of the Notes to the following:
 - (a) the Issuer or the Officer thereof who holds shares or equity pertaining to voting rights exceeding 50% of all the voting rights in the Issuer which is calculated by excluding treasury shares or any non-voting rights shares (the "**Voting Rights Held by All the Shareholders, Etc.**" (*Sou Kabunushi Tou no Giketsuken*)) (as prescribed in Article 29-4, Paragraph 2 of the FIEA) of the Issuer under his/her own name or another person's name (the "**Specified Officer**" (*Tokutei Yakuin*)), or a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc., are held by the Specified Officer (the "**Controlled Juridical Person, Etc.**" (*Hi-Shihai Houjin Tou*)) including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. are jointly held by the Specified Officer and the Controlled Juridical Person, Etc. (as prescribed in Article 11-2, Paragraph 1, Item 2 (c) of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act (MOF Ordinance No. 14 of 1993, as amended)); or
 - (b) a company that holds shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.
7. When (i) a solicitation of an offer to acquire the Notes or (ii) an offer to sell or a solicitation of an offer to purchase the Notes (collectively, "**Solicitation of the Note Trade**") is made, the following matters shall be notified from the person who makes such Solicitation of the Note Trade (the "**Solicitant**") to the person to whom such Solicitation of the Note Trade is made:
 - (a) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Note Trade;
 - (b) the Notes fall, or will fall, under the Securities for Professional Investors (*Tokutei Toushika Muke Yukashoken*) (as defined in Article 4, Paragraph 3 of the FIEA);
 - (c) any acquisition or purchase of the Notes by such person pursuant to any Solicitation of the Note Trade is conditional upon such person (i)(x) entering into an agreement providing for the restriction on transfer of the Notes as set forth in 6 above (the "**Transfer Restriction**") with each of the Issuer and the Solicitant, or (y) agreeing to comply with the Transfer Restriction after its explanation by the Solicitant who is the Financial Instrument Business Operator, etc. (as defined in the Article 34 of the FIEA) (in the case of a solicitation of an offer to acquire the Notes to be newly issued), or (ii) entering into an agreement providing for the Transfer Restriction with the Solicitant (in the case of an offer to sell or a solicitation of an offer to purchase the Notes already issued);
 - (d) Article 4, Paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Notes as provided in Article 4, Paragraph 2 of the FIEA;
 - (e) the Specified Securities Information, Etc. (*Tokutei Shouken Tou Jouhou*) (as defined in Article 27-33 of the FIEA) with respect to the Notes and the Issuer Information, Etc. (*Hakkosha Tou Jouhou*) (as defined in Article 27-34 of the FIEA) with respect to the Issuer have been or will be made available for the Professional Investors, Etc. by way of such information being posted on the web-site maintained by the TOKYO PRO-BOND Market (<http://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html>) in accordance with Articles 210 and 217 of the Special Regulations; and

- (f) the Issuer Information, Etc. will be provided to the holders of the Notes or made public pursuant to Article 27-32 of the FIEA.
8. The selling restrictions set forth in notes 6 and 7 above shall prevail over those set forth in the section entitled "PLAN OF DISTRIBUTION – Japan" in the Prospectus dated June 28, 2016, as amended (the "**Prospectus**") included in the Program Information.
9. In respect of the U.S.\$20,000,000,000 Euro Medium Term Note Programme of the Bank and Scotiabank Europe, under which the Prospectus is incorporated in the Program Information, the following ratings are assigned from Moody's Canada Inc. ("**Moody's**") and Standard & Poor's Global Ratings, acting through Standard & Poor's Ratings Services (Canada), a business unit of The McGraw-Hill Companies (Canada) Corporation ("**S&P**") as of June 28, 2016, respectively:

	Moody's	S&P
Senior Unsecured Notes	(P)Aa3	A+
Short-term Notes	(P)P-1	A-1



THE BANK OF NOVA SCOTIA
 (a Canadian chartered Bank)
 and
SCOTIABANK EUROPE PLC
 (incorporated with limited liability in England and Wales with registered no. 817692)

U.S.\$20,000,000,000
Euro Medium Term Note Programme
 Due from 1 month to 99 years from the date of original issue

On December 7, 1994, The Bank of Nova Scotia established a Euro Medium Term Note Programme (the "Programme") and issued an offering circular on that date describing the Programme. This Prospectus describing the Programme supersedes all offering circulars and prospectuses describing the Programme dated prior to the date hereof. Any Notes (as defined below) to be issued on or after the date hereof under the Programme, which has been further amended as at the date hereof as described herein, are issued subject to the terms and conditions set out herein. This does not affect any Notes issued prior to the date hereof.

The Bank of Nova Scotia (the "Bank") and Scotiabank Europe plc ("Scotiabank Europe"), as issuers (collectively the "Issuers" and each an "Issuer") subject to compliance with all relevant laws, regulations and directives, may from time to time issue Notes (the "Notes") under the Programme. Each Note to be issued by Scotiabank Europe will be unsubordinated debt obligations issued with the benefit of an unconditional and irrevocable guarantee (collectively the "Guarantees" and each a "Guarantee") of the Bank (in such capacity, the "Guarantor"), under which the Guarantor will unconditionally and irrevocably guarantee the payment of all amounts due and payable on or in respect of such Notes (the "Guaranteed Notes"). Notes to be issued by the Bank under the Programme will comprise unsubordinated Notes which constitute deposit liabilities of the Bank (the "Deposit Notes"). Scotiabank Europe may only issue Guaranteed Notes. The obligations of the Guarantor under the Guarantees will rank *pari passu* with all deposit liabilities of the Guarantor (except as otherwise prescribed by law) and without any preference amongst themselves. The aggregate principal amount of Notes outstanding will not exceed U.S.\$20,000,000,000 or the equivalent in other currencies determined by the Calculation Agent (as defined below) if any, at the time of each issuance of Notes in other currencies. Within such aggregate principal amount of Notes, Scotiabank Europe may issue up to U.S.\$1,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate principal amount of Guaranteed Notes or such other amount as may be authorised from time to time.

See the section entitled "Risk Factors" herein for a discussion of certain risks that should be considered in connection with an investment in the Notes.

Arrangers for the Programme

Barclays

Scotiabank

Dealers

Barclays
BofA Merrill Lynch
Credit Suisse
Goldman Sachs International
J.P. Morgan
Scotiabank
UBS Investment Bank

BNP Paribas
Citigroup
Deutsche Bank
HSBC
Morgan Stanley
The Royal Bank of Scotland
Wells Fargo Securities

This Prospectus comprises a base prospectus in respect of all Notes other than Exempt Notes (as defined below) issued under the Programme for the purposes of Article 5.4 of the Prospectus Directive. When used in this Prospectus, "Prospectus Directive" means Directive 2003/71/EC (as amended including by Directive 2010/73/EU) and includes any relevant implementing measure in a relevant Member State of the European Economic Area (the EEA) and for the purpose of giving information with regard to the Issuers and (in the case of Guaranteed Notes) the Guarantor which, according to the particular nature of the relevant Issuer, the Guarantor and the Notes, is necessary to enable Investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the relevant Issuer and the Guarantor, as the case may be.

The requirement to publish a prospectus under the Prospectus Directive only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive. References in this Prospectus to "Exempt Notes" are to Notes for which no prospectus is required to be published under the Prospectus Directive. The UK Listing Authority has neither approved nor reviewed information contained in this Prospectus in connection with Exempt Notes.

Application has been made to the United Kingdom Financial Conduct Authority (the "FCA" or the "UK Listing Authority") for Notes (other than Exempt Notes) issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the official list maintained by the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market (the "Market"). Exempt Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer in relation to the Series. Exempt Notes which are neither listed nor admitted to trading on any market may also be issued. References in this Prospectus to Notes being "listed" (and all related references) shall mean (i) in relation to Notes other than Exempt Notes, that such Notes have been admitted to trading on the Market and have been admitted to the Official List and (ii) in relation to Exempt Notes, that such Exempt Notes have been listed or admitted to trading on such other or further stock exchanges or markets as may be specified in the applicable Pricing Supplement (which will not be a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC ("MiFID")). The Market is a regulated market for the purposes of MiFID.

Each issue of Notes will be issued on the terms set out herein which are relevant to such Notes under "Terms and Conditions of the Notes" on pages 42 to 69.

Notice of the aggregate principal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in "Issue of Notes" below) of Notes, together with certain other information required by the Prospectus Directive will (other than in the case of Exempt Notes) be set forth in the applicable Final Terms which, with respect to the Notes to be admitted to the Official List and admitted to trading on the Market, will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of such Notes. In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the "Pricing Supplement").

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009 (as amended) (the "CRA Regulation") (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Please also refer to "*Credit ratings might not reflect all risks*" in the "Risk Factors" section of this Prospectus.

Each of Moody's Canada Inc. ("Moody's"), Standard & Poor's Global Ratings, acting through Standard & Poor's Services (Canada), a business unit of The McGraw-Hill Companies (Canada) Corporation ("S&P"), Fitch, Inc. ("Fitch") and DBRS Limited ("DBRS") has provided issuer ratings for the Bank as specified on pages 12 to 13 of the Bank's Annual Information Form (as defined in the section entitled "Documents Incorporated by Reference") incorporated by reference in this Prospectus and as set out in the "The Bank of Nova Scotia" section of this Prospectus.

None of S&P, Moody's, Fitch or DBRS (the "non-EU CRAs") is established in the European Union or has applied for registration under the CRA Regulation. The ratings have been endorsed by each of Standard and Poor's Credit Market Services Europe Ltd., Moody's Investors Service Ltd., DBRS Ratings Limited and Fitch Ratings Limited (the "EU CRAs"), as applicable, which are affiliates of S&P, Moody's, Fitch and DBRS, respectively, in accordance with the CRA Regulation. Each EU CRA is established in the European Union and registered under the CRA Regulation. As such each EU CRA is included in the list of credit rating agencies published by the European Securities and Markets Authority (the "ESMA") on its website in accordance with the CRA Regulation. The ESMA has indicated that ratings issued in Canada which have been endorsed by an EU CRA may be used in the EU by the relevant market participants.

Copies of the Final Terms for Notes that are to be listed on the London Stock Exchange will be published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the relevant Issuer and the headline “Publication of Prospectus”, and will be available without charge from the principal office of the relevant Issuer and the specified offices of the Paying Agent, Registrar and Transfer Agent, as set out at the end of this Prospectus.

This Prospectus is to be read in conjunction with (i) any supplementary prospectus (a “Supplementary Prospectus”) to this prospectus as approved by the UK Listing Authority from time to time and (ii) with all documents deemed to be incorporated herein or therein by reference (see “Documents Incorporated by Reference”) and, in relation to any Tranche or Series of Notes, should be read and constituted together with any applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). Any reference herein to “Prospectus” means this document together with the documents incorporated by reference herein and any such Supplementary Prospectus and the documents incorporated by reference therein.

Each of the Issuers and (in relation to Guaranteed Notes) the Guarantor, accept responsibility for the information contained in this Prospectus and the Final Terms for each Tranche of Notes issued by such Issuer under the Programme. To the best of the knowledge and belief of each of the Issuers and the Guarantor (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is or has been authorised to give any information or to make any representation not contained in, or not consistent with, this Prospectus, any Supplementary Prospectus, any information incorporated by reference herein or therein or any other information supplied in connection with the Programme or the Notes and, in respect of each Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank, Scotiabank Europe or any of the Dealers (as defined in “Plan of Distribution”). Neither the delivery of this Prospectus or any Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) nor the offering, sale or delivery of any Notes made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Bank or Scotiabank Europe since the date hereof or the date upon which this document has been most recently supplemented or that there has been no adverse change in the financial position of the Bank or Scotiabank Europe since the date hereof or the date upon which this document has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Dealers expressly do not undertake to any Investor or prospective Investor or purchaser to review the financial conditions or affairs of the Bank or Scotiabank Europe during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Each Tranche of Bearer Notes (as defined in “Overview of the Programme — Form of Notes” below) will initially be represented by a temporary global note (each a “Temporary Bearer Global Note”) or a permanent global note (each a “Permanent Bearer Global Note” and together with a Temporary Bearer Global Note, each a “Bearer Global Note”) which will (i) if the Bearer Global Notes are intended to be issued in the new global note (“NGN”) form, as stated in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”); and (ii) if the Bearer Global Notes are not intended to be issued in NGN form, as stated in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), be delivered on or prior to the issue date thereof to a common depository on behalf of Euroclear and/or Clearstream, Luxembourg or a depository on behalf of any other agreed clearing system as further described in the “Form of Notes” herein. Interests in Temporary Bearer Global Notes will be exchangeable for interests in Permanent Bearer Global Notes or, if so stated in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), for definitive Bearer Notes after the date falling 40 days after the issue date upon certification as to non-U.S. beneficial ownership or for definitive Registered Notes (as defined in “Overview of the Programme — Form of Notes” below) at any time after the issue date. Interests in Permanent Bearer Global Notes will be exchangeable for definitive Bearer Notes or definitive Registered Notes as described under “Summary of Provisions Relating to the Notes while in Global Form”.

Registered Notes will be represented by Note certificates (each a “Certificate”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series (as defined in “Issue of Notes” below). Registered Notes which are held in Euroclear and/or Clearstream, Luxembourg or such other clearing system as may be agreed to between the relevant Issuer, the Guarantor (if applicable), the relevant Dealer, the Fiscal Agent and the Registrar (if applicable), will be registered in the name of the nominee for the common depository for Euroclear and/or Clearstream, Luxembourg or, if the Registered Notes are to be held under the new safe-keeping structure (“NSS”), the Common Safekeeper, as the case may be, (or such other clearing system as may be agreed to between the relevant Issuer, the Guarantor (if applicable), the relevant Dealer, the Fiscal Agent and the Registrar (if applicable)), or a common nominee for both, and the relative Certificate(s) will be delivered to the appropriate depository or, as the case may be, a common depository. References in this Prospectus to “Global Certificates” are to Certificates issued in respect of Registered Notes which are registered in the name of the nominee for the common depository for, or a common nominee for, Euroclear and/or Clearstream, Luxembourg or the

Common Safekeeper, as the case may be, (or such other clearing system as may be agreed to between the relevant Issuer, the Guarantor (if applicable), the relevant Dealer, the Fiscal Agent and the Registrar (if applicable)).

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. None of the Bank, Scotiabank Europe, and the Dealers represents that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Bank, Scotiabank Europe or the Dealers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, Canada, the EEA (including the United Kingdom), Hong Kong, Japan, Singapore, Italy, France and Australia, see “Plan of Distribution”. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any State or other jurisdiction of the United States and include Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered, directly or indirectly, within the United States, its territories or possessions or to, or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. The Notes may not be offered, sold or delivered, directly or indirectly, in Canada, or to or for the benefit of, residents of Canada in contravention of the securities laws of Canada or any province or territory thereof. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus, see “Plan of Distribution”.

The minimum denomination of the Notes shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Notes issued by the Issuers do not evidence or constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.

None of this Prospectus, any supplement hereto, any information incorporated by reference herein or therein and, in respect to each Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) constitutes an offer of, or an invitation by or on behalf of the relevant Issuer, the Guarantor (if applicable) or the Dealers to subscribe for, or purchase, any Notes or are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the relevant Issuer, the Guarantor (if applicable) or the Dealers that any recipient of this Prospectus or any Final Terms (or any Pricing Supplement) should subscribe for or purchase any Note. Each recipient of this Prospectus or any Final Terms (or any Pricing Supplement) shall be taken to have made its own independent investigation and appraisal of the condition (financial or otherwise) of, and its overall appraisal of the creditworthiness of, the relevant Issuer and the Guarantor (if applicable) and the terms of the relevant Notes including the merits and risks involved.

The Dealers have not independently verified the information contained herein. None of the Dealers makes any representation, warranty, or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information in this Prospectus or incorporated by reference herein. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the relevant Issuer, the Guarantor (if applicable) or the Dealers that any recipient of this Prospectus, any supplement hereto, any information incorporated by reference herein or therein and in respect to each Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) and its purchase of Notes should be based upon such investigation as it deems necessary. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the relevant Issuer, the Guarantor (if applicable) or any of the Dealers to any person to subscribe for or to purchase any Notes. Potential purchasers cannot rely, and are not entitled to rely, on the Dealers in connection with their investigation of the accuracy of any information or their decision whether to purchase or invest in the Notes. None of the Dealers undertakes to advise any Investor or potential Investor in or purchaser of the Notes of any information coming to the attention of any of the Dealers. The Dealers accept no liability in relation to any information contained herein or incorporated by reference herein or any other information provided by the relevant Issuer and the Guarantor (if applicable) in connection with the Notes, except for any liability arising from or in respect of any applicable law or regulation.

In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) acting as Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect

transactions with a view to supporting the market price of such Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with applicable laws and rules.

Each potential Investor in the Notes must determine the suitability of that investment in light of the potential Investor's own circumstances. In particular, each potential Investor may wish to consider whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement or any applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement);
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on the potential Investor's overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which the potential Investor's financial activities are denominated principally;
- (iv) understands thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect the potential Investor's investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential Investor should not invest in Notes which are complex financial instruments unless it considers that it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effect on the value of the Notes and the impact this investment will have on the potential Investor's overall investment portfolio.

Legal investment considerations may restrict certain investments

The investment activities of certain Investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "U.S.\$" and to "U.S. dollars" are to the currency of the United States of America, to "\$", "Canadian Dollars" and "dollars" are to the currency of Canada, to "euro" and "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, to "Japanese yen" and "yen" are to the currency of Japan, to "AUD" and "A\$" are to the currency of Australia and references to "Sterling" are to the currency of the United Kingdom.

In this Prospectus, references to the "European Economic Area" or "EEA" are to the Member States of the European Union together with Iceland, Norway and Liechtenstein.

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RISK FACTORS

EACH OF THE ISSUERS AND THE GUARANTOR BELIEVE THAT THE FOLLOWING FACTORS MAY AFFECT THEIR ABILITY TO FULFIL THEIR OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME OR THE GUARANTEE. ALL OF THESE FACTORS ARE CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUERS NOR THE GUARANTOR ARE IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCY OCCURRING. IN ADDITION, FACTORS, ALTHOUGH NOT EXHAUSTIVE, WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME ARE ALSO DESCRIBED BELOW.

EACH OF THE ISSUERS AND THE GUARANTOR BELIEVE THAT THE FACTORS DESCRIBED BELOW REPRESENT THE PRINCIPAL RISKS INHERENT IN INVESTING IN NOTES ISSUED UNDER THE PROGRAMME, BUT THE INABILITY OF THE ISSUERS OR THE GUARANTOR TO PAY INTEREST, PRINCIPAL OR OTHER AMOUNTS ON OR IN CONNECTION WITH ANY NOTES MAY OCCUR FOR OTHER REASONS WHICH MAY NOT BE CONSIDERED SIGNIFICANT RISKS BY THE ISSUERS OR THE GUARANTOR BASED ON INFORMATION CURRENTLY AVAILABLE TO THEM OR WHICH THEY MAY NOT CURRENTLY BE ABLE TO ANTICIPATE AND THE ISSUERS AND THE GUARANTOR DO NOT REPRESENT THAT THE STATEMENTS BELOW REGARDING THE RISKS OF HOLDING ANY NOTES ARE EXHAUSTIVE. PROSPECTIVE INVESTORS SHOULD ALSO READ THE DETAILED INFORMATION SET OUT ELSEWHERE IN THIS PROSPECTUS AND REACH THEIR OWN VIEWS PRIOR TO MAKING ANY INVESTMENT DECISION.

THE RISKS DESCRIBED BELOW ARE NOT THE ONLY RISKS THE ISSUERS AND THE GUARANTOR FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE NOT PRESENTLY KNOWN TO THE ISSUERS AND THE GUARANTOR, OR THOSE THEY CURRENTLY BELIEVE TO BE IMMATERIAL, COULD ALSO ADVERSELY AFFECT THE ISSUERS' AND THE GUARANTOR'S FINANCIAL CONDITION, RESULTS AND BUSINESS.

PROSPECTIVE INVESTORS MAY WISH TO CONSIDER CONSULTING THEIR OWN FINANCIAL AND LEGAL ADVISORS AS TO THE RISKS ENTAILED BY AN INVESTMENT IN ANY NOTES.

CERTAIN ISSUES OF NOTES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

References herein to the Bank include the Bank in its capacity as an Issuer and in its capacity as the Guarantor.

Factors that may affect the ability of the relevant Issuer or the Guarantor to fulfil their respective obligations under the Notes issued under the Programme:

Industry and non-company factors

As international financial services companies, the Issuers' and the Guarantor's revenues and earnings are affected by the general economic conditions in each of the countries in which the relevant Issuer or the Guarantor conducts business.

Factors such as interest rates, foreign exchange rates, consumer spending, business investment, government spending, the health of the capital markets, inflation and terrorism impact the business and economic environments in which the relevant Issuer or the Guarantor operates and, ultimately, the amount of business the relevant Issuer or the Guarantor conducts in a specific geographic region.

The relationship of the UK with the European Union may have an impact on the business of Scotiabank Europe

On June 23, 2016 the UK held a referendum to decide on the UK's membership of the European Union. The UK vote was to leave the European Union. There are a number of uncertainties in connection with the future of the UK and its relationship with the European Union. The negotiation of the UK's exit terms is likely to take a number of years. Until the terms and timing of the UK's exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on the business of Scotiabank Europe. As such, no assurance can be given that such matters would not adversely affect the ability of Scotiabank Europe to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

The movement of the Canadian dollar relative to other currencies may affect the Bank's revenues, expenses and earnings.

The Bank's revenues, expenses and income denominated in currencies other than the Canadian dollar are subject to fluctuations in the movement of the Canadian dollar relative to such currencies. Such fluctuations may affect the Bank's overall business and financial results.

The Bank's earnings are affected by the monetary policies of the Bank of Canada.

Bond and money market expectations about inflation and central bank monetary policy decisions are beyond the Bank's control, are difficult to predict or anticipate and have an impact on the level of interest rates, fluctuation of which can have an impact on the Bank's earnings.

The relevant Issuer's or the Guarantor's performance can be influenced by the degree of competition in the markets in which it operates.

The competition for customers among financial services companies in the consumer and business markets in which the relevant Issuer or the Guarantor operates is intense. Competition for market share is dependent upon a number of factors, including service levels, product pricing and attributes, the relevant Issuer's or the Guarantor's reputation and actions of competitors. Competition from non-financial companies could also reduce fee revenues and adversely affect the relevant Issuer's or the Guarantor's earnings.

Changes in the statutes, regulations and regulatory policies that govern activities in the relevant Issuer's or the Guarantor's various business lines could affect the relevant Issuer's or Guarantor's results.

Regulations are in place to protect the financial and other interests of the relevant Issuer's or the Guarantor's clients. Changes to statutes, regulations or regulatory policies, including changes in the interpretation, implementation or enforcement of statutes, regulations or regulatory policies, could adversely affect the relevant Issuer or the Guarantor by increasing the ability of competitors to compete with the products and services the relevant Issuer or the Guarantor provides and increasing the relevant Issuer's or the Guarantor's cost of compliance. In addition, the relevant Issuer's or the Guarantor's failure to comply with applicable statutes, regulations or regulatory policies could result in sanctions and financial penalties by regulatory agencies that could adversely impact the relevant Issuer's or the Guarantor's reputation and earnings.

Judicial or regulatory judgments and legal proceedings against the Issuers or the Guarantor may adversely affect the relevant Issuer's or the Guarantor's results.

Although the Issuers and the Guarantor take what they believe to be reasonable measures designed to ensure compliance with governing statutes, laws, regulations and regulatory policies in the jurisdictions in which they conduct business, there is no assurance that the Issuers and the Guarantor will always be in compliance or deemed to be in compliance. Accordingly, it is possible that the relevant Issuer or the Guarantor could receive a judicial or regulatory judgment or decision that results in fines, damages and

other costs that would damage its reputation and have a negative impact on the relevant Issuer's or the Guarantor's earnings. The Issuers and the Guarantor are also subject to litigation arising in the ordinary course of their business. The adverse resolution of any litigation could have a material adverse effect on the relevant Issuer's or the Guarantor's results or could give rise to significant reputational damage, which could impact the relevant Issuer's or the Guarantor's future business prospects.

Failure to obtain accurate and complete information from or on behalf of the relevant Issuer's customers or the Guarantor's customers and counterparties could adversely affect the relevant Issuer's or the Guarantor's results.

When deciding to extend credit or enter into other transactions with customers and counterparties, the Issuers and the Guarantor may each rely on information provided to it by or on behalf of customers and counterparties, including audited financial statements and other financial information. The Issuers and the Guarantor also may rely on representations of customers and counterparties as to the completeness and accuracy of the information. The relevant Issuer's or the Guarantor's financial results could be adversely impacted if the financial statements and other financial information relating to customers and counterparties on which it relies do not comply with the relevant generally accepted accounting practices or are materially misleading.

Bank and Scotiabank Europe specific factors

Management of the Bank and Scotiabank Europe choose certain accounting policies and methods for reporting the Bank's and Scotiabank Europe's financial condition and results of operations. The policies and methods chosen may require management to make estimates or rely on assumptions that impact the reported results. Subsequent to reporting, such estimates and assumptions may require revision, which may materially adversely affect the Bank and Scotiabank Europe's results of operations and financial condition.

From November 1, 2011, the Bank's financial condition and results of operations for interim and annual reports have been reported using accounting policies and methods prescribed by the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. For previous years, the Bank's financial condition and results of operations have been reported using accounting policies and methods prescribed by Part V of the Handbook of the Chartered Professional Accountants – Canada – Pre-Changeover Accounting Standards ("Canadian GAAP").

As detailed in the section entitled "Controls and Accounting Policies – Critical Accounting Estimates" on pages 99 to 104 of the Bank's 2015 Annual Report, which pages are contained in the section of the 2015 Annual Report incorporated herein by reference and which section is updated from time to time in the unaudited interim consolidated financial statements and management's discussion and analysis, certain accounting policies have been identified as being "critical" to the presentation of the Bank's financial condition and results of operations as they (i) require management to make particularly subjective and/or complex judgments and estimates about matters that are inherently uncertain and (ii) carry the likelihood that materially different amounts could be reported under different conditions or using different assumptions and estimates. The reporting of such materially different amounts could materially and adversely affect the Bank's results of operations or reported financial condition. These critical accounting policies and estimates relate to the determination of the Bank's allowance for credit losses, the determination of the fair value of financial instruments and impairment of investment securities, the cost of employee benefits, the provision for corporate income taxes, whether or not structured entities should be consolidated, assessment of impairment of goodwill, indefinite life intangible assets and equity investments in hyper-inflationary country and provisions, litigation and other off-balance sheet credit risks.

As large organisations, the Issuers and the Guarantor are exposed to operational risks.

Similar to all large organisations, the Issuers and the Guarantor are exposed to many types of operational risk, including the risk of fraud by employees or outsiders, unauthorized transactions by employees, or operational errors, including clerical or record keeping errors or errors resulting from faulty or disabled computer or telecommunications systems. Given the high volume of transactions the Issuers

and the Guarantor process on a daily basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. Shortcomings or failures in the Issuers' or the Guarantor's internal processes, people or systems, including any of the Issuers' or the Guarantor's financial, accounting or other data processing systems, could lead to, among other consequences, financial loss and reputational damage. In addition, despite the contingency plans the Issuers and the Guarantor have in place, the Issuers' and the Guarantor's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the Issuers' and the Guarantor's businesses and the communities in which they are located. This may include a disruption involving electrical, communications, transportation or other services used by the Issuers and the Guarantor or third parties with which the Issuers and the Guarantor conduct business.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuers or the Guarantor will each be unable to comply with their relevant obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the Financial Conduct Authority.

Deposit Notes may be subject to write-off, write-down or conversion under current and proposed Canadian resolution powers.

The Canada Deposit Insurance Corporation, Canada's resolution authority, was granted additional powers in 2009 to transfer certain assets and liabilities of a bank to a newly created "bridge bank" for such consideration as it determines in the event of a bank getting into distress, presumably to facilitate a sale of the bank to another financial institution as a going concern. Upon exercise of such power, any remaining assets and liabilities would remain with the "bad bank" which would then be wound up. As such, in this scenario, any liabilities of the Bank, such as the Notes, that remain with the "bad bank" would be effectively written off or subject to only partial repayment, devalued or otherwise become worthless, in the ensuing winding-up.

On April 20, 2016, the Government of Canada ("GoC") introduced legislation to implement a "bail-in" regime, in accordance with regulations to the *Canada Deposit Insurance Corporation Act* that have not yet been prescribed (the "CDIC Act Regulations"). The proposed regime will only apply to domestic systemically important banks ("D-SIBs") and is aimed at ensuring that in the unlikely event of a failure of a D-SIB, it is the D-SIB's shareholders and creditors that are responsible for the institution's risks and not the tax payers. The GoC is proposing a statutory power allowing for the permanent conversion, in whole or in part, of certain shares and liabilities of a D-SIB into common shares of such institution. The types of shares and liabilities subject to the conversion will be set out in the CDIC Act Regulations, and while these regulations have not yet been prescribed, the GoC, in its previous consultation paper, had proposed that 'long term senior debt', which is senior unsecured debt that is tradable and transferable with an original term to maturity of over 400 days, would be subject to the conversion and deposits would not be subject to the conversion. The proposed "bail-in" regime has not yet been finalized, much of the detail will be set out in the CDIC Act Regulations, and timing for implementation has not yet been determined, although Notes issued before the date the CDIC Act Regulations come into force will not be subject to the bail-in regime (the regime would apply only to "eligible liabilities" issued after the implementation of the proposed regime with no retroactive application to existing debt).

If this proposed regime is implemented, any Deposit Notes issued after such implementation should be subject to the conversion powers described above and holders of such Notes may receive common shares of the Bank in exchange for their Notes in the event that the Bank ceases or is about to cease being viable. However, the proposed regime has not yet been finalised and is subject to change.

The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks, UK building societies, UK investment firms and UK recognised central counterparties which are considered to be at risk of failing. In certain circumstances such actions may also be taken with modifications, against a third country institution or investment firm. The exercise of any of these actions in relation to the Bank and/or Scotiabank Europe could materially adversely affect the value of any Notes.

Under the Banking Act 2009 (the “Banking Act”), substantial powers are granted to HM Treasury, the Bank of England, the Financial Conduct Authority and the Prudential Regulation Authority (together, the “Authorities”) as part of a special resolution regime (the “SRR”). These powers can be exercised, as applicable, by the Authorities in respect of a UK bank (such as Scotiabank Europe), UK building society, UK investment firm or UK recognised central counterparty (each a “relevant entity”) in circumstances in which the Authorities consider its failure has become likely and if certain other conditions are satisfied (depending on the relevant power) for example, to protect and enhance the stability of the financial system of the UK with modifications and as applicable, by the Authorities in respect of a third country incorporated credit institution (such as the Bank) or a third country incorporated investment firm (“third country entity”) where that third country entity is subject to resolution in its jurisdiction of incorporation (a “third country resolution action”).

The SRR consists of five stabilisation options and two special insolvency procedures which may be commenced by HM Treasury, the Bank of England, the Prudential Regulation Authority or Secretary of State, as the case may be. The stabilisation options provide for: (i) private sector transfer of all or part of the business of the relevant entity; (ii) transfer of all or part of the business of the relevant entity to a bridge bank wholly owned by the Bank of England; (iii) transfer of all or part of the business of the relevant entity to an asset management vehicle owned and controlled by the Bank of England; (iv) writing down certain claims of unsecured creditors of the relevant entity (including the Notes) and/or converting certain unsecured debt claims (including the Notes) to equity (the “bail-in option”), which equity could also be subject to any future cancellation, transfer or dilution; and (v) temporary public ownership (nationalisation) of all or part of the relevant entity or its UK holding company. In each case, the Authorities have wide powers under the Banking Act including powers to modify contractual arrangements in certain circumstances and powers for HM Treasury to disapply or modify laws (with possible retroactive effect) to enable the stabilisation powers under the Banking Act to be used effectively.

Where the Authorities choose to recognise a third country resolution action, in whole or in part, they must make a statutory instrument which may provide for the exercise of the stabilisation options in relation to the third country entity. HM Treasury’s consultation on the implementation of these provisions suggests that such an instrument may apply to: (i) assets of the third country entity or its group located in the UK or governed by UK law; and (ii) rights or liabilities of the third country entity that are booked by its UK branch, governed by UK law, or where the claims in relation to such rights and liabilities are enforceable in the UK. Accordingly, exercise of these powers is possible where the relevant Authorities are acting to support or give full effect to a resolution carried out by the Canadian resolution authority and the Authorities’ actions may include actions such as transferring assets located in the UK to a purchaser under the Canadian equivalent of a sale of business tool, or to a bridge bank in Canada.

In addition, under the European Bank Recovery and Resolution Directive which has been implemented in the UK through the Banking Act, the UK must provide the Authorities with the necessary powers to resolve a UK branch of a third country entity that is not subject to third country resolution action (including resolution proceedings of the Canadian authorities), or where the Authorities have refused to recognise or enforce third country resolution action. Such powers are not yet in force and HM Treasury intends to consult on these additional powers.

Noteholders may be subject to the powers listed above, which may result in such Noteholders losing some or all of their investment. As at the date of this Offering Circular, the Authorities have not exercised any powers under the SRR in respect of either the Bank or Scotiabank Europe and there has been no indication that they will do so. However, there can be no assurance that this will not change and any exercise of any power under the SRR or any suggestion of such exercise could, therefore, adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Bank or Scotiabank Europe to satisfy their obligations under the Notes or, in the case of the Bank, the Guarantee.

The paragraphs below set out some of the possible consequences of the exercise of the powers under the SRR.

The SRR may be triggered prior to insolvency of Scotiabank Europe

The purpose of the stabilising options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Accordingly, the relevant stabilisation options may be exercised if (a) the relevant Authority is satisfied that a relevant entity (such as Scotiabank Europe) is failing, or is likely to fail, (b) following consultation with the other Authorities, the relevant Authority determines that it is not reasonably likely that (ignoring the stabilising options) action will be taken that will result in the condition referred to in (a) ceasing to be met and (c) the Authorities consider the exercise of the stabilisation options to be necessary, having regard to certain public interest considerations (such as the stability of the UK financial system, public confidence in the UK banking system and the protection of depositors). It is therefore possible that one of the stabilisation options could be exercised prior to the point at which any insolvency proceedings with respect to the relevant entity could be initiated.

Various actions may be taken in relation to the Guaranteed Notes

If the stabilisation options were exercised under the SRR in respect of Scotiabank Europe, HM Treasury or the Bank of England may exercise extensive powers including share transfer powers (applying to a wide range of securities), property transfer powers (including powers for partial transfers of property, rights and liabilities, subject to certain protections in respect of Scotiabank Europe) and resolution instrument powers (including powers to make special bail-in provisions). Exercise of these powers could involve taking various actions in relation to any securities issued by Scotiabank Europe (including Guaranteed Notes) without the consent of the Noteholders, including (among other things):

- transferring Guaranteed Notes notwithstanding any restrictions on transfer and free from any trust, liability or encumbrance;
- delisting Guaranteed Notes;
- writing down the principal amount of Guaranteed Notes and/or converting Guaranteed Notes into another form or class (which may include, for example, conversion of Guaranteed Notes into equity securities);
- modifying or disapplying certain terms of Guaranteed Notes, including disregarding any termination or acceleration rights or events of default under the terms of Guaranteed Notes which would be triggered by the exercise of the powers and certain related events; and/or
- where property is held on trust, removing or altering the terms of such trust.

If the terms of Guaranteed Notes are modified or disappplied without the consent of the Guarantor, the validity of the Guarantee may be affected.

The taking of any such actions could adversely affect the rights of Noteholders, the price or value of their investment in the Guaranteed Notes and/or the ability of Scotiabank Europe to satisfy its obligations under the Guaranteed Notes. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred.

A partial transfer of Scotiabank Europe's business may result in a deterioration of its creditworthiness

If Scotiabank Europe were made subject to the SRR and a partial transfer of its business to another entity were effected, the quality of the assets and the quantum of the liabilities not transferred and remaining with Scotiabank Europe (which may include Guaranteed Notes) will result in a deterioration in the creditworthiness of Scotiabank Europe and, as a result, increase the risk that it will be unable to meet its obligations in respect of the Notes and/or eventually become subject to administration or insolvency proceedings pursuant to the Banking Act. In such circumstances, Noteholders may have a claim for

compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred.

Depositor preference

In addition, amendments to the UK Insolvency Act 1986 have introduced changes to the treatment and ranking of certain preferential debts with the result that certain eligible deposits will rank in priority to the claims of ordinary (i.e. non-preferred) unsecured creditors in the event of an insolvency. This means that the claims of holders of Notes would rank junior to the claims in respect of liabilities afforded preferred status and accordingly, in the event of insolvency or resolution of the Issuer, Notes would be available to absorb losses ahead of liabilities which benefit from such preference.

As at the date of this Prospectus, the relevant Authorities have not made an instrument or order under the Banking Act in respect of Scotiabank Europe and there has been no indication that they will make any such instrument or order. However, there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such order or instrument if made.

The Council of the European Union has adopted a bank recovery and resolution directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any Notes.

On July 2, 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the “Bank Recovery and Resolution Directive” or “BRRD”) entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution’s critical financial and economic functions, while minimising the impact of an institution’s failure on the economy and financial system.

The BRRD provides that it will be applied by Member States from January 1, 2015, except for the general bail-in tool (see below) which applies from January 1, 2016.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including the Notes) to equity (the “general bail-in tool”), which equity could also be subject to any future write-down, cancellation, transfer or dilution.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible while maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to

be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Once the BRRD is implemented, holders of the Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of Scotiabank Europe or the Bank to satisfy its obligations under any Notes or, as the case may be, the Guarantee.

Other factors

Other factors that may affect future results of the Issuers or the Guarantor include:

- amendments to, and interpretations of, risk-based capital guidelines and reporting instructions may require each Issuer and the Guarantor to reallocate capital resources among their business lines, which could have a material impact on the Issuers' or the Guarantor's financial results and the relevant Issuer's or the Guarantor's ability to make payments on the Notes;
- changes to accounting standards, rules and interpretations may have a material impact on the Issuers' or the Guarantor's financial results;
- changes in the Issuers' or the Guarantor's estimates of reserves and allowances may have a material impact on the Issuers' or the Guarantor's financial results;
- changes in tax laws may have a material impact on the Issuers' or the Guarantor's financial results;
- political conditions and developments may adversely impact the Issuers' or the Guarantor's business and the relevant Issuer's and the Guarantor's ability to make payments on the Notes;
- the Issuers' or the Guarantor's business may be adversely impacted by international conflicts and the war on terror;
- natural disasters and public health emergencies may adversely affect the financial condition of the Issuers or the Guarantor and the relevant Issuer's or the Guarantor's ability to make payments on the Notes;
- disruptions in public infrastructure and other catastrophic events may adversely affect the Issuers' or the Guarantor's business and financial condition;
- technological changes may affect the Issuers' or the Guarantor's ability to keep pace with competitors and/or expose the Issuers or the Guarantor to security risks that could adversely affect the Issuers' or the Guarantor's financial results;
- changes in client spending habits may adversely affect the Issuers' or the Guarantor's financial results;
- the failure of third parties to comply with their obligations to the Issuers and/or the Guarantor and their respective affiliates may adversely affect the Issuers' or the Guarantor's financial results and financial condition;
- if the Issuers or the Guarantor are unable to anticipate and manage the risks associated with all of the above factors, there could be a material impact on the Issuers' or the

Guarantor's financial results and financial condition and the relevant Issuer's or the Guarantor's ability to make payment on the Notes.

Factors that are material for the purpose of assessing the market risks associated with Notes issued under the Programme.

Each of the risks highlighted below could adversely affect the trading price of any Notes or the rights of Investors under any Notes and, as a result, Investors could lose some or all of their investment. The Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuers and the Guarantor may be unable to pay amounts on or in connection with Notes for other reasons.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential Investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes.

Notes subject to optional redemption by the Issuers

An optional redemption feature of Notes is likely to limit their market value and could reduce secondary market liquidity. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an Investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential Investors should consider reinvestment risk in light of other investments available at that time.

The secondary market price of the Notes may be less than the Issue Price

Investors should note that, in certain circumstances immediately following the issue of the Notes, the secondary market price of the Notes may be less than the Issue Price in the event that the Issue Price included the fees to be paid to distributor(s).

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on the other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The prices at which Zero Coupon Notes, as well as other Notes issued at a substantial discount or premium from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do the prices for conventional interest-bearing securities of comparable maturities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factors are likely to have more volatile market values than more standard securities.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market value may be even more volatile than those for securities that do not include those features.

Risks applicable to certain types of Exempt Notes

Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market value of those Notes typically are more volatile than the market value of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). The price volatility of such Notes is higher than the price volatility of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms).

Additional Risk Factors

Notes not in physical form

Unless the Bearer Global Notes or Global Certificates are exchanged for definitive Notes, which exchange will only occur in the limited circumstances described below in “Summary of Provisions Relating to the Notes While in Global Form”, the beneficial ownership of the Notes will be recorded in book-entry only form with Euroclear and Clearstream, Luxembourg or another agreed clearing system. The fact that the Notes are not represented in physical form could, among other things:

- result in payment delays on the Notes because distributions on the Notes will be sent by, or on behalf of, the applicable Issuer to Euroclear or Clearstream, Luxembourg or another agreed clearing system instead of directly to Noteholders;
- make it difficult for Noteholders to pledge the Notes as security if Notes in physical form are required or necessary for such purposes; and
- hinder the ability of Noteholders to resell the Notes because some Investors may be unwilling to buy Notes that are not in physical form.

Canadian Usury Laws

All Notes issued under the Programme are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The *Criminal Code* (Canada) prohibits the receipt of “interest” at a “criminal rate” (namely, an effective annual rate of interest of 60%). Accordingly, the provisions for the payment of interest or a Redemption Amount in excess of the aggregate principal amount of the Notes may not be enforceable if the provision provides for the payment of “interest” in excess of an effective annual rate of interest of 60%.

Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification and waivers

The Amended and Restated Agency Agreement dated June 28, 2016 between the Issuers, the Guarantor, The Bank of Nova Scotia, London Branch as Fiscal Agent, Principal Paying Agent, Registrar, Calculation Agent and Transfer Agent and The Bank of Nova Scotia, Global Wholesale Operations as

Paying Agent and Transfer Agent (as amended or supplemented from time to time, the “Agency Agreement”) contains provisions for calling meetings of Noteholders to consider matters affecting their interest generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who do not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes may be amended by the relevant Issuer, the Guarantor (if applicable) and the Fiscal Agent without the consent of the holder of any Note, Receipt or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein or to provide for substitution of Scotiabank Europe, (ii) to make any further modifications of the terms of the Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes) or (iii) in any manner which the relevant Issuer, the Guarantor (if applicable) and the Fiscal Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons.

Tax treatment

The tax treatment of any amount to be paid in relation to the Notes to a Holder may reduce such Holder’s effective yield on the Notes. Prospective Investors should consult their tax advisors about their own tax situation.

Insolvency procedures

In the event that the relevant Issuer or the Guarantor becomes insolvent, proceedings will be generally governed by the insolvency laws of the relevant Issuer’s or the Guarantor’s jurisdiction (the “Relevant Insolvency Jurisdiction”). The insolvency laws of the Relevant Insolvency Jurisdiction may be different from the insolvency laws of an Investor’s home jurisdiction and the treatment and ranking of holders of Notes issued by the relevant Issuer and the relevant Issuer’s other creditors and shareholders under the insolvency laws of a Relevant Jurisdiction may be different from the treatment and ranking of holders of those Notes and the relevant Issuer’s other creditors and shareholders if the relevant Issuer was subject to the insolvency laws of the Investor’s home jurisdiction.

Changing Regulatory Landscape

While the Bank actively monitors global regulatory developments, such as capital and liquidity requirements under the Basel Committee on Banking Supervision global standards, over-the-counter derivatives reform, consumer protection measures and specific financial reforms, including the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, no assurance can be given as to the impact of any possible future regulatory development on the financial performance of the Bank or Scotiabank Europe or the pricing of Notes issued under the Programme.

Change of law

The terms and conditions of the Notes are based on the laws of the Province of Ontario and the federal laws of Canada applicable therein in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Province of Ontario or the federal laws of Canada applicable therein or elsewhere globally, or administrative practice after the date of this Prospectus and before the date on which the relevant Notes are issued. Such changes in law may include, but are not limited to, the introduction of a “bail-in” regime which may affect the rights of holders of securities issued by either Issuer, including the Notes, and changes in statutory, tax and regulatory regimes during the life of the Notes. See “Notes may be subject to write-off, write-down, or conversion under current and proposed Canadian resolution powers” and “Various Actions may be taken in relation to the Notes” above.

Notes in New Global Note form or held under the New Safekeeping System

The New Global Note form and Registered Notes which are registered in the name of a nominee of one of the ICSDs acting as common safekeeper and held under the new safekeeping structure (“NSS”) have been introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the “Eurosysteem”) and intra-day credit operations by the Eurosysteem either upon issue or at any or all times during their life. However, in any particular case such recognition will depend upon satisfaction of the Eurosysteem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosysteem eligibility criteria.

Integral multiples of less than €100,000

Notes will have a minimum Specified Denomination of €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). If so specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), such Notes may be traded in the minimum Specified Denomination and one or more integral multiples of another smaller amount in excess thereof. In such a case, a holder who, as a result of trading such amounts, is left with an amount that is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be provided) and may need to purchase or sell a principal amount of Notes such that its holding amounts to at least the minimum Specified Denomination (or an integral multiple thereof) on or before the relevant date on which definitive Notes are to be issued.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The return on an investment in Notes will be affected by charges incurred by Investors

An Investor’s total return on an investment in Notes will be affected by the level of fees charged to the Investor, including fees charged to the Investor as a result of the Notes being held in a clearing system. Such fees may include charges for opening accounts, transfers of securities, custody services and fees for payment of principal, interest or other sums due under the terms of the Notes. Investors should carefully investigate these fees before making their investment decision.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally; current lack of liquidity

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of Investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Illiquidity may have a severely adverse effect on the market value of Notes and Investors may suffer losses on the Notes in secondary market transactions even if there is no decline in the performance of the relevant Issuer and/or the Guarantor.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes and, if applicable, the Guarantor will make payments under the Guarantee, in the Specified Currency as set out in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). This presents certain risks relating to currency conversions if an Investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Investors may receive less interest or principal than expected, or no interest or principal or receive payments in a significantly devalued Specified Currency.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings might not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings might not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances while the registration application is pending). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the ratings will be disclosed in the Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).

There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. In the event that a rating assigned to the Notes or the relevant Issuer or the Guarantor is subsequently suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes, the relevant Issuer or the Guarantor may be adversely affected, the market value of the Notes is likely to be adversely affected and the ability of the relevant Issuer or the Guarantor to make payments under the Notes or the Guarantee, as the case may be, may be adversely affected.

Interest of Dealers

Certain Dealers and their affiliates have engaged, and may in the future engage, in investment bank and/or commercial banking transactions with, and may perform services for, the relevant Issuer or the Guarantor in the ordinary course of business. Certain of the dealers and their affiliates may also have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the relevant Issuer, the Guarantor or their respective affiliates. Certain Dealers or their affiliates that have a lending relationship with the Issuers or the Guarantor routinely hedge their credit exposure to the Issuers consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Each Issuer may sell Notes to one or more of the Dealers including Scotiabank Europe plc. The terms of the Programme were negotiated at arms-length between the Issuers, the Guarantor and the Dealers. In addition to any proceeds from any offering of the Notes under the Programme being applied, directly or indirectly for the benefit of Scotiabank Europe plc in its capacity as a wholly-owned direct subsidiary of the Bank, it will receive a portion of any fees and commissions payable in connection with any such offering of Notes in its capacity as a Dealer.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and as of the date of this Prospectus have been filed with the FCA shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (1) the Bank's unaudited interim consolidated financial statements for the three month period ended January 31, 2016 prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board, together with management's discussion and analysis for the three month period ended January 31, 2016, set out on pages 3 through 57 of the Bank's 2016 First Quarter Report to Shareholders;
- (2) the Bank's unaudited interim consolidated financial statements for the three and six month periods ended April 30, 2016 prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board together with management's discussion and analysis for the three and six month period ended April 30, 2016, set out on pages 3 through 64 of the Bank's 2016 Second Quarter Report to Shareholders;
- (3) the Bank's Annual Information Form dated December 1, 2015 for the year ended October 31, 2015 excluding all information incorporated therein by reference;
- (4) the Bank's audited consolidated financial statements as at and for the years ended October 31, 2015 and October 31, 2014, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board together with the auditors' report thereon and Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended October 31, 2015, all as set out on pages 11 to 208 of the Bank's Annual Report for the year ended October 31, 2015, and the Report of Independent Registered Public Accounting Firm on the Bank's internal control over financial reporting as of October 31, 2015;
- (5) Scotiabank Europe's Directors' report and statutory financial statements for the years ended October 31, 2015 and October 31, 2014 prepared in accordance with IFRS as adopted by the EU, and with Companies Act 2006 and including the auditors' reports thereon; and
- (6) the section entitled "Terms and Conditions of the Notes" sets out in the Issuers' base prospectuses (where applicable) dated June 26, 2015, June 27, 2014, June 28, 2013, June 27, 2012, December 29, 2011, January 7, 2011, January 8, 2010, January 9, 2009, January 18, 2008 and January 26, 2007; and for the avoidance of doubt, the applicable Final Terms for a Tranche of Notes (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate the Terms and Conditions applicable to such Tranche of Notes and, unless otherwise indicated in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), the Terms and Conditions of all Notes issued after the date hereof shall be those set out in this Prospectus,

provided that any statement contained in a document all or the relative portion of which is incorporated by reference shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein or in any supplement hereto, including any document incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Information, documents or statements expressed to be incorporated by reference into or form part of the documents noted above shall not form part of the base prospectus approved by the UK Listing Authority for the purposes of the Prospectus Directive. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Copies of this Prospectus and the documents incorporated by reference in this Prospectus can be obtained on written request and without charge from (i) the principal executive offices of the Bank from the Executive Vice-President, General Counsel and Secretary, The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, Canada, Telephone: +1 (416) 866-3672; (ii) the registered office of Scotiabank Europe from the Company Secretary, Scotiabank Europe plc, 201 Bishopsgate, 6th Floor, London EC2M 3NS; and (iii) from the offices of the Principal Paying Agent, Registrar, Calculation Agent and Transfer Agent, The Bank of Nova Scotia, London Branch, 201 Bishopsgate, 6th Floor, London EC2M 3NS, United Kingdom; Telephone: +44 (0)20 7638 5644 and may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the relevant Issuer.

ISSUE OF NOTES

Notes issued by each Issuer will be issued on a continuous basis in series (each a “Series”) having one or more issue dates. All Notes of the same Series shall have identical terms (or identical other than in respect of the issue date, the issue price and the first payment of interest), it being intended that each Note of a Series will be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on different issue dates and at different issue prices. The specific terms of each Tranche will be set forth in the applicable final terms to this Prospectus (each a “Final Terms”) (or, in the case of Exempt Notes, the applicable pricing supplement (each a “Pricing Supplement”). The Final Terms or, in the case of Exempt Notes, the Pricing Supplement, relating to each Tranche of Notes will be in, or substantially in, the form attached as Schedule A or Schedule B, respectively to this Prospectus.

SUPPLEMENTARY PROSPECTUSES

Each Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus (as amended and supplemented by any prior Supplementary Prospectus) which is capable of affecting the assessment of any Notes, prepare or procure the preparation of a Supplementary Prospectus which shall amend and/or supplement this Prospectus (as amended and supplemented from time to time) or publish a new Prospectus in compliance with Section 87G of the Financial Services and Markets Act 2000 (“FSMA”) prior to completing any subsequent offering by such Issuer of Notes to be listed on the Regulated Market.

OVERVIEW OF THE PROGRAMME

THE FOLLOWING OVERVIEW DOES NOT PURPORT TO BE COMPLETE AND IS TAKEN FROM, AND IS QUALIFIED IN ITS ENTIRETY BY, THE REMAINDER OF THIS PROSPECTUS AND, IN RELATION TO THE TERMS AND CONDITIONS OF ANY PARTICULAR SERIES OF NOTES, THE APPLICABLE FINAL TERMS (OR, IN THE CASE OF EXEMPT NOTES, THE APPLICABLE PRICING SUPPLEMENT). THE ISSUER AND ANY RELEVANT DEALER MAY AGREE THAT NOTES SHALL BE ISSUED IN A FORM OTHER THAN THAT CONTEMPLATED IN THE TERMS AND CONDITIONS, IN WHICH EVENT, IN THE CASE OF NOTES OTHER THAN EXEMPT NOTES, AND IF APPROPRIATE, A NEW PROSPECTUS WILL BE PUBLISHED.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC.

Words and expressions defined in “Terms and Conditions of the Notes” below shall have the same meanings in this summary.

Issuers: The Bank of Nova Scotia (the “Bank”) and Scotiabank Europe plc (“Scotiabank Europe” and collectively with the Bank, the “Issuers” and each an “Issuer”)

Guarantor of Guaranteed Notes: The Bank of Nova Scotia

Description: Euro Medium Term Note Programme (the “Programme”)

Arrangers: Barclays Bank PLC and Scotiabank Europe plc

Dealers: Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc, Scotiabank Europe plc, The Bank of Nova Scotia, Hong Kong Branch, The Royal Bank of Scotland plc, UBS Limited and Wells Fargo Securities International Limited.

Fiscal Agent, Principal Paying Agent, Registrar, Calculation Agent and Transfer Agent: The Bank of Nova Scotia, London Branch

Paying Agent and Transfer Agent: The Bank of Nova Scotia, Global Wholesale Operations

Size: Up to U.S.\$20,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time. Within such aggregate principal amount of Notes, Scotiabank Europe may issue up to U.S.\$1,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate principal amount of Guaranteed Notes or such other amount as may be authorised from time to time.

Risk Factors: There are certain factors which may affect the Issuers’ abilities to fulfil their obligations under the Notes and the Guarantor’s ability to fulfil its obligations under the Guarantees. Economic changes, movement of the Canadian dollar, inflation and Bank of Canada monetary policy decisions, competition, changes in law, legal proceedings, failure to obtain accurate and complete information from customers and counterparties may impact

the Bank's earnings, reputation and business.

Accounting policies and methods chosen by management could affect the Bank's reported financial condition. Operational and infrastructure risks may lead to financial and reputational loss.

There are certain factors which are material for the purpose of assessing the risks associated with investing in any issue of Notes. Notes may be subject to optional or early redemption by the relevant Issuer. The secondary market price of the Notes may be less than the Issue Price immediately after issue. The *Criminal Code* (Canada) prohibits the receipt of "interest" at an effective annual rate in excess of 60%.

There are risks relating to the Notes generally, including modifications and waivers, tax treatment, governing law of any insolvency proceedings, law and regulatory changes, Euro-zone instability, Eurosystem eligibility of Notes, Notes traded in integral multiples of less than €100,000 and the return on an investment in Notes will be affected by charges incurred by investors.

In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes which may impact the value of Notes, amongst other things. These risks include liquidity, exchange rates, interest rate, Dealers' interest in the Issuer, the application of the Banking Act and/or BRRD in respect of Scotiabank Europe or, as applicable, the Bank and credit ratings.

See "*Risk Factors*".

- Specified Currencies:** As agreed by the relevant Issuer and the relevant Dealers.
- Maturities:** Notes may be issued with any maturity between one month and 99 years.
- Specified Denomination:** As specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), provided that the minimum denomination of each Note (other than an Exempt Note) shall be €100,000 (or the equivalent of such amounts in another currency as at the date of issue of the Notes), save that the minimum denomination of each Note will in each case comply with all applicable legal, regulatory and central bank requirements.
- Method of Issue:** Syndicated or non-syndicated basis. Notes issued by the Issuers will be issued in one or more Series. Notes may be issued in Tranches on a continuous basis with no minimum issue size. Further Notes may be issued as part of an existing Series.
- Form of Notes:** Notes may be issued in bearer form only ("Bearer Notes"), in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") or in registered form only ("Registered Notes"). See "Form of Notes" herein.
- Guarantee:** Notes issued by Scotiabank Europe will be issued with the benefit of the unconditional and irrevocable Guarantee of the Guarantor under which the Guarantor will guarantee the payment of all amounts payable in respect of such Guaranteed Notes.
- Issue Price:** Notes may be issued at their principal amount or at a discount or premium

to their principal amount.

Terms of Notes: Notes other than Exempt Notes may bear interest at a fixed or floating rate or may not bear interest as specified in the applicable Final Terms. Exempt Notes may bear interest at a fixed or floating rate, may not bear interest or may bear interest on such other terms as may be specified in the applicable Pricing Supplement.

The Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes may not be redeemed prior to their stated maturity (other than in specified instalments, (if applicable), for taxation reasons or following an Event of Default and acceleration of the Notes) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders or, in the case of Exempt Notes only, on such other terms as specified in the applicable Pricing Supplement.

Fixed Interest Rate Notes: Fixed interest will be payable in arrear on the date or dates in each year specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).

Floating Rate Notes: Floating Rate Notes will bear interest set separately for each Series by reference to any of (i) the benchmark rate, (ii) the ISDA Floating Rate Option, (iii) the CMS reference rate or (iv) the spread calculated in respect of any two such rates, in each case, as specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), as adjusted for any applicable margin or multiplier. Interest periods will be specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).

Zero Coupon Notes: Zero Coupon Notes may be issued at their principal amount or at a discount to it.

Exempt Notes: The relevant Issuer and, where applicable, the Guarantor, may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Interest Periods and Interest Rates: The length of the interest periods and the applicable interest rate or its method of calculation may differ from time to time or be constant. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes).

Redemption by Instalments: The Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed and the other terms applicable to such redemption.

Optional Redemption: The Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders, and if so the

terms applicable to such redemption.

Redemption of Notes: Unless otherwise redeemed in accordance with their terms or otherwise specified, in the case of Exempt Notes, in the applicable Pricing Supplement, Notes will be redeemed at maturity at their Final Redemption Amount.

Negative Pledge: None.

Cross-default: None.

Status of Notes and Guarantee: Deposit Notes will constitute deposit liabilities of the Bank, will be unsubordinated and unsecured obligations of the Bank and will rank *pari passu* with all other present or future deposit liabilities of the Bank (except as otherwise prescribed by law) and without any preference amongst themselves.

Guaranteed Notes issued by Scotiabank Europe will be unsecured and unsubordinated debt obligations of Scotiabank Europe and will rank *pari passu* with all other present or future unsecured and unsubordinated debt obligations of Scotiabank Europe (except as otherwise prescribed by law). Payment of all amounts, including additional amounts, if any, payable on Notes issued by Scotiabank Europe will be unconditionally and irrevocably guaranteed by the Guarantor in the manner set forth in the Guarantee attached to such Guaranteed Notes. The obligations of the Guarantor under the Guarantees will rank *pari passu* with all present or future deposit liabilities of the Guarantor (except as otherwise prescribed by law) and without any preference amongst themselves.

Agreement with respect to the exercise of UK bail-in power By purchasing the Guaranteed Notes, each holder (including each beneficial owner) of the Guaranteed Notes acknowledges, agrees to be bound by, and consents to the exercise by the relevant UK resolution authority of any bail-in power (as defined below) that may result in either of the following, or some combination thereof:

1. the reduction or cancellation of all, or a portion, of the principal amount of, together with any accrued but unpaid interest, due on the Guaranteed Notes; and
2. the conversion of all, or a portion, of the principal amount of, together with any accrued but unpaid interest, due on the Guaranteed Notes into shares, other securities or other obligations of Scotiabank Europe or another person, or the transfer of shares of Scotiabank Europe to the noteholder, including by means of an amendment, modification or variation of the terms of the Guaranteed Notes, in which case the noteholder agrees to accept in lieu of rights under the Guaranteed Notes any such shares, other securities or other obligations of Scotiabank Europe or another person.

Each noteholder further acknowledges and agrees that the Guaranteed Notes are subject to, can be varied, or can change form, if necessary, to give effect to, the exercise of any such bail-in power by the relevant UK resolution authority.

For these purposes, a “bail-in power” is any write-down, conversion or transfer power exercised from time to time in compliance with the BRRD and any laws, regulations, rules or requirements in effect in the United

Kingdom relating to the transposition of the BRRD, including but not limited to the Banking Act 2009 as amended from time to time, and the instruments, rules and standards created thereunder, pursuant to which the obligations of a UK bank and its parent and other group companies can be cancelled, written down or converted into shares, other securities or other obligations of such bank or any other person, or shares of such bank or other group company can be transferred as described above.

A reference to the “relevant UK resolution authority” is to the Bank of England and any other entity with the authority to exercise a bail-in power from time to time.

Early Redemption: Except as provided in “Optional Redemption” above or otherwise specified, in the case of Exempt Notes, in the applicable Pricing Supplement, Notes will be redeemable at the option of the relevant Issuer prior to maturity only for tax reasons as described in “*Terms and Conditions of the Notes — Redemption, Purchase and Optional Redemption — Redemption for taxation reasons*”.

Withholding Tax: All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Canada, or any province or territory thereof and of the country in which the branch of account for Deposit Notes is located and of the United Kingdom subject to certain exceptions, all as described in “*Terms and Conditions of the Notes — Taxation*”.

Governing Law: The laws of the Province of Ontario and the laws of Canada applicable therein.

Listing: Application has been made to the UK Listing Authority for Notes (other than Exempt Notes) issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange’s regulated market.

Exempt Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer in relation to the Series. Exempt Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Pricing Supplement, in the case of Exempt Notes, will state whether or not the relevant Exempt Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Selling Restrictions: See “*Plan of Distribution*” or, in the case of Exempt Notes, such other selling restrictions as may be specified in the applicable Pricing Supplement.

FORM OF NOTES

Any reference in this section to “applicable Final Terms” shall be deemed to include a reference to “applicable Pricing Supplement” where relevant.

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”) and Registered Notes will be issued outside the United States in reliance on the exemption from registration provided by Regulation S.

Each Tranche of Bearer Notes having an original maturity of more than one year will initially be represented by a Temporary Bearer Global Note and each Tranche of Bearer Notes having an original maturity of one year or less will initially be represented by a Permanent Bearer Global Note which, in each case, will (i) if the Bearer Global Notes are intended to be issued in the new global note (“NGN”) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”); and (ii) if the Bearer Global Notes are not intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the issue date thereof to a common depository (the “Common Depository”) on behalf of Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system as further described in the “Form of Notes” herein.

No interest will be payable in respect of a Temporary Bearer Global Note except as described under “Summary of Provisions Relating to the Notes while in Global Form”. Interests in Temporary Bearer Global Notes will be exchangeable for interests in Permanent Bearer Global Notes or, if so stated in the applicable Final Terms, for definitive Bearer Notes after the date falling not earlier than 40 days after the issue date upon certification as to non-U.S. beneficial ownership or (in the case of Exchangeable Bearer Notes) definitive Registered Notes at any time after the issue date. Interests in Permanent Bearer Global Notes will be exchangeable for definitive Bearer Notes or (in the case of Exchangeable Bearer Notes) definitive Registered Notes, if so indicated in the applicable Final Terms, as described under “Summary of Provisions Relating to the Notes while in Global Form”.

Registered Notes will be represented by Note certificates (each a “Certificate”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes which are held in Euroclear and Clearstream, Luxembourg will be registered in the name of the nominee for the common depository for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the Common Safekeeper, as specified in the applicable Final Terms, and the relative Certificate(s) will be deposited with a common depository or, as the case may be, a Common Safekeeper or, if held in any other agreed clearing system will be registered in the name of the nominee for such other agreed clearing system, or a common nominee for all such clearing systems and the relative Certificate(s) will be deposited with the appropriate depository or, as the case may be, a common depository.

Bearer Notes will be issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the “TEFRA D Rules”) unless (i) the applicable Final Terms state that the Bearer Notes are issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the “TEFRA C Rules”) or (ii) the Bearer Notes are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstances in which the Bearer Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the applicable Final Terms as a transfer to which TEFRA is not applicable.

Bearer Notes will be issued in compliance with subsection 240(2) of the *Income Tax Act* (Canada). Under that provision, where a right to interest on a debt obligation is evidenced by a coupon or other

writing that does not form part of, or is capable of being detached from, the evidence of indebtedness, the coupon or other writing is to be marked or identified in prescribed manner by the letters "AX" in the case of a "taxable obligation" (as defined) or the letter "F" in the case of a "non-taxable obligation" (as defined).

The exchange of a Permanent Bearer Global Note for definitive Bearer Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) or at any time at the request of the relevant Issuer should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Notes.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Bearer Global Note or Global Certificate and the Bearer Global Note or, as the case may be, Global Certificate (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Bearer Global Note or, as the case may be, Global Certificate then from 8.00 p.m. (London time) on such day holders of interests in such Bearer Global Note or, as the case may be, Global Certificate credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant executed by the relevant Issuer.

The Issuers and the Guarantor (where applicable) may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes. In such event, other than where such Notes are Exempt Notes, a supplement to this Prospectus or a new Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

THE BANK OF NOVA SCOTIA

History and Development of the Bank

The Bank was granted a charter under the laws of the Province of Nova Scotia in 1832 and commenced operations in Halifax, Nova Scotia in that year. Since 1871, the Bank has been a chartered bank under the Bank Act. The Bank is a Schedule I bank under the Bank Act and the Bank Act is its charter. The head office of the Bank is located at 1709 Hollis Street, Halifax, Nova Scotia, B3J 1W1 and its executive offices are at Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1.

The Bank is Canada's international bank and a leading financial services provider in North America, Latin America, the Caribbean and Central America and Asia-Pacific. With a team of more than 89,000 employees, the Bank is dedicated to helping its 23 million customers become better off through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets.

Certain information regarding the Bank is incorporated by reference into this Prospectus. See "Documents Incorporated by Reference".

Principal Activities and Markets

A profile of each of the Bank's major business lines is discussed below and additional information on the Bank's business lines is available in the Management's Discussion and Analysis for the year ended October 31, 2015, on pages 54 to 64 inclusive, accompanying the Bank's audited consolidated financial statements for the fiscal year ended October 31, 2015, incorporated by reference herein.

Canadian Banking

Canadian Banking provides a full suite of financial advice and banking solutions, supported by an excellent customer experience, to over 10 million customers across Canada. It serves these customers through its network of more than 1,000 branches and 3,900 automated banking machines ("ABMs"), 400 Commercial Relationship Managers, 100 Wealth Management offices and a strong internet and mobile banking platform. Canadian Banking is comprised of the following areas:

- Retail and Small Business Banking provides financial advice, solutions and day-to-day banking products, including debit cards, chequing accounts, credit cards, investments, mortgages, loans, and related creditor insurance products, to individuals and small businesses. Tangerine Bank provides internet, mobile and telephone banking to self-directed customers.
- Commercial Banking delivers advice and a full suite of customized lending, deposit, cash management and trade finance solutions to medium and large businesses, including automotive dealers and their customers to whom the Bank provides retail automotive financing solutions.
- Wealth Management is an integrated business unit composed of asset management and advisory businesses. The asset management business is focused on investment manufacturing and developing innovative investment solutions for both retail and institutional investors. The client-facing wealth businesses, including private client, online brokerage, full service brokerage, pensions, institutional client services and an independent advisor channel, are focused on providing advice and solutions to clients in Canada.

International Banking

The Bank has an international presence unmatched by other Canadian banks. International Banking encompasses retail and commercial banking operations in three regions outside of Canada, being Latin America, the Caribbean and Central America, and Asia.

The business provides a full range of personal and commercial financial services to over 13 million customers (excluding associated corporations) through a network of just under 2,000 branches and offices, over 4,600 ABMs, mobile, internet and telephone banking, in-store banking kiosks and specialized sales forces.

Global Banking and Markets

Global Banking and Markets (“GBM”) conducts the Bank’s wholesale banking and capital markets business with corporate, government and institutional clients. GBM is a full-service lender and investment dealer in Canada and Mexico and offers a wide range of products in the United States, Central and South America, and in select markets in Europe, Asia and Australia. More specifically, GBM provides clients with: corporate lending; transaction banking, including trade finance and cash management; investment banking, including corporate finance and mergers & acquisitions; fixed income and equity underwriting, sales, trading and research; prime finance (prime brokerage and stock lending); foreign exchange sales and trading; energy and agricultural commodities trading and hedging; precious and base metals sales, trading, financing and physical services (ScotiaMocatta); and collateral management.

Competition

The Canadian banking system consists of five major Canadian banks that are required by law to be widely held because their equity exceeds a threshold of \$12 billion. These five banks compete across the country with extensive branch networks, augmented by ABMs, telephone, internet and mobile banking facilities. In addition, the system includes 24 other domestic banks, 53 foreign banks and more than 650 credit unions and caisses populaires. In total, the Canadian financial services industry includes thousands of institutions such as life insurance companies, property and casualty insurers, consumer finance companies, independent investment dealers and independent retail mutual fund management companies.

The Bank provides a broad range of banking and other financial services to retail, commercial and corporate banking clients in Canada, the United States, Mexico, the Caribbean, Central America, South America, the United Kingdom and Asia either directly or through subsidiaries. In providing these services, the Bank competes with local and international banks and other financial institutions.

Competition is reflected in the range of products and services offered, innovation in features, services, technology and delivery and the different pricing adopted. Canada was ranked among the top five countries in the world in terms of the variety of financial products and services offered, according to the 2015-2016 Global Competitiveness survey of the World Economic Forum. Additionally, a greater number of service providers in the Canadian marketplace are offering alternative channels and competition in the payments space.

The increased number of new entrants into the financial services sector in recent years has also underscored an enhanced level of competition. During 2015-2016, four banks and three foreign bank branches received charters. The federal government has also taken a series of actions to support the growth and competitiveness of the credit union sector.

Organizational Structure

The following table presents the principal subsidiaries⁽¹⁾ the Bank owns, directly or indirectly, as at October 31, 2015. All of these subsidiaries are included in the Bank’s consolidated financial statements.

As at 31 October (\$ millions)	Principal office	Carrying value of shares ⁽²⁾	
		2015	2014
<u>Canadian</u>			
1832 Asset Management L.P.	Toronto, Ontario	1,241	810
BNS Investments Inc.	Toronto, Ontario	12,746	11,824
Montreal Trust Company of Canada	Montreal, Quebec		
Hollis Canadian Bank	Toronto, Ontario	392	858
HollisWealth Inc.	Toronto, Ontario	3,632	3,728
National Trustco Inc.	Toronto, Ontario	608	538
The Bank of Nova Scotia Trust Company	Toronto, Ontario		
National Trust Company	Stratford, Ontario		
RoyNat Inc.	Toronto, Ontario	58	49
Scotia Capital Inc.	Toronto, Ontario	1,598	1,327
Scotia Dealer Advantage Inc.	Burnaby, British Columbia	445	357
Scotia Life Insurance Company	Toronto, Ontario	206	174
Scotia Mortgage Corporation	Toronto, Ontario	797	695
Scotia Securities Inc.	Toronto, Ontario	53	16
Tangerine Bank	Toronto, Ontario	3,443	3,329
<u>International</u>			
Banco Colpatría Multibanca Colpatría S.A. (51%)	Bogota, Colombia	1,259	1,271
The Bank of Nova Scotia Berhad	Kuala Lumpur, Malaysia	288	306
The Bank of Nova Scotia International Limited	Nassau, Bahamas	16,310	12,731
The Bank of Nova Scotia Asia Limited	Singapore		
The Bank of Nova Scotia Trust Company (Bahamas) Limited	Nassau, Bahamas		
Grupo BNS de Costa Rica, S.A.	San Jose, Costa Rica		
Scotiabank & Trust (Cayman) Ltd.	Grand Cayman, Cayman Islands		
Scotiabank (Bahamas) Limited	Nassau, Bahamas		
Scotiabank (British Virgin Islands) Limited	Road Town, Tortola, B.V.I.		
Scotiabank (Hong Kong) Limited	Hong Kong, China		
Scotiabank (Ireland) Limited	Dublin, Ireland		
Scotiabank (Turks and Caicos) Ltd.	Providenciales, Turks and Caicos Islands		
Grupo Financiero Scotiabank Inverlat, S.A. de C.V. (97.4%)	Mexico, D.F., Mexico	2,986	3,022
Nova Scotia Inversiones Limitada	Santiago, Chile	2,585	2,491
Scotiabank Chile (99.6%)	Santiago, Chile		
Scotia Capital (USA) Inc. ⁽²⁾	New York, New York		
Scotia Holdings (US) Inc. ⁽³⁾	Houston, Texas		
Scotiabanc Inc.	Houston, Texas		
Scotia International Limited	Nassau, Bahamas	899	820
Scotiabank Anguilla Limited	The Valley, Anguilla		
Scotiabank Brasil S.A. Banco Multiplo	Sao Paulo, Brazil	145	181
Scotiabank Caribbean Holdings Ltd.	Bridgetown, Barbados	1,311	884
Scotia Group Jamaica Limited (71.8%)	Kingston, Jamaica		
The Bank of Nova Scotia Jamaica Limited	Kingston, Jamaica		
Scotia Investments Jamaica Limited (77.0%)	Kingston, Jamaica		
Scotiabank (Belize) Ltd.	Belize City, Belize		
Scotiabank Trinidad and Tobago Limited (50.9%)	Port of Spain, Trinidad and Tobago		
Scotiabank de Puerto Rico	San Juan, Puerto Rico	1,316	1,069
Scotiabank El Salvador, S.A. (99.4%)	San Salvador, El Salvador	597	488
Scotiabank Europe plc	London, United Kingdom	2,472	2,110
Scotiabank Peru S.A.A. (97.8%)	Lima, Peru	3,418	2,784

(1) The Bank (or immediate parent of an entity) owns 100% of the outstanding voting shares of each subsidiary unless otherwise noted. The listing includes major operating subsidiaries only.

(2) The carrying value of this subsidiary is included with that of its parent, Scotia Capital Inc.

(3) The carrying value of this subsidiary is included with that of its parent, BNS Investments Inc.

The Bank also engages in business in its own right. Its assets are therefore comprised of both shares in the above subsidiaries and assets and liabilities acquired in the conduct of its own business. It is part dependent on the members of the Scotiabank Group and the revenues recovered by them.

Directors and Board Committees of the Bank

The Directors of the Bank as of the date hereof are as follows:

Name	Board Committee Memberships	Principal Occupation/ Outside Activities
Nora Anne Aufreiter	HRC CGC	Corporate Director and a former Director and leader of McKinsey & Company's Toronto office
Guillermo Enrique Babatz	ACRC RC	Managing Partner, Atik Capital, S.C., an advisory firm specializing in structured finance
Scott Wayne Barclay Bonham	ACRC CGC	Co-Founder and Partner of The Fueling Station, a real estate management company that manages properties serving Canadian entrepreneurs and start-up companies
Ronald Alvin Brenneman	RC—Chair HRC	Corporate Director and retired Executive Vice Chairman, Suncor Energy Inc., an integrated energy company
Charles Harry Dallara, Ph.D.	ACRC CGC	Executive Vice Chairman of the Board of Directors of Partners Group Holding AG and Chairman of the Americas, a firm that provides investment advisory and management services in the private markets spectrum
William Robert Fatt	ACRC HRC	Chairman and Chief Executive Officer of FRHI Hotels & Resorts, which operates hotels around the world
Richard Tiffany Macklem, Ph.D.	ACRC RC	Dean of the Rotman School of Management at the University of Toronto
Thomas Charles O'Neill	ACRC CGC RC HRC	Chairman of the Board, The Bank of Nova Scotia and Corporate Director

Eduardo Pacheco	RC	Chief Executive Officer and Director of Mercantil Colpatria S.A.
Brian Johnston Porter	N/A	President and Chief Executive Officer, The Bank of Nova Scotia
Una Marie Power	ACRC	Corporate Director and retired Chief Financial Officer of Nexen Energy ULC, a former publicly-traded energy company that is a wholly-owned subsidiary of CNOOC Limited
	HRC	
Aaron William Regent	HRC - Chair	Founder and Managing Partner, Magris Resources Inc., a private equity firm that acquires, develops and operates mining assets on a global basis
	RC	
Indira Vasanti Samarasekera, O.C., PH.D.	HRC	Senior Advisor at Bennet Jones LLP, a law firm, and Corporate Director
	CGC	
Susan Louise Segal	CGC – Chair	President and Chief Executive Officer of the Americas Society, an organization dedicated to education, debate and dialogue in the Americas and of the Council of the Americas, an international business organization for companies in the western hemisphere
	RC	
Paul David Sobey	ACRC - Chair	Corporate Director and former President and Chief Executive Officer of Empire Company Limited, a Canadian company whose key businesses include food retailing and related real estate
	RC	
Barbara Susan Thomas	CGC	Corporate Director
	HRC	
Lawren Scott Thomson	ACRC	President and Chief Executive Officer of Finning International Inc., the world’s largest Caterpillar equipment dealer.
	CGC	

Notes:

ACRC—Audit and Conduct Review Committee

CGC—Corporate Governance Committee

RC—Risk Committee

HRC—Human Resource Committee

The business address of the Directors of the Bank is The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, which is the executive office of the Bank.

There are no potential conflicts of interest between any duties owed to the Bank by the Directors and the private interests and/or other external duties owed by these individuals.

Major Shareholders

Without Minister of Finance of Canada (the “Minister”) approval, no person or group of associated persons may own more than 10 per cent. of any class of shares of the Bank. No person may be a major shareholder of a bank if the bank has equity of \$12 billion or more (which would include the Bank). A person is a major shareholder of a bank if: (a) the aggregate of shares of any class of voting shares beneficially owned by that person and that are beneficially owned by any entities controlled by that person is more than 20 per cent. of that class of voting shares; or (b) the aggregate of shares of any class of non-voting shares beneficially owned by that person and that are beneficially owned by any entities controlled by that person is more than 30 per cent. of that class of non-voting shares. Ownership of the Bank's shares by Canadian or foreign governments is prohibited under the Bank Act. However, in 2009 certain amendments were made to the Bank Act that provide for limited circumstances in which the Canadian federal government may be permitted to acquire shares of a bank, including the Bank, if the Minister and Governor in Council were to conclude that to do so would promote stability in the financial system. While the government holds any shares of a bank, including the Bank, the Minister may impose certain terms and conditions, including conditions on the payment by the Bank of dividends on any of its shares.

Selected Financial Information***Financial Summary***

The financial data in the tables below has been extracted or calculated without material adjustment from information contained within the audited consolidated statement of financial position and consolidated statement of income, or financial records of the Bank for the years ended October 31, 2015 and October 31, 2014 contained in the Bank's 2015 Annual Report.

Condensed Consolidated Statement of Financial Position

<u>(Amounts in millions of Canadian dollars)</u>	As at October 31	
	2015	2014
Assets		
Cash and deposits with financial institutions and precious metals	\$84,477	\$64,016
Trading assets.....	99,140	113,248
Securities purchased under resale agreements and securities borrowed	87,312	93,866
Investment securities.....	43,216	38,662
Loans.....	458,628	424,309
Other	83,724	71,565
Total assets.....	<u>\$856,497</u>	<u>\$805,666</u>

Liabilities		
Deposits	\$600,919	\$554,017
Obligations related to securities sold under repurchase agreements and securities lent.....	77,015	88,953
Other liabilities.....	118,902	108,614
Subordinated debentures	6,182	4,871
Total liabilities	<u>\$803,018</u>	<u>\$756,455</u>
Equity		
Common equity.....	\$49,085	\$44,965
Preferred shares.....	2,934	2,934
Non-controlling interests in subsidiaries.....	1,460	1,312
Total equity	<u>\$53,479</u>	<u>\$49,211</u>
Total liabilities and equity.....	<u>\$856,497</u>	<u>\$805,666</u>

Condensed Consolidated Statement of Income

<u>(Amounts in millions of Canadian dollars)</u>	For the Year ended October 31	
	2015	2014
Net interest income	\$13,092	\$12,305
Non-interest income.....	10,957	11,299
Total revenue	<u>24,049</u>	<u>23,604</u>
Provision for credit losses.....	1,942	1,703
Non-interest expenses	13,041	12,601
Income tax expense.....	1,853	2002
Net income	<u>\$7,213</u>	<u>\$7,298</u>
Net income attributable to non-controlling interests in subsidiaries.....	199	227
Net income attributable to equity holders of the Bank	<u>\$7,014</u>	<u>\$7,071</u>
Preferred shareholders.....	117	155
Common shareholders.....	<u>\$6,897</u>	<u>\$6,916</u>

Consolidated Earnings Ratio

	For the Year ended October 31	
	2015	2014
Consolidated Ratios of Earnings to Fixed Charges		
Excluding interest on deposits	7.90	8.52
Including interest on deposits	2.18	2.21
Consolidated Ratios of Earnings to Combined Fixed Charges and Preferred Dividends		
Excluding interest on deposits	7.07	7.29
Including interest on deposits	2.14	2.15

For the purpose of computing these ratios:

earnings represent income from continuing operations plus income taxes and fixed charges (excluding capitalized interest and net income from investments in associated corporations);

fixed charges, excluding interest on deposits, represent interest (including capitalized interest), estimated interest within rent, and amortization of debt issuance costs; and

fixed charges, including interest on deposits, represent all interest.

Material Contracts

The Bank has not entered into any contracts outside the ordinary course of the Bank's business which could materially affect the Bank's obligations in respect of any Notes to be issued by the Bank.

Auditors

KPMG LLP, Chartered Professional Accountants, Toronto, Canada, is the external auditor who prepared the Report of Independent Registered Public Accounting Firm To the Shareholders of The Bank of Nova Scotia with respect to the consolidated statements of financial position of the Bank as at October 31, 2015 and October 31, 2014 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended October 31, 2015 and notes, comprising a summary of significant accounting policies and other explanatory information, and who prepared the Report of Independent Registered Public Accounting Firm To the Shareholders of The Bank of Nova Scotia on the Bank's internal control over financial reporting as of October 31, 2015. These financial statements and management's assessment of the effectiveness of the internal control over financial reporting as of October 31, 2015 have been incorporated by reference in reliance on their reports given on their authority as experts in auditing and accounting.

KPMG LLP is independent with respect to the Bank within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation. Further, KPMG LLP is an independent accountant with respect to the Bank under all relevant U.S. professional and regulatory Standards.

Legal and Arbitration Proceedings

Save as disclosed in the Bank's Annual Information Form dated December 1, 2015, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), during the 12 month period preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Bank and the Bank's subsidiaries' (taken as a whole) financial position or profitability.

Ratings

Each of Moody's Canada Inc. ("Moody's"), Standard & Poor's Global Ratings, acting through Standard & Poor's Ratings Services (Canada), a business unit of The McGraw Hill Companies (Canada) Corporation ("S&P"), Fitch, Inc. ("Fitch") and DBRS Limited ("DBRS") has provided the following issuer ratings for the Bank:

	Moody's	S&P	Fitch	DBRS
Senior long-term debt/deposits	Aa3	A+	AA-	AA
Subordinated debt	A3	A-	A+	AA (low)
Short-term deposits/commercial paper	P-1	A-1	F1+	R-1 (high)

	Moody's	S&P	Fitch	DBRS
Subordinated debt (NVCC) ⁽¹⁾	Baa1	BBB+	N/A	A (low)
Non-cumulative Preferred Shares	Baa2	BBB/P-2 ⁽²⁾	Not rated	Pfd-2 (high)
Non-cumulative Preferred Shares (NVCC) ⁽¹⁾	Baa2	P-2 (low)	Not rated	Pfd-2

⁽¹⁾ Non-Viability Contingent Capital (NVCC)

⁽²⁾ Canadian Scale

None of S&P, Moody's, Fitch or DBRS (the "non-EU CRAs") is established in the European Union or has applied for registration under the CRA Regulation. The ratings have been endorsed by each of Standard and Poor's Credit Market Services Europe Ltd., Moody's Investors Service Ltd., DBRS Ratings Limited and Fitch Ratings Limited (the "EU CRAs"), as applicable, which are affiliates of S&P, Moody's, Fitch and DBRS, respectively, in accordance with the CRA Regulation. Each EU CRA is established in the European Union and registered under the CRA Regulation. As such each EU CRA is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation. ESMA has indicated that ratings issued in Canada which have been endorsed by an EU CRA may be used in the EU by the relevant market participants.

SCOTIABANK EUROPE PLC

History and Development of Scotiabank Europe

Scotiabank Europe plc (“Scotiabank Europe”) was incorporated on August 28, 1964 under the name of The Bank of Nova Scotia Trust Company (United Kingdom) Limited and was registered as a public limited company under its present name on November 3, 1997. It is a wholly owned subsidiary of the Bank. Its principal activity is that of an authorized person under the FSMA with permission to accept deposits. It provides a range of banking services. Scotiabank Europe has no subsidiaries.

For the years ended October 31, 2015 and October 31, 2014, Scotiabank Europe’s net income was U.S.\$116.1 million and U.S.\$77.04 million, respectively (as stated in the 2015 financial statements). At October 31, 2015 and October 31, 2014, total assets of Scotiabank Europe as stated in the 2015 financial statements were U.S.\$20,955.24 million and U.S.\$31,032.29 million, respectively, and total equity was U.S.\$1,844.94 million and U.S.\$1,814.41 million, respectively.

Principal Activities and Markets

Scotiabank Europe markets and sells a range of banking products with its target market being large and mid-sized companies, as well as banks, investment banks, governments and supranational organisations together with asset managers. Scotiabank Europe generates revenue through the extension of credit to corporate clients, market-making and distribution of Government bonds, equity financing and base metals trading.

Recent Developments

Scotiabank Europe commenced a balance sheet optimisation process during the past year as a result of which the balance sheet has decreased significantly but the return on assets has improved markedly leading to higher overall profits. This leaves the Board of Directors optimistic for the future of the business and its continued profitability in the next financial year. Reverse repurchase agreements and other similar secured lending, trading assets, base metals inventory and investment securities showed a negative trend at the end of the year, with a year over year decrease of U.S.\$6,997.87 million, U.S.\$1,180.37 million, U.S.\$1,516.29 million and U.S.\$491.62 million respectively. The loan portfolio continues to be balanced within established concentrations of geographic and industry specialisation.

In addition, the various portfolios are carefully managed and diversified with regard to maturity and credit exposure to achieve this objective.

Directors of Scotiabank Europe

The Directors of Scotiabank Europe as of the date hereof are as follows:

<u>Name</u>	<u>Principal Occupation/Outside Activities</u>
JOHN GERARD KIRWAN	Managing Director, Head of Europe
KERRY MADELINE SPOONER	Non-Executive Director
JANE MARY LLOYD	Chief Operating Officer
STEVEN MICHAEL LOWE	Managing Director, ScotiaMocatta
ROBERT JOHN WILD	Non-Executive Director
PHILIP MARTIN CUTTS	Non-Executive Director
PHILIP STEPHEN WATSON SMITH	Senior Vice President and Chief Operating Officer, Global Banking and Markets

The business address of the Directors of Scotiabank Europe is 201 Bishopsgate, 6th Floor, London, United Kingdom, EC2M 3NS, which is the Registered Office of Scotiabank Europe, registered in England and Wales No. 00817692.

There are no potential conflicts of interest between any duties owed to Scotiabank Europe by the Directors and the private interests and/or other external duties owed by these individuals.

Selected Financial Information

Financial Summary

The financial data in the tables below has been extracted without material adjustment from the audited balance sheet and statement of income of Scotiabank Europe for the years ended October 31, 2015 and October 31, 2014 contained in Scotiabank Europe's annual audited financial statements.

Condensed Balance Sheet

(Amounts in thousands of U.S. Dollars)	As at October 31	
	2015	2014
Trading assets	U.S.\$4,883,540	U.S.\$6,063,908
Loans	4,381,073	4,195,657
Reverse repurchase agreements and other similar secured lending	8,223,192	15,221,060
Other assets	3,467,430	5,551,669
Total assets	U.S.\$20,955,235	U.S.\$31,032,294
Trading liabilities	3,902,876	7,132,305
Deposits	7,377,544	9,212,518
Repurchase agreements and other similar secured borrowing	7,710,660	12,669,092
Other liabilities	119,213	203,970
Equity	1,844,942	1,814,409
Total liabilities and equity	U.S.\$20,955,235	U.S.\$31,032,294

Condensed Statement of Income

(Amounts in thousands of U.S. Dollars)	For the year ended October 31	
	2015	2014
Net interest income	U.S.\$101,534	U.S.\$88,002
Other income	146,246	134,929
Net interest and other income	247,780	222,931
Non-interest expenses	(103,375)	(104,208)
Tax expense	(28,670)	(34,725)
Net impairment loss on financial assets	379	(6,961)
Net Income	U.S.\$116,114	U.S.\$77,037

Material Contracts

Scotiabank Europe has not entered into any contracts outside the ordinary course of Scotiabank Europe's business which could materially affect Scotiabank Europe's obligations in respect of any Notes to be issued by Scotiabank Europe.

Auditors

KPMG LLP, Chartered Accountants, 15 Canada Square, London E14 5GL audited the financial statements of Scotiabank Europe for the fiscal years 2014 and 2015 in accordance with International Standards on Auditing (UK&I). The annual audited financial statements of Scotiabank Europe for the years ended October 31, 2015 and October 31, 2014 were prepared in accordance with IFRS as adopted by the EU, and together with the auditors' report thereon have been incorporated by reference herein.

The auditors of Scotiabank Europe have no material interest in Scotiabank Europe.

The reports of the auditors in each of the last two years did not contain any qualifications.

Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Scotiabank Europe is aware), during the 12 month period preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on Scotiabank Europe's financial position or profitability.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes (the “Conditions”) which, subject to completion in accordance with the provisions of the applicable Final Terms or applicable Pricing Supplement, as the case may be, will be applicable to the Notes and, subject further to simplification by deletion of non-applicable provisions, will be endorsed on Notes in definitive form (if any). Details of the relevant Issuer, the Guarantor (if applicable) and the relevant Series will be set out in Part A of the applicable Final Terms or applicable Pricing Supplement, as the case may be, and, in the case of the issue of Notes in definitive form, the relevant portions will be endorsed on the definitive form of Note. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes which may be issued under the Programme. In addition, the Conditions applicable to Bearer Global Notes and Global Certificates are modified or supplemented by additional provisions; see “Summary of Provisions Relating to the Notes while in Global Form” below. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purpose of such Notes. Capitalised terms not defined in the Conditions but which are defined in the applicable Final Terms will have the meanings given them in Part A of such Final Terms or Pricing Supplement, as the case may be, and “herein”, “hereof” or “hereon” when used in the Conditions shall include a reference to such Final Terms where appropriate.

This Note is one of a Series of notes (the “Notes”), which expression shall mean (i) in regard to any Notes represented by a Note in temporary global form or in permanent global form (each a “Bearer Global Note”) or a Note in registered form, units of the lowest Specified Denomination in the Currency specified hereon of the relevant Notes, (ii) any Note in definitive form issued in exchange for a Bearer Global Note, and (iii) any Bearer Global Note. The Notes are issued pursuant to an Amended and Restated Agency Agreement dated June 28, 2016 (as amended or supplemented from time to time, the “Agency Agreement”), between The Bank of Nova Scotia (the “Bank”) and Scotiabank Europe plc (“Scotiabank Europe”) as issuers (collectively the “Issuers” and each an “Issuer”), the Bank in its capacity as guarantor (“the Guarantor”) of Guaranteed Notes (as defined below), The Bank of Nova Scotia, London Branch as fiscal agent (the “Fiscal Agent”) and principal paying agent, transfer agent, calculation agent and registrar (the “Registrar”), The Bank of Nova Scotia, Global Wholesale Operations as paying agent (together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the “Paying Agents”) and transfer agent (together with the Fiscal Agent and any additional or other transfer agents in respect of the Notes from time to time appointed, the “Transfer Agents”), and with the benefit of Deeds of Covenant (each, as further amended or supplemented from time to time, the “Deeds of Covenant”) dated June 28, 2016 executed by the Issuers, and, in the case of Guaranteed Notes, by the Guarantor. The initial Calculation Agent(s) (if any) is specified in the applicable Final Terms. The Noteholders (as defined below), the holders of the interest coupons (the “Coupons”) appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of the instalment receipts (the “Receipts”) appertaining to the payment of principal by instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used herein, “Series” means all Notes which are denominated in the same currency, which have the same Maturity Date and the same Interest Basis and Redemption/Payment Basis, if any, all as indicated in the applicable Final Terms, and the terms of which, save for the Issue Date, the Interest Commencement Date and/or the Issue Price (as indicated as aforesaid) are otherwise identical (including whether or not the Notes are listed). As used herein, “Tranche” means all Notes of the same Series with the same Issue Date and Interest Commencement Date. The final terms applicable to a Tranche of Notes are set out in Part A of the Final Terms attached to or endorsed on the Note which complete these Terms and Conditions (the “Conditions”) or, if this Note is a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an “Exempt Note”), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on the Note and shall complete, and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify, the Conditions. References to “the applicable Final Terms” are to Part A of the Final Terms (or the relevant

provisions thereof) attached to or endorsed on the Notes. Any reference in the Conditions to “applicable Final Terms” shall be deemed to include a reference to “applicable Pricing Supplement” where relevant. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Copies of the Agency Agreement and the Deeds of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents. Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes are issued in the form specified in the applicable Final Terms. Notes issued in bearer form are referred to herein as “Bearer Notes”, which expression includes Notes which are specified to be Exchangeable Bearer Notes. Notes issued in registered form are referred to herein as “Registered Notes”. Notes issued in bearer form exchangeable for Registered Notes are referred to herein as “Exchangeable Bearer Notes”. Bearer Notes in definitive form will be serially numbered, in the Specified Currency and in the Specified Denomination(s). Notes will be in such denominations as may be specified in the applicable Final Terms, save that the minimum denomination of each Note shall in each case comply with all applicable legal, regulatory and central bank requirements.

So long as the Bearer Notes are represented by a Temporary Bearer Global Note or Permanent Bearer Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in the applicable Final Terms and, if so provided in the applicable Final Terms, higher integral multiples of at least 1,000 in the relevant currency (the “Integral Amount”), notwithstanding that no definitive Notes will be issued with a denomination above the Definitive Amount in such currency. For purposes of these conditions, the “Definitive Amount” shall be equal to two times the lowest Specified Denomination minus the Integral Amount.

Bearer Notes shall be issued in the new global note form if so specified in the applicable Final Terms.

The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, or a combination of any of the foregoing, in each case depending on the Interest Basis specified in the applicable Final Terms.

Notes may be redeemable in full at maturity or Notes may be Instalment Notes, depending on the Redemption/Payment basis specified in the applicable Final Terms.

If this Note is an Exempt Note, this Note may include terms and conditions not contemplated by the Conditions; in such event the relevant provisions will be included in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons (and, where appropriate, a Talon for further Coupons) attached, save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. The expression “Coupons” shall, where the context so requires, include Talons. Any Bearer Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Title to Bearer Notes, Receipts or Coupons shall pass by delivery. The holder of each Coupon, whether or not such Coupon is attached to a Bearer Note, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Bearer Note. The holder of any Bearer Note, the

holder of any Receipt (a “Receiptholder”) and any Coupon holder may, to the fullest extent permitted by applicable laws be treated at all times, by all persons and for all purposes as the absolute owner of such Note, Receipt or Coupon, as the case may be, regardless of any notice of ownership, theft or loss or of any writing thereon.

Registered Notes are represented by certificates (“Certificates”), each Certificate representing one or more Notes registered in the name of the recorded holder of such Certificate. Certificates for Registered Notes shall be issued in the lowest Specified Denomination or an integral multiple thereof.

Title to the Registered Notes shall pass by registration in the register which the relevant Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Registered Note, Receipt or Coupon shall be deemed to be and may be treated as the absolute owner of such Registered Note, Receipt or Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Registered Note, Receipt or Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

Each Note issued by Scotiabank Europe will be issued with the benefit of an unconditional and irrevocable guarantee (the “Guarantee”) of the Guarantor under which the Guarantor will unconditionally and irrevocably guarantee the payment of all amounts payable on or in respect of such Notes (“Guaranteed Notes”).

In these Conditions, “Noteholder” means the bearer of any Bearer Note in definitive form and the Coupons, Talons and Receipts relating to it, the person in whose name a Registered Note in definitive form is registered and unless otherwise specifically provided herein, in the case of a Bearer Global Note or a Global Certificate, a person that beneficially owns one or more Notes represented thereby. In addition, “holder” (in relation to a Note, Receipt or Coupon) has the corresponding meaning and capitalised terms have the meanings given to them herein; the absence of any such meaning indicating that such term is not applicable to the Notes.

2. Exchange of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) Exchange of Exchangeable Bearer Notes:

Subject as provided in Condition 2(e), Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts and Coupons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payment of interest or Instalment Amount, the Coupon in respect of that payment of interest or Receipt in respect of that Instalment Amount need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one denomination may not be exchanged for Bearer Notes of another denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes:

Subject as provided in Condition 2(e), one or more Registered Notes may be transferred upon the surrender of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate in respect of the balance not transferred will be issued to the transferor.

(c) ***Delivery of new Certificates:***

Each new Certificate to be issued upon exchange of Exchangeable Bearer Notes or transfer of Registered Notes will, within three business days (being a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar to whom such request for exchange or form of transfer shall have been delivered, as the case may be) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom such delivery shall have been made or, at the option of the holder making such delivery as aforesaid and as specified in the relevant request for exchange or form of transfer, be mailed at the risk of the holder entitled to the new Certificate to such address as may be specified in such request for exchange or form of transfer.

(d) ***Exchange free of charge:***

Exchange of Notes on registration or transfer will be effected without charge by or on behalf of the Issuer thereof, the Registrar or the Transfer Agents, but on payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(e) ***Closed periods:***

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for a Registered Note (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be redeemed by the Issuer thereof at its option pursuant to Condition 5(e) or (iii) after any such Note has been drawn for redemption in whole or in part. An Exchangeable Bearer Note called for redemption may, however, be exchanged for a Registered Note in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. Status

(a) ***Status of Deposit Notes:***

The Deposit Notes (being those Notes which specify their status as Deposit Notes in the applicable Final Terms) will constitute deposit liabilities of the Bank and, together with the Receipts and Coupons relating to them, will rank *pari passu* with all present or future deposit liabilities of the Bank (except as otherwise prescribed by law) and without any preference amongst themselves. Deposit Notes issued by a branch of the Bank outside of Canada will be paid without the necessity of being presented for payment at such branch.

(b) ***Status of Guaranteed Notes:***

Guaranteed Notes issued by Scotiabank Europe will be unsecured and unsubordinated debt obligations of Scotiabank Europe and will rank *pari passu* with all other present or future unsecured and unsubordinated debt obligations of Scotiabank Europe (except as otherwise prescribed by law). Payment of all amounts, including additional amounts, if any, payable on Notes issued by Scotiabank Europe will be unconditionally and irrevocably guaranteed by the Guarantor in the manner set forth in the Guarantee attached to such Guaranteed Notes. The obligations of the Guarantor under the Guarantees will rank *pari passu* with all present or future deposit liabilities of the Guarantor (except as otherwise prescribed by law) and without any preference amongst themselves.

(c) ***Bail-in:***

To the extent Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms authorised in the European Union (the “BRRD”) applies to Scotiabank Europe, this Condition 3(c) will apply.

By its acquisition of the Guaranteed Notes, each Noteholder (which, for the purposes of this Condition (c) (“*Bail-in*”), includes each holder of a beneficial interest in the Guaranteed Note) acknowledges, agrees to be bound by, and consents to the exercise by the relevant UK resolution authority of any bail-in power that may result in either of the following, or some combination thereof:

- (i) the reduction or cancellation of all, or a portion, of the Amounts Due; and
- (ii) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of Scotiabank Europe or another person, or the transfer of shares of Scotiabank Europe to the Noteholder, including by means of an amendment, modification or variation of the terms of the Guaranteed Notes, in which case the Noteholder agrees to accept in lieu of rights under the Guaranteed Notes any such shares, other securities or other obligations of Scotiabank Europe or another person.

Each Noteholder further acknowledges and agrees that the Guaranteed Notes are subject to, can be varied, or can change form, if necessary, to give effect to, the exercise of any such bail-in power by the relevant UK resolution authority.

For these purposes, the “Amounts Due” are the principal amount of, together with any accrued but unpaid interest, due on the Guaranteed Notes. References to principal due will include payments of principal that have become due and payable, but which have not been paid, prior to the exercise of any EU bail-in power.

For these purposes, a “bail-in power” is any write-down, conversion, or transfer power exercised from time to time in compliance with the BRRD and any laws, regulations, rules or requirements in effect in Ireland or the United Kingdom relating to the transposition of the BRRD, including but not limited to the Banking Act 2009 as amended from time to time, and the instruments, rules and standards created thereunder, pursuant to which the obligations of an EU bank and its parent and other group companies can be cancelled, written down or converted into shares, other securities or other obligations of such bank or any other person, or shares of such bank or other group company can be transferred as described above.

A reference to the “relevant UK resolution authority” is, in the case of Scotiabank Europe, to the Bank of England and any other entity with the authority to exercise a bail-in power from time to time.

No repayment of the principal amount of the Notes or payment of interest on the Notes shall become due and payable after the exercise of any bail-in power by the relevant UK resolution authority unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made under the laws and regulations of the European Union applicable to Scotiabank Europe, the Bank or other group companies.

By purchasing the Notes, each holder (including each holder of a beneficial interest in any Note) shall be deemed to have (i) consented to the exercise of any bail-in power as it may be imposed without any prior notice by the relevant UK resolution authority of its decision to exercise such power with respect to the Notes and (ii) authorised, directed and requested Euroclear or Clearstream, Luxembourg or any other relevant clearing system and any direct participant in Euroclear or Clearstream, Luxembourg or any other relevant clearing system or other intermediary through which it holds such Notes to take any and all necessary action, if required, to implement the exercise of any bail-in power with respect to the Notes as it may be imposed, without any further action or direction on the part of such holder or beneficial owner.

Upon the exercise of the bail-in power by the relevant UK resolution authority with respect to the Guaranteed Notes, Scotiabank Europe will provide notice to the Noteholders in accordance with Condition 13 (“*Notices*”).

4. Interest and Other Calculations

(a) ***Notes may be interest bearing or non-interest bearing as specified in the applicable Final Terms. Interest on Fixed Rate Notes:***

Each Fixed Rate Note bears interest on its outstanding Principal Amount from and including the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Interest Rate, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be calculated in accordance with Condition 4(f).

The amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on, but excluding such date, will amount to the Fixed Coupon Amount. Payment of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

(b) ***Business Day Convention:***

If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Relevant Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Relevant Business Day and (B) each subsequent such date shall be the last Relevant Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Relevant Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Relevant Business Day.

(c) ***Interest Rate on Floating Rate Notes:***

Each Floating Rate Note bears interest on its outstanding Principal Amount from and including the Interest Commencement Date, such interest being payable in arrear on the Interest Payment Date(s).

Such interest will be payable in respect of each Interest Period. The amount of interest payable shall be determined in accordance with Condition 4(f).

The Interest Rate for each Interest Accrual Period or Interest Period will be determined by the Calculation Agent in respect of such Interest Accrual Period or Interest Period in the manner specified in the applicable Final Terms:

(i) **Screen Rate Determination for Floating Rate Notes**

(A) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined and if the Primary Source is specified in the applicable Final Terms to be Screen Rate, the Interest Rate for each Interest Accrual Period or Interest Period will be:

- (x) the Relevant Rate (where such Relevant Rate on the Relevant Screen Page is a composite quotation or is customarily supplied by one entity);
or
- (y) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on the Relevant Screen Page,

in each case appearing on such Relevant Screen Page (or such replacement page on that service which displays the information) at the Relevant Time on the Interest Determination Date;

(B) if the Primary Source is specified in the applicable Final Terms to be Reference Banks or if sub-paragraph (i)(A)(x) applies and no Relevant Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (i)(A)(y) above applies and fewer than two Relevant Rates appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to major banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;

(C) if paragraph (B) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) which the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Relevant Currency which at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Relevant Currency or, if the Relevant Currency is euro in the principal financial centre of those member states that are participating in the European economic and monetary union whose lawful currency is the euro (the “Eurozone”) as selected by the Calculation Agent (either of such centres to be referred to herein as the “Principal Financial Centre”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration to leading banks carrying on business in Europe, or, if the Calculation Agent determines that fewer than two of such banks are so quoting, in the Principal Financial Centre, except that, if fewer than two of the banks in the Principal Financial Centre so selected by the Calculation Agent are quoting as aforesaid, the Interest Rate shall be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum Interest Rate or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

Unless otherwise stated in the applicable Final Terms the Minimum Interest Rate shall be deemed to be zero.

(ii) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Accrual Period or Interest Period will be the relevant ISDA Rate. For the purposes of this subparagraph (ii), “ISDA Rate” for an Interest Accrual Period or Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as ISDA Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “ISDA Definitions”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph 4(c)(ii), “Floating Rate”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions and the term “ISDA Calculation Agent” has the meaning given to “Calculation Agent” in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Interest Rate shall be deemed to be zero.

(iii) CMS Rate for Floating Rate Notes

Where CMS Rate is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Accrual Period or Interest Period will be the CMS Reference Rate.

For the purposes of this subparagraph (iii), the “CMS Reference Rate” for an Interest Accrual Period or Interest Period means the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the CMS Maturity commencing on the first day of the relevant Interest Accrual Period or Interest Period (expressed as a percentage rate per annum) which appears on the Relevant Screen Page as at the Relevant Time on the relevant Interest Determination Date, all as determined by the Calculation Agent.

If the Relevant Screen Page is not available, the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the CMS Reference Banks provide the Calculation Agent such quotations, the CMS Reference Rate for such Interest Accrual Period or Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Reference Rate shall be determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

(iv) Floating Rate Spread Notes

(A) Where Floating Rate Spread is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Accrual Period or Interest Period will be calculated in accordance with the following formula:

$$\text{Floating Rate Spread Rate 1 minus Floating Rate Spread Rate 2.}$$

(B) Floating Rate Spread Rate 1 and Floating Rate Spread Rate 2 will each be determined in accordance with the provisions of this Condition 4(c) and, in each case, Screen Rate Determination, ISDA Determination or CMS Rate will apply if specified in the applicable Final Terms, provided that, for such purposes, each reference to “Interest Rate” within Conditions 4(c)(i), 4(c)(ii) and 4(c)(iii) will be deemed to be a reference to “Floating Rate Spread Rate 1” or “Floating Rate Spread Rate 2”, as the case may be.

(C) The applicable Final Terms will specify in respect of each Floating Rate Spread Rate the relevant terms for determining such Floating Rate Spread Rate, and may specify in respect of such Floating Rate Spread Rate, a Floating Rate Spread Rate Margin, a

Floating Rate Spread Rate Multiplier, a Maximum Floating Rate Spread Rate or a Minimum Floating Rate Spread Rate.

(D) If any Floating Rate Spread Rate Margin or Floating Rate Spread Rate Multiplier is specified in the applicable Final Terms in respect of a Floating Rate Spread Rate (either (x) generally, or (y) in relation to one or more Interest Accrual Periods or Interest Periods), an adjustment shall be made to such Floating Rate Spread Rate, in the case of (x), or to such Floating Rate Spread Rate for the specified Interest Accrual Periods or Interest Periods, in the case of (y), calculated in accordance with (B) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of the relevant Floating Rate Spread Rate Margin or multiplying by the relevant Floating Rate Spread Rate Multiplier to such Floating Rate Spread Rate, subject always to the next paragraph. If both a Floating Rate Spread Rate Margin and a Floating Rate Spread Rate Multiplier are specified to apply to a Floating Rate Spread Rate, the Floating Rate Spread Rate Multiplier will be applied first.

If any Maximum Floating Rate Spread Rate or Minimum Floating Rate Spread Rate is such relevant Floating Rate Spread Rate shall be subject to such maximum or minimum, as the case may be.

(d) ***Interest Rate on Zero Coupon Notes***

Where a Note, the Interest Rate of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due and payable, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Interest Rate for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield.

(e) ***Margin, Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:***

(i) If any Margin or Rate Multiplier is specified in the applicable Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods or Interest Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Accrual Periods or Interest Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph. If both a Margin and a Rate Multiplier are specified to apply to an Interest Rate, the Rate Multiplier will be applied first.

(ii) If any Maximum Interest Rate, Minimum Interest Rate, Maximum Redemption Amount, Minimum Redemption Amount, Maximum Instalment Amount or Minimum Instalment Amount is specified in the applicable Final Terms, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(f) ***Calculations:***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Period or Interest Accrual Period or such other period shall be equal to the product of the Interest Rate (adjusted as required by Condition 4(e)), the Calculation Amount specified in the applicable Final Terms and the Day Count Fraction for such Interest Period or Interest Accrual Period or such other period, unless an Interest Amount (or a formula for its calculation) is specified in respect of such Interest Period or Interest Accrual Period or other period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such period will equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, as specified in the applicable Final Terms, the amount of interest payable per Calculation Amount

in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest sub-unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen.

For these purposes “sub-unit” means with respect to any currency other than the euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

(g) ***Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts:***

The Calculation Agent shall, as soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Interest Rate, Interest Amount, Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, it will determine the Interest Rate and calculate the Interest Amount in respect of each Calculation Amount of the Notes for the relevant Interest Accrual Period or Interest Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period or Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the relevant Issuer, the Guarantor (if applicable), each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange or other relevant authority and such exchange or other relevant authority so requires, such exchange or other relevant authority as soon as practicable after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Relevant Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(h) ***Interest Accrual:***

Interest will cease to accrue on each such Note (or in the case of partial redemption of a Note, that part only of such Note) on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which full payment of the moneys payable in respect of such Note has been received by the Fiscal Agent.

(i) **Exempt Notes:**

The rate or amount of interest payable in respect of Exempt Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that the Calculation Agent, if applicable, will notify the Agent of the Interest Rate or Interest Amount for the relevant Interest Period as soon as practicable after calculating the same.

(j) **Definitions:**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Benchmark” means the benchmark specified in the applicable Final Terms.

“CMS Reference Banks” means (i) where the Reference Currency is euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case as selected by the Calculation Agent.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time not comprising a complete year (whether or not constituting an Interest Period or Interest Accrual Period, the “Calculation Period”):

(i) If “Actual/365” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;

(iii) if “Actual/Actual — ICMA” is specified in the applicable Final Terms;

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

“Determination Period” means the period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

(iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;

(v) if “Actual/365 Sterling” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;

(vi) if “30/360” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30; and

(vii) if “30E/360” or “Eurobond Basis” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30.

“Effective Date” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the applicable Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“Floating Rate Spread Rate” means each of Floating Rate Spread Rate 1 and Floating Rate Spread Rate 2 and, together the “Floating Rate Spread Rates”.

“Floating Rate Spread Rate 1” means the rate determined in accordance with these Conditions and in the manner specified in the applicable Final Terms.

“Floating Rate Spread Rate 2” means the rate determined in accordance with these Conditions and in the manner specified in the applicable Final Terms.

“Floating Rate Spread Rate Margin” means, (i) in respect of Floating Rate Spread Rate 1, Floating Rate Spread Margin 1 and in respect of Floating Rate Spread Rate 2, Floating Rate Spread Margin 2, in each case, as specified in the applicable Final Terms.

“Floating Rate Spread Rate Multiplier” means, (i) in respect of Floating Rate Spread Rate 1, Floating Rate Spread Multiplier 1 and in respect of Floating Rate Spread Rate 2, Floating Rate Spread Multiplier 2, in each case, as specified in the applicable Final Terms.

“Interest Accrual Period” means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Period Date and each successive period beginning on, and including, an Interest Period Date and ending on, but excluding, the next succeeding Interest Period Date.

“Interest Amount” means the amount of interest payable per Calculation Amount calculated in accordance with Condition 4(f) or as specified in the applicable Final Terms and in the case of Fixed Rate Notes, if so specified in the applicable Final Terms, shall mean the Fixed Coupon Amount(s) or Broken Amount(s).

“Interest Commencement Date” means the date of issue of the Notes (the “Issue Date”) or such other date as may be specified in the applicable Final Terms.

“Interest Determination Date” means, with respect to an Interest Rate and Interest Period or Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified, (i) the first day of such Interest Period or Interest Accrual Period if the Relevant Currency is Sterling or (ii) the day falling two Relevant Business Days in London prior to the first day of such Interest Period or Interest Accrual Period if the Relevant Currency is neither Sterling nor euro or (iii) the day falling two TARGET Settlement Days prior to the first day of such Interest Period or Interest Accrual Period if the Relevant Currency is the euro.

“Interest Payment Date” means either the Interest Payment Dates specified in the applicable Final Terms or, if no Interest Payment Dates are specified in the applicable Final Terms, each date which falls the number of months or other period specified in the applicable Final Terms as the Interest Period after the preceding Interest Payment Date, or in the case of the first Interest Payment Date, after the Interest Commencement Date, subject to adjustment in accordance with the applicable Business Day Convention.

“Interest Period” means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the applicable Final Terms.

“Interest Rate” means the rate of interest payable from time to time in respect of the Notes of a Series and which is either specified in or calculated in accordance with the provisions of the applicable Final Terms and in accordance with these Conditions.

“Maximum Floating Rate Spread Rate” means, (i) in respect of Floating Rate Spread Rate 1, Maximum Floating Rate Spread 1 and in respect of Floating Rate Spread Rate 2, Maximum Floating Rate Spread 2, in each case, as specified in the applicable Final Terms.

“Minimum Floating Rate Spread Rate” means, (i) in respect of Floating Rate Spread Rate 1, Minimum Floating Rate Spread 1 and in respect of Floating Rate Spread Rate 2, Minimum Floating Rate Spread 2, in each case, as specified in the applicable Final Terms.

“Redemption Amount” means the Final Redemption Amount, the Optional Redemption Amount or the Early Redemption Amount, as the case may be, specified in the applicable Final Terms.

“Reference Banks” means four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money market) which is most closely connected with the Benchmark.

“Relevant Business Day” means:

(i) in the case of a Specified Currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre for that currency and/or each Business Centre (if any) specified in the applicable Final Terms; and/or

(ii) in the case of euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Business Centre (if any) specified in the applicable Final Terms.

“Reference Currency” means the Currency specified in the applicable Final Terms.

“Relevant Currency” means the Currency specified in the applicable Final Terms or, if none is specified, the currency in which the Notes are denominated.

“Relevant Financial Centre” means, with respect to any Floating Rate or CMS Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the applicable Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark or CMS Rate is most closely connected (which in the case of the Euro Inter-bank Offered Rate (“EURIBOR”) shall be the Eurozone) or, if none is so connected, London.

“Relevant Rate” means the Benchmark for a Representative Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Money 3000 Service (“Reuters”)) as may be specified for the purpose of providing a Relevant Rate or CMS Reference Rate, as the case may be, or such

other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate or CMS Reference Rate, as the case may be.

“Relevant Swap Rate” means:

(i) where the Reference Currency is euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the CMS Maturity commencing on the first day of the relevant Interest Accrual Period or Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;

(ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the CMS Maturity commencing on the first day of the relevant Interest Accrual Period or Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the CMS Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the CMS Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;

(iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the CMS Maturity commencing on the first day of the relevant Interest Accrual Period or Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and

(iv) where the Reference Currency is any other currency, the mid-market swap rate as determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

“Relevant Time” (i) where Screen Date Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined, means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre and, where the Primary Source for the Floating Rate is a Relevant Screen Page, the time as of which the Relevant Rate(s) appearing on such Relevant Screen Page is or are set and posted on such Relevant Screen Page and for this purpose “local time” means, with respect to Europe and the Eurozone as a Relevant Financial Centre, Central European Time or (ii) where CMS Rate is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined, has the meaning specified in the Final Terms.

“Representative Amount” means, with respect to any Floating Rate or CMS Reference Rate to be determined on an Interest Determination Date, the amount specified in the applicable Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

“Specified Duration” means, with respect to any Floating Rate to be determined on an Interest Determination Date, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 4(b).

“TARGET2” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on November 19, 2007 or any successor thereto.

“TARGET Settlement Day” means any day on which TARGET2 is open for the settlement of payments in euro.

(k) ***Calculation Agent and Reference Banks:***

The relevant Issuer will procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the relevant Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the relevant Issuer will appoint the London office of a leading bank engaged in the interbank market that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as calculation agent in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5. Redemption, Purchase and Optional Redemption

(a) ***Final Redemption:***

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to the relevant Issuer’s or Noteholder’s option in accordance with Condition 5(e) or (f), each Note will be redeemed at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) ***Redemption for taxation reasons:***

The Notes may be redeemed at the option of the Issuer thereof in whole, but not in part, on any Interest Payment Date (if the Note is a Floating Rate Note) or, if so specified herein, at any time (if the Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount, (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer thereof has or would become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of Canada or any province or territory thereof or, in the case of Notes issued by Scotiabank Europe or a branch of the Bank outside Canada, of the country in which Scotiabank Europe or such branch is located or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, or any announced prospective change to the *Income Tax Act* (Canada) or the regulations thereunder or in the application or official interpretation thereof that, if enacted in the form proposed, would apply retroactively to and from a date prior to the date of its enactment (an “Announced Prospective Change”) which change (including any Announced Prospective Change) or amendment becomes (or in the case of an Announced Prospective Change, would become) effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the relevant Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which such Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then

due. Prior to the publication of any notice of redemption pursuant to this paragraph, the relevant Issuer or the Guarantor (if applicable) shall deliver to the Fiscal Agent a certificate signed by two senior officers of such Issuer or the Guarantor (as the case may be) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of such Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that such Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(c) ***Purchases:***

The Issuer and any of its subsidiaries, if applicable, and the Guarantor (with respect to Guaranteed Notes) may at any time purchase Notes issued by such Issuer (provided that all unmatured Receipts (if any) and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

(d) ***Early Redemption of Zero Coupon Notes:***

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note prior to the Maturity Date, upon redemption of such Note pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Zero Coupon Note shall be the scheduled Early Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the applicable Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the applicable Final Terms.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the Maturity Date were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment), until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Early Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(c)(i).

(e) ***Redemption at the Option of the Relevant Issuer and Exercise of Issuer's Options:***

If the Issuer's Option is specified as applicable in the applicable Final Terms, the relevant Issuer may, on giving not less than the minimum period nor more than the maximum period of irrevocable notice (in each case, as specified in the applicable Final Terms) to the Noteholders falling within the Issuer's Option Period, redeem or exercise any Issuer's Option in relation to, all or, if so provided in the applicable Final Terms, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's Option shall be exercised by the relevant Issuer, on the date specified in such notice in accordance with this Condition.

If so provided in the applicable Final Terms, the Issuer shall redeem a specified number of the Notes on the date or dates so provided. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption which may, if so specified in the applicable Final Terms, be payable in instalments or otherwise. Notice of such redemption shall be irrevocably given to the Noteholders in accordance with Condition 13.

In the case of a partial redemption or a partial exercise of an Issuer's Option, the notice to Noteholders shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and the requirements of any relevant stock exchange or other relevant authority.

(f) ***Redemption at the Option of Noteholders and Exercise of Noteholders' Options:***

If the Noteholders' Option is specified as applicable in the applicable Final Terms, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the date or dates so provided at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option, the holder must deposit such Note with any Paying Agent (in the case of Bearer Notes) or the Certificate representing such Note(s) with the Registrar or any Transfer Agent (in the case of Registered Notes) at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Option Period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. The Exercise Notice must be delivered to the Paying Agent not less than the minimum period of notice nor more than the maximum period of notice (in each case, as specified in the applicable Final Terms) prior to the relevant date for redemption.

(g) ***Redemption by Instalments:***

Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified in the applicable Final Terms) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(e) or (f), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

(h) ***Cancellation:***

All Notes purchased by or on behalf of the Issuer thereof or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, will, together with all Notes redeemed by such Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor (if applicable) in respect of any such Notes shall be discharged.

(i) ***Specific redemption provisions applicable to Exempt Notes:***

The Final Redemption Amount, the Optional Redemption Amount (if any) and the Early Redemption Amount (if any) in respect of Exempt Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement.

6. Payments and Talons

(a) *Bearer Notes:*

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by credit or transfer to an account denominated in that currency maintained by or as directed by the holder with, a bank in the principal financial centre of that currency, provided that (i) in the case of euro, payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) or by a euro cheque; (ii) in the case of Japanese yen, the credit or transfer will be made to a non-resident Japanese yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan); and (iii) in the case of U.S. dollars, payments will be made by credit or transfer to a U.S. dollar account maintained by the holder outside the United States.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the relevant Issuer. Accordingly, the presentation of a Note without the relevant Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the holder to any payment in respect of the relevant Instalment Amount.

(b) *Registered Notes:*

(i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts or Optional Redemption Amounts) in respect of Registered Notes will be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) in relation to (i) Registered Notes in global form, will be paid to the person shown on the Register at the close of business before the due date for payment thereof or (ii) in relation to Registered Notes in definitive form will be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

(c) *Payments in the United States:*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the relevant Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts, and (iii) such payment is then permitted by United

States law, without involving, in the opinion of the relevant Issuer, any adverse tax consequence to such Issuer.

(d) ***Payments subject to Fiscal and other laws:***

Payments will be subject in all cases, but without prejudice to the provisions of Condition 7, to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto. Any such amounts withheld or deducted as required pursuant to an agreement described in the Code will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on the Notes with respect to any such withholding or deduction.

No repayment or payment of the Amounts Due will become due and payable after the exercise of any bail-in power by the relevant UK resolution authority with respect to Scotiabank Europe unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by Scotiabank Europe under the laws and regulations in effect in the United Kingdom and the EU applicable to Scotiabank Europe or other members of its group.

(e) ***Appointment of Agents:***

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuers and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuers and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuers reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar or any Transfer Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuers will at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Calculation Agent where the Conditions so require one, (v) a Paying Agent having a specified office in a European city which, so long as the Notes are listed on the Official List and admitted to trading on the London Stock Exchange plc’s Regulated Market, shall be London, and (vi) such other agents as may be required by any other stock exchange or other relevant authority on which the Notes may be listed or as may be agreed between the relevant Issuer and the relevant Dealer.

In addition, the relevant Issuer shall forthwith appoint a Paying Agent in New York in respect of any Notes denominated in U.S. dollars in the circumstances described in Condition 6(c).

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 13.

(f) ***Unmatured Coupons and Receipts and unexchanged Talons:***

(i) Unless the applicable Final Terms provide that the unmatured Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of two years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) If the applicable Final Terms so provides, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note which provides that the unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not an Interest Payment Date, interest accrued from the preceding Interest Payment Date or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) ***Talons:***

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet), but excluding any Coupons which may have become void pursuant to Condition 8.

(h) ***Non-Business Days:***

Unless otherwise specified in the applicable Final Terms, if any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation (if presentation is required), in each other place (if any) specified in the applicable Final Terms as a Financial Centre and:

(i) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in such currency, a day on which foreign exchange transactions may be carried on in such currency in the principal financial centre of the country of such currency; or

(ii) in the case of a payment in euro, a day which is a TARGET Settlement Day.

(i) ***Definition of Affiliate:***

“Affiliate” means, in relation to any entity (the “First Entity”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes “control” means ownership of a majority of the voting power of an entity.

(j) **Redenomination:**

As may be indicated in the applicable Final Terms, the Issuer may, but shall not be obligated to, with respect to Notes originally denominated in the national currency of a Member State of the European Union (“EU”) that adopts the single Currency in accordance with the Treaty establishing the European Community, as amended (the “Treaty”), without the consent of the holders of the Notes, Certificates, Receipts, Coupons or Talons by giving at least 30 days’ notice in accordance with Condition 13, redenominate all, but not some only, of the Notes into euro with effect from any Interest Payment Date or, in the case of Zero Coupon Notes, any date (the “Redenomination Date”) falling on or after the date on which such Member State of the EU has adopted the euro.

With effect from the Redenomination Date, notwithstanding the other provisions of the Conditions:

- (a) such Notes shall be deemed to be redenominated in euro with a principal amount for each Note equal to the principal amount of that Note in the currency of the participating Member State, converted into euro to the nearest euro 0.01 at the rate for conversion of the national currency of the participating Member State into euro established by the Council of the EU pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations) provided that, if the Issuer determines, with the agreement of the Fiscal Agent, that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from the provision specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange or other relevant authority (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (b) if definitive Notes are required to be issued, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 or such other denominations as the Fiscal Agent shall determine and notify to the Noteholders (the smallest such denomination being hereinafter referred to as the “Minimum Euro Denomination”);
- (c) if definitive Notes have been issued, all unmatured Coupons denominated in the national currency of the participating Member State (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives the notice (the “Exchange Notice”) that replacement euro-denominated Notes and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes so issued will also become void on that date although those Notes will continue to constitute valid exchange obligations of the Issuer. New certificates in respect of euro-denominated Notes and Coupons will be issued in exchange for Notes and Coupons denominated in the national currency of the participating Member State in such manner as the Fiscal Agent may specify and as shall be notified to Noteholders in the Exchange Notice;
- (d) any balance remaining from the redenomination that is less than the Minimum Euro Denomination and greater than or equal to euro 0.01 shall be paid by way of cash adjustment rounded to the nearest euro 0.01 (with euro 0.005 being rounded upwards). Such cash adjustment will be payable in euro on the Redenomination Date in the manner notified to the Noteholders by the Issuer;
- (e) all payments in respect of such Notes (other than, unless the Redenomination Date is on or after such date as the national currency of the participating Member State ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro;

- (f) Notes, Certificates, Receipts, Coupons or Talons may only be presented for payment on a day on which commercial banks and foreign exchange markets are open for general business in the place of presentation and which is a TARGET Settlement Day;
- (g) the amount of interest in respect of such Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (h) if interest is required to be calculated for a period of less than 1 year, the Day Count Fraction will be “Actual/Actual”; provided, however, in relation to floating rate notes denominated in euro the Day Count Fraction will be “Actual/360”; and
- (i) upon any such redenomination of the Notes, any reference in these Conditions and the applicable Final Terms to the relevant national currency shall, where the context so admits, be construed as a reference to euro.

7. Taxation

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by or on behalf of the Issuer thereof and by or on behalf of the Guarantor (in respect of the Guaranteed Notes), if the Guarantor is required to make payments under the Guarantee, will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of (i) Canada, any province or territory or political subdivision thereof or any authority therein or thereof having power to tax, or (ii) in the case of Notes issued by Scotiabank Europe, the United Kingdom or any political subdivision thereof or any authority or agency therein or thereof having power to tax, or (iii) in the case of Notes issued by a branch of the Bank located outside Canada, the country in which such branch is located or any subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the administration thereof. In that event, the relevant Issuer or the Guarantor, as the case may be, will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and the Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes, Receipts or (as the case may be) Coupons, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Note, Receipt or Coupon:

(1) to, or to a third party on behalf of, a holder who is liable or subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon for any reason other than the mere holding, or ownership or deemed holding, or ownership of such Note, Receipt or Coupon as a non-resident or deemed non-resident of the jurisdiction imposing such tax, duty, assessment or governmental charge or who would not be liable or subject to such withholding or deduction by making a declaration of non-residence or other similar claim for exemption (including an application for relief under any applicable double tax treaty) to the relevant tax authority; or

(2) where payments are made by the Bank as Issuer or as Guarantor, to, or to a third party on behalf of, a holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the holder being a person with whom the Bank is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); or

(3) on account of any such taxes, duties, assessments or governmental charges required to be withheld or deducted by any paying agent, collecting agent or other intermediary from a payment on a Note, Receipt or Coupon if such payment can be made without such deduction or withholding by another paying agent, collecting agent or other intermediary; or

(4) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day, assuming that day to have been a Payment Date.

As used in these Conditions, “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to “principal” shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (g) any premium and any other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it which may be payable by the Issuer or the Guarantor, as the case may be, under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under this Condition 7.

8. Prescription

Claims against the relevant Issuer and, in the case of Guaranteed Notes, the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within two years from the appropriate Relevant Date in respect thereof.

9. Events of Default

If any of the following events (“Events of Default”) occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable:

- (a) if default is made for more than 30 days (in the case of interest) or five days (in the case of principal) in the payment on the due date of interest or principal in respect of any such Notes; or
- (b) if the relevant Issuer or the Guarantor (if applicable) shall become insolvent or bankrupt, or if a liquidator, receiver or receiver and manager of the relevant Issuer or the Guarantor (if applicable) or any other officer having similar powers shall be appointed.

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of Scotiabank Europe or another person, or the transfer of shares of Scotiabank Europe to the Noteholder, as a result of the exercise of the bail-in power by the relevant UK resolution authority will be an Event of Default. By its acquisition of the Notes, each holder (including each holder of a beneficial interest in any Note), to the extent permitted by law, waives any and all claims, in law and/or in equity, against the Fiscal Agent for, agrees not to initiate a suit against the Fiscal Agent in respect of, and agrees that the Fiscal Agent shall not be liable for, any action that the Fiscal Agent takes, or abstains from taking, in either case in accordance with the exercise of the bail-in power by the relevant UK resolution authority with respect to the Notes.

10. Meeting of Noteholders and Modifications

(a) *Meetings of Noteholders:*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes (including these Conditions insofar as the same may apply to such Notes). An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether present or not at any meeting and whether or not they voted on the resolution, and on all relevant Receiptholders and Couponholders, except that without the consent and affirmative vote of each holder of Notes no Extraordinary Resolution may: (i) amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) reduce or cancel the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) reduce the rate or rates of interest in respect of the Notes or vary the method or basis of calculating the Interest Amount in respect thereof, (iv) if a Minimum Interest Rate, a Maximum Interest Rate, a Minimum Redemption Amount, a Maximum Redemption Amount, a Minimum Instalment Amount or a Maximum Instalment Amount is specified in the applicable Final Terms, reduce any such Minimum Interest Rate, Maximum Interest Rate, Minimum Redemption Amount, Maximum Redemption Amount, Minimum Instalment Amount or Maximum Instalment Amount, as the case may be, (v) change any method of calculating the Redemption Amount, (vi) save as provided in Condition 6(j), change the currency or currencies of payment or denomination of the Notes, (vii) take any steps which as specified herein may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (viii) terminate the Guarantee, if any or (ix) modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution and will only be binding if passed at a meeting of the Noteholders (or at any adjournment thereof) at which a special quorum (provided for in the Agency Agreement) is present.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the applicable Final Terms in relation to such Series.

(b) *Modification of Agency Agreement:*

The Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes may be amended by the relevant Issuer, the Guarantor (if applicable) and the Fiscal Agent without the consent of the holder of any Note, Receipt or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein, or to provide for substitution of the Issuers as provided in Condition 15, (ii) to make any further modifications of the terms of the Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes) or (iii) in any manner which the relevant Issuer, the Guarantor (if applicable) and the Fiscal Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons.

(c) **Written Resolutions**

The Agency Agreement provides that a written resolution signed by or on behalf of the holders of not less than 75 per cent in nominal amount of Notes outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

11. Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, listing authority and stock exchange regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the relevant Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 13, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the relevant Issuer on demand the amount payable by such Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the relevant Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

Each Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes except as regards the issue date, the issue price and/or the payment of interest accruing prior to the Issue Date of such additional Notes or the payment of interest following the Issue Date and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

13. Notices

Notices to the holders of Registered Notes will be mailed to them at their respective addresses in the Register and will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes will be valid if published in a daily newspaper of general circulation in the United Kingdom (which is expected to be the Financial Times). If any such publication in such newspaper is not practicable, notice will be validly given if published in another leading daily English language newspaper of general circulation in the United Kingdom. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent.

14. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction in the winding-up or dissolution of the relevant Issuer or the Guarantor, as the case may be, or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to the recipient from the relevant Issuer or the Guarantor, as the case may be, shall only constitute a discharge to such Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt which the recipient is able to purchase with the

amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the relevant Issuer or the Guarantor, as the case may be, shall indemnify the recipient against any loss sustained by the recipient as a result. In any event, such Issuer and the Guarantor (if applicable) shall indemnify the recipient against the cost of making any such purchase. If the amount received or recovered is more than the amount expressed to be due to the recipient under any Note, Coupon or Receipt (after taking into account the costs of making any such purchase), the recipient shall pay the amount of such excess to the Issuer thereof. For the purposes of this Condition, it will be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that such Noteholder or Couponholder, as the case may be, would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from such Issuer's and the Guarantor's (if applicable) other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

15. Substitution of Issuer for Notes issued by Scotiabank Europe

In relation to any Notes (which, for the purposes of this Condition 15, shall mean all Notes of a particular Series) issued by Scotiabank Europe, the Guarantor shall have the right to become primarily liable as issuer of such Notes by giving notice to the holders of such Notes that the Guarantor has become primarily liable as issuer of such Notes with effect as at a specified date in such notice to be given if Scotiabank Europe has deposited with the Guarantor on behalf of the holders of such Notes an amount equal to the principal amount of such Notes then outstanding (together with interest and additional amounts, if any, accrued to the date of such deposit) and particulars of the trustee appointed in accordance herewith to act on behalf of the holders of such Notes and Coupons. From and after such deposit, Scotiabank Europe shall be released from all obligations under the Agency Agreement and the Deed of Covenant, both with respect to such Notes and its obligations hereunder and the Guarantor shall be substituted hereunder and thereunder in place of Scotiabank Europe with respect to such Notes with the same effect as if it had been named herein as the issuer of the Notes and shall possess and may exercise each and every right, and be subject to the same obligations of Scotiabank Europe hereunder and thereunder provided that:

- (i) immediately after such substitution no condition or event shall exist in respect of the Guarantor which constitutes or would constitute an Event of Default;
- (ii) the Guarantor immediately after such substitution would be able under applicable law to fulfil all payment obligations arising from or in connection with such Notes in the Specified Currency in which payment of principal and/or interest is to be made, without being required to withhold or deduct any amount for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction in which the branch of the Guarantor designated for such deposit is located or any political subdivision thereof or by or on behalf of Canada, its provinces or territories, or any authority therein or thereof having the power to tax and, for the purposes of this Condition 15(ii), "applicable law" at any time shall include all proposed amendments to any relevant tax laws and regulations and all proposed changes in the application or official interpretation of such laws or regulations which at such time have been publicly announced by a relevant taxing authority; and
- (iii) the Guarantor delivers an opinion or opinions of legal counsel acceptable to a trustee, appointed by the Guarantor to act on behalf of the holders of such Notes and the holders of Coupons confirming: (a) that the Notes are legal, valid and binding obligations of the Guarantor enforceable against the Guarantor in accordance with their terms and that the Notes rank *pari passu* with all deposit liabilities of the Guarantor, except as prescribed by law; and (b) the satisfaction of the condition referred to in Condition 15(ii) above.

16. Entire Agreement

The contractual provisions relating to the exercise of any bail-in power by the relevant UK resolution authority constitute the entire agreement between Scotiabank Europe, the Fiscal Agent and the Noteholder to the exclusion of any other agreements, arrangements or understandings between Scotiabank Europe, the Fiscal Agent and the Noteholder on the exercise of the bail-in power.

17. Governing Law

The Notes, the Guarantees, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein. The relevant agreements relating to the Programme are governed by the laws of the Province of Ontario and the laws of Canada applicable therein. The parties have not exclusively submitted in the relevant agreements to the courts in Canada and the choice of Ontario and Canadian law does not limit or restrict (i) legal proceedings to the courts of Ontario or of Canada or (ii) the commencement of legal proceedings in other appropriate jurisdictions. If legal proceedings were commenced in Ontario in relation to the Programme, it is likely that they would be commenced in the Ontario Superior Court of Justice.

DESCRIPTION OF THE GUARANTEE

The Guarantor will unconditionally and irrevocably guarantee the payment of all amounts including additional amounts, if any, payable in respect of the Guaranteed Notes. The Guarantee will be endorsed on each Guaranteed Note, will be unsecured and will rank pari passu with all deposit liabilities of the Guarantor (except as otherwise prescribed by law) and without any preference amongst themselves.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Any reference in this section to “applicable Final Terms” shall be deemed to include a reference to “applicable Pricing Supplement” where relevant.

Initial Issue of Notes

The Notes may be issued in bearer form only, in bearer form exchangeable for Registered Notes or in registered form only. Each Tranche of Bearer Notes having an original maturity of more than one year will initially be represented by a Temporary Bearer Global Note and each Tranche of Bearer Notes having an original maturity of one year or less will initially be represented by a Permanent Bearer Global Note, in each case, in bearer form without Coupons, Receipts or Talons attached. The relevant Bearer Global Note will (i) if the Bearer Global Notes are intended to be issued in the NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg; and (ii) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the issue date thereof to the Common Depository on behalf of Euroclear and/or Clearstream, Luxembourg or the depository for any other agreed clearing system.

Notes issued in registered form will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series (subject to the provisions of the Agency Agreement). Registered Notes which are held in Euroclear and Clearstream, Luxembourg will be registered in the name of the nominee for the common depository for both systems or in the name of a nominee of a Common Safekeeper or, if held in any other agreed clearing system, in the name of a nominee for such clearing system and the relative Certificate(s) will be deposited with the Common Depository, Common Safekeeper or depository, as the case may be.

If the Bearer Global Note is not an NGN or the Global Certificate is not held under NSS, as the case may be, upon the initial deposit of a Bearer Global Note with the Common Depository, or the initial registration in the name of nominees for Euroclear and/or Clearstream, Luxembourg or such other clearing system as may be agreed between the relevant Issuer, the Guarantor (if applicable), the relevant Dealer, the Fiscal Agent and the Registrar (if applicable), or a common nominee, and delivery of the relative Global Certificate(s) to the appropriate depositories, or a Common Depository, for Euroclear or Clearstream, Luxembourg (or such other clearing system as may be agreed to between the relevant Issuer, the Guarantor (if applicable), the relevant Dealer, the Fiscal Agent and the Registrar (if applicable) (each an “Approved Intermediary”)) Euroclear and/or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

If the Bearer Global Note is an NGN or the Global Certificates are held under NSS, as the case may be, the Bearer Global Note or the Global Certificate will be delivered on or prior to the issue date of the Tranche to a Common Safekeeper. The amount of the Notes (if the Bearer Global Note is a NGN) shall be the aggregate principal amount from time to time entered in the records of Euroclear and/or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the principal amount of Notes represented by the Bearer Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time. Any reference to Euroclear or Clearstream, Luxembourg, whenever the context so permits, shall be deemed to include a reference to any additional or alternative clearing system as may be agreed to between the relevant Issuer, the Guarantor (if applicable), the relevant Dealer, the Fiscal Agent and the Registrar (if applicable).

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form or the Global Certificates are held under NSS, as the case may be, Euroclear and Clearstream, Luxembourg will be notified by or on behalf of the Issuer whether or not such Bearer Global Notes or Global Certificates are intended to be held in a manner which would allow Eurosystem eligibility. Neither depositing the Bearer Global Notes or the Global Certificates with a Common Safekeeper nor indicating that they are to be held in a manner which would allow Eurosystem eligibility necessarily means that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit

operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Relationship of Accountholders with Clearing Systems

For so long as any of the Notes is represented by a Bearer Global Note or a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who for the time being is shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Note standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the relevant Issuer, the Guarantor (if applicable) and any Paying Agent as the holder of such principal amount in accordance with and subject to the terms of the relevant Bearer Global Note or Global Certificate and the expressions “Noteholder” and “Holder” and related expressions shall be construed accordingly.

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or such Approved Intermediary as the holder of a Note represented by a Bearer Global Note or a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg or such Approved Intermediary (as the case may be) for his or her share of each payment made by the relevant Issuer or the Guarantor (if applicable) to the bearer of such Bearer Global Note or the registered holder of the Global Certificate, as the case may be, and in relation to all other rights arising under the Bearer Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg or such Approved Intermediary (as the case may be). Such persons shall have no claim directly against the relevant Issuer or the Guarantor (if applicable) in respect of payments due on the Notes for so long as the Notes are represented by such Bearer Global Note or Global Certificate and such obligations of the relevant Issuer and the Guarantor (if applicable) will be discharged by payment to the bearer of such Bearer Global Note or the registered holder of the Global Certificate, as the case may be, in respect of each amount so paid.

Amendment to Conditions

The Temporary Bearer Global Notes, Permanent Bearer Global Notes and Global Certificates contain provisions which apply to the Notes which they represent, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary only of certain of those provisions:

Exchange. Each Temporary Bearer Global Note will be exchangeable in whole or in part for interests in a Permanent Bearer Global Note or, if so provided in a Temporary Bearer Global Note, for definitive Bearer Notes (as described in the next paragraph) after the date falling 40 days after the Issue Date of the Notes upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement in the case of Bearer Notes or, in the case of Exchangeable Bearer Notes, for Certificates any time after the Issue Date in the case of Registered Notes. Each Permanent Bearer Global Note is exchangeable in whole at the request of the holder (i) if so provided in a Permanent Bearer Global Note, or (ii) if a Permanent Bearer Global Note is held on behalf of Euroclear or Clearstream, Luxembourg and either of such clearing systems is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so, or (iii) if an event of default occurs in relation to the Notes represented thereby, at the cost and expense of the relevant Issuer, for definitive Bearer Notes or (in the case of Exchangeable Bearer Notes) Certificates by such holder giving notice to the Fiscal Agent, or by the relevant Issuer giving notice to the Fiscal Agent and the relevant Noteholders of its intention to exchange (at the option, cost and expense of such Issuer) such Permanent Bearer Global Note for definitive Bearer Notes or (in the case of Exchangeable Bearer Notes) Certificates, in each case on or after the Exchange Date specified in the notice.

On or after any Exchange Date (as defined below) the holder of a Permanent Bearer Global Note may surrender such Permanent Bearer Global Note to the Fiscal Agent. In exchange for any Permanent

Bearer Global Note the relevant Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Bearer Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the Permanent Bearer Global Note and a Talon), or, in the case of Exchangeable Bearer Notes, the relevant Certificate security printed in accordance with any applicable legal and stock exchange or regulatory authority requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange in full of each Permanent Bearer Global Note, the relevant Issuer will, if the holder so requests, procure that such Bearer Global Note is cancelled and returned to the holder together with the relevant definitive Bearer Notes or, in the case of Exchangeable Bearer Notes, the relevant Certificate.

If the Bearer Global Note is an NGN, on or after any due date for exchange, the Issuer thereof will procure that details of such exchange be entered pro rata in the records of the relevant clearing system.

“Exchange Date” means a day falling not less than 60 days after that date on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of an exchange pursuant to (ii) above, in the cities in which the relevant clearing system is located.

Payments. No payment falling due more than 40 days after the Issue Date will be made on a Temporary Bearer Global Note unless exchange for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes or Certificates is improperly withheld or refused. Payments on any Temporary Bearer Global Note during the period up to 40 days after its Issue Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form required by the clearing systems. All payments in respect of Notes represented by a Bearer Global Note which is not an NGN will be made against presentation for endorsement and, if no further payment is to be made in respect of the Notes, surrender of that Bearer Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. In respect of Bearer Notes not held in NGN form, a record of each payment so made will be endorsed in the appropriate schedule to each Bearer Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. In respect of Bearer Notes held in NGN form, a record of each payment shall be entered *pro rata* in the records of Euroclear or Clearstream, Luxembourg and, upon any such entry being made, the principal amount of the Notes recorded in the records of Euroclear or Clearstream, Luxembourg and represented by the Bearer Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled by the aggregate amount of such instalment so paid. Payments under any Notes in NGN form will be made to the holder of such Note. Each payment so made will discharge the relevant Issuer’s obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

Following redenomination of any Notes pursuant to Condition 6(j), the amount of interest due in respect of such Notes represented by a Bearer Global Note or Global Certificate, as the case may be, will be calculated by reference to the aggregate principal amount of such Notes and the amount of such payment shall be rounded down to the nearest euro 0.01.

Notices. So long as any Notes are represented by a Bearer Global Note or Global Certificate and such Bearer Global Note or Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg, notices to Noteholders of that Series may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg for communication by it to entitled accountholders in substitution for publication or mailing, as applicable, as required by the Conditions or by delivery of the relevant notice to the holder of the Bearer Global Note or Global Certificate. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which such notice was given to Euroclear or Clearstream, Luxembourg, as applicable.

Notices to be given by any Noteholder may be given to the Fiscal Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Fiscal Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Prescription. Claims against the relevant Issuer or the Guarantor (if applicable) for payment in respect of any Notes shall be prescribed and become void unless made within a period of 2 years from the appropriate Relevant Date (as defined in Condition 7).

Meetings. The holder of a Bearer Global Note or a Global Certificate will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each minimum denomination of Notes for which such Bearer Global Note or Global Certificate may be exchanged.

Purchase and Cancellation. Cancellation of any Note surrendered for cancellation following its purchase will be effected by reduction in the principal amount of the relevant Bearer Global Note or relevant Registered Notes represented by a Global Certificate.

Default. Each Bearer Global Note and Global Certificate provides that the holder may cause such Bearer Global Note, or a portion of it, or one or more Registered Notes represented by such Global Certificate to become due and repayable in the circumstances described in, and as limited by the restrictions set forth in, Condition 9 by stating in the notice to the Fiscal Agent the principal amount of such Bearer Global Note or one or more Registered Notes which will become due and repayable. Following the giving of a notice of an event of default by or through a common depository for Euroclear and/or Clearstream, Luxembourg or if the holder of a Bearer Global Note so elects, the Bearer Global Note or Registered Notes represented by the Global Certificate will become void as to the specified portion and the persons entitled to such portion as accountholders with Euroclear or Clearstream, Luxembourg will acquire direct enforcement rights against the Issuer under the terms of the relevant Deed of Covenant.

Issuer's Option. No drawing of Notes will be required under Condition 5 in the event that the Issuer thereof exercises any option relating to those Notes while all such Notes which are outstanding are represented by a Permanent Bearer Global Note or Global Certificate. In the event that any option of such Issuer is exercised in respect to some but not all of the Notes of any Series, the rights of accountholders with Euroclear or Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of Euroclear or Clearstream, Luxembourg and this shall be reflected in the records of Euroclear or Clearstream, Luxembourg as either a pool factor or a reduction in principal amount at their discretion.

Noteholders' Option. Any Noteholders' option may be exercised by the holder of a Note giving notice to the Fiscal Agent or the Registrar, as applicable, of the principal amount of Notes in respect of which the option is exercised within the notice period in accordance with the standard procedures of the clearing systems (which may include notice being given on the holder's instruction by the relevant clearing system or any common depository or common safekeeper, as the case may be, for them to be delivered to the Fiscal Agent or the Registrar, as the case may be, by electronic means) in a form acceptable to the relevant clearing systems from time to time.

NGN nominal amount. Where the Bearer Global Note is a NGN, the Issuer thereof shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Bearer Global Note shall be adjusted accordingly.

Integral multiples of less than €100,000 (or the equivalent of such amounts in another currency as at the date of issue of the Notes). So long as the Notes are represented by a Temporary Bearer Global Note or Permanent Bearer Global Note or a Global Certificate and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) as provided in the applicable Final Terms and higher integral multiples of at least 1,000 in the relevant currency if specified in the applicable Final Terms (the "Integral Amount"), notwithstanding that no definitive Notes will be issued with a denomination above the Definitive Amount in such currency. The "Definitive Amount" shall be equal to two times the lowest Specified Denomination minus the Integral Amount. If a Bearer Global Note or Global Certificate is exchangeable for definitive Notes at the option of the Noteholder, the Notes shall be

tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

USE OF PROCEEDS

The net proceeds from each issue of Notes will be added to the general funds of the Issuer thereof.

CERTAIN TAX LEGISLATION AFFECTING THE NOTES

Canada

The following summary describes the principal Canadian federal income tax considerations generally applicable to a holder of Notes who acquires, as beneficial owner, Notes pursuant to this Prospectus, and who, at all relevant times, for the purposes of the application of the *Income Tax Act* (Canada) (the “Tax Act”): (a) is not resident and is not deemed to be resident in Canada; (b) deals at arm’s length with the Bank and any transferee resident (or deemed to be resident) in Canada to whom the holder disposes of Notes; (c) does not use or hold Notes in or in the course of carrying on a business in Canada; (d) is entitled to receive all payments (including any interest and principal) on the Notes; (e) is not a “specified non-resident shareholder” of the Bank for purposes of the Tax Act or a non-resident person not dealing at arm’s length with a “specified shareholder” (within the meaning of Subsection 18(5) of the Tax Act) of the Bank; and (f) is not an insurer that carries on an insurance business in Canada and elsewhere (a “Non-resident Holder”).

This summary is based upon the provisions of the Tax Act and the regulations thereunder (the “Regulations”) in force on the date hereof and an understanding of the current administrative practices and assessing policies of the Canada Revenue Agency. This summary takes into account all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Proposed Amendments”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice, whether by legislative, regulatory, administrative or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation. Subsequent developments could have a material effect on the following description.

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

The Canadian federal income tax considerations applicable to an Exempt Note may be described more particularly when such Exempt Note is offered (and then only to the extent material) in the Pricing Supplement related thereto if they are not addressed by the comments following and, in that event, the following will be superseded thereby to the extent indicated in such Pricing Supplement.

In the case of a Note issued by the Bank, interest paid or credited or deemed to be paid or credited by the Bank on the Note (including amounts on account of or in lieu of, or in satisfaction of, interest) to a Non-resident Holder will not be subject to Canadian non-resident withholding tax, unless all or any portion of such interest (other than on a “prescribed obligation” described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation. A “prescribed obligation” is an “indexed debt obligation” (defined below) no amount payable in respect of which, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent upon any of the criteria described in the preceding sentence. An “indexed debt obligation” is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation, for a period during which the obligation was outstanding, that is determined by reference to a change in the purchasing power of money.

In the event that a Note issued by the Bank the interest (or deemed interest) payable on which is not exempt from Canadian withholding tax is redeemed, cancelled or purchased by the Bank or any other person resident or deemed to be resident in Canada from a Non-resident Holder or is otherwise assigned or transferred by a Non-resident Holder to a person resident or deemed to be resident in Canada for an

amount which exceeds, generally, the issue price thereof, the excess may be deemed to be interest and may, together with any interest that has accrued on the Note to that time, be subject to non-resident withholding tax. Such excess will not be subject to withholding tax if the Note is considered to be an “excluded obligation” for purposes of the Tax Act. A Note that: (a) is not an indexed debt obligation; (b) was issued for an amount not less than 97 per cent. of the principal amount (as defined in the Tax Act) of the Note, and (c) the yield from which, expressed in terms of an annual rate (determined in accordance with the Tax Act) on the amount for which the Note was issued does not exceed 4/3 of the interest stipulated to be payable on the Note, expressed in terms of an annual rate on the outstanding principal amount from time to time, will be an excluded obligation for this purpose.

In the case of a Note guaranteed by the Bank, payments to a Non-resident Holder by the Bank as Guarantor in respect of interest, amounts in lieu of interest on the Notes or in respect of the principal amount of the Notes will not be subject to Canadian withholding tax to the same extent such payments, would be free of Canadian withholding tax if the Note had been issued by the Bank, as discussed above.

Generally, there are no other taxes on income (including taxable capital gains) payable by a Non-resident Holder on interest, discount, or premium on a Note or on the proceeds received by a Non-resident Holder on the disposition of a Note (including a redemption, cancellation or purchase).

United Kingdom

The following applies only to persons who are the beneficial owners of Notes and is a summary of the relevant Issuer’s understanding of current United Kingdom law and published HM Revenue and Customs practice relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

In this section:

“UK Notes” means Notes issued by the Bank’s London branch or Scotiabank Europe.

Interest on the Notes

1. Payment of Interest on the UK Notes

Provided that the relevant Issuer is and continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the “Act”), and provided that the interest on the UK Notes is and continues to be paid in the ordinary course of its business within the meaning of section 878 of the Act, it will be entitled to make payments of interest on the UK Notes without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the UK Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the UK Notes carry a right to interest and are and continue to be listed on a “recognised stock exchange” within the meaning of section 1005 of the Act. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the UK Notes carry a right to interest and are and remain so listed on a “recognised stock exchange”, interest on the UK Notes will be payable without withholding or deduction on account of United Kingdom tax whether or not the relevant Issuer is a bank and whether or not the interest is paid in the ordinary course of its business

Interest on the UK Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the UK Notes is less than 365 days and those UK Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the UK Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20%), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the relevant Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

The United Kingdom withholding tax treatment of payments by the Guarantor under the terms of the Guarantee which have a United Kingdom source is uncertain. In particular, such payments by the Guarantor may not be eligible for the exemptions described above in relation to payments of interest. Accordingly, if the Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate.

2. Payment of interest on all other Notes

Payments of interest on all other Notes may be made without withholding on account of United Kingdom income tax provided that the interest on the Notes is not treated as arising in the UK or having a UK source.

The Proposed Financial Transactions Tax (the “FTT”)

On February 14, 2013, the European Commission published a proposal (the “Commission's Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” (as defined by FATCA) may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting or related requirements. The Issuers are foreign financial institutions for these purposes. A number of jurisdictions (including Canada and the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the relevant Issuer). However, if additional Notes (as described under “Terms and Conditions of the Notes—Further Issues”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in an Amended and Restated Distribution Agreement dated June 28, 2016 (the “Distribution Agreement” which expression shall include any amendment or supplements thereto or restatements thereof) between the Issuers, the Guarantor and the Permanent Dealers (the “Permanent Dealers”), the Notes will be offered on a continuous basis by the Issuers to the Permanent Dealers, however the Issuers have reserved the right to sell Notes directly on their own behalf to Dealers which are not Permanent Dealers under and pursuant to the terms of the Distribution Agreement (together with the Permanent Dealers, the “Dealers”). Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuers through the Dealers, acting as agents of the Issuers. The Distribution Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission depending upon maturity in respect of Notes subscribed or procured for subscription by it. The Issuers have agreed to reimburse the Dealers for certain of their expenses incurred in connection with the establishment and update of the Programme and the issue of Notes under the Programme.

The Issuers and the Guarantor (if applicable) have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement may be terminated in relation to all the Dealers or any of them by the Issuers or, in relation to itself and the Issuers only, by any Dealer, at any time on giving not less than ten business days’ notice.

Each purchaser of a Note will arrange for payment as instructed by the applicable Dealer. The Dealers are required to deliver the proceeds of the Notes to the relevant Issuer in immediately available funds, to a bank designated by such Issuer in accordance with the terms of the Distribution Agreement, on the date of settlement.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or under any state securities laws and may not be offered, sold or delivered, directly or indirectly, within the United States, its territories or possessions or to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 or 904 of Regulation S under the Securities Act (“Regulation S”) or in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Each Permanent Dealer has agreed and each further Dealer will agree that it will not offer, sell or deliver a Note in bearer form within the United States or to U.S. persons. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986.

Each Permanent Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Distribution Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the relevant Issuer, the Guarantor and each relevant Dealer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, in accordance with Rule 903 of Regulation S, within the United States, its territories or possessions or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States, its territories and possessions or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each issuance of Exempt Notes may be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Canada

Each Permanent Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that the Notes have not been and will not be qualified for sale under the securities laws of Canada or any province or territory thereof and has represented and agreed that it has not offered, sold or distributed, and that it will not offer, sell or distribute, any Notes, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof in contravention of the securities laws of Canada or any province or territory thereof. Each Permanent Dealer has also agreed and each further Dealer appointed under the Programme will be required to agree not to distribute or deliver this Prospectus, or any other offering material relating to the Notes in Canada in contravention of the securities laws of Canada or any province or territory thereof.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each a “Relevant Member State”), each Permanent Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms or the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable any investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and

- the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Permanent Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not or would not if it was not, an authorised person, apply to the relevant Issuer or (in relation to Notes issued by Scotiabank Europe) the Guarantor; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Permanent Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) other than (a) to “professional investors” as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32) of Hong Kong or which do not constitute an offer to the public within the meaning of the that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”) and each Permanent Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Cap. 289 of Singapore (the “SFA”). Accordingly, the Notes may not be offered or sold, nor may the Notes be the subject of an invitation for subscription or purchase, nor may this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulation 2005 of Singapore.

Banking Act deposit-taking restrictions

This section does not apply to any Notes issued by The Bank of Nova Scotia, Singapore Branch.

Notes denominated in Singapore dollars and issued to persons in Singapore by a person carrying on a deposit-taking business (whether in Singapore or elsewhere) with a maturity period of less than 12 months and a denomination of less than S\$200,000 would be treated as deposits for the purposes of the Banking Act, Chapter 19 of Singapore (the “Singapore Banking Act”), unless the Notes are issued to certain persons, including either:

- (a) an individual whose total net assets exceeds S\$2,000,000 (or equivalent in foreign currency) at the time of subscription or whose income in the 12 months preceding the time of subscription exceeds S\$300,000 (or equivalent in foreign currency); or

- (b) a company whose net assets (as determined by the last audited-balance sheet of the company) exceeds S\$10,000,000 (or equivalent in foreign currency) at the time of subscription.

In addition, where Notes issued in Singapore dollars with a denomination of less than S\$200,000 are not treated as deposits for the purposes of the Singapore Banking Act, certain additional information is required to be furnished to investors in Singapore by an issuer which is carrying on a deposit-taking business. In such case, please refer to the relevant Final Terms or Pricing Supplement for such further information.

Italy

As of the date of this Prospectus, the Bank is not licensed to “collect deposits and other funds with the obligation to reimburse” in the Republic of Italy and therefore, the Bank and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered Notes, nor has it distributed copies of the Prospectus or any other document relating to the Notes in the Republic of Italy and that no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy unless such license has been obtained.

Upon the issuance of the license to “collect deposits and other funds with the obligation to reimburse” in the Republic of Italy in relation to the Bank, and, in any case, if the Issuer is Scotiabank Europe, the following selling restrictions shall apply:

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

France

Each of the Permanent Dealers and each Issuer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the applicable Final Terms or applicable Pricing Supplement, in the case of Exempt Notes, or any other

offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French Code *monétaire et financier*.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (“Corporations Act”)) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission (“ASIC”). Each Permanent Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it:

- (a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any information memorandum, advertisement or other offering material relating to the Notes in Australia,

unless (1) the aggregate consideration payable by each offeree or invitee is at least AUD500,000 (or its equivalent in other currencies, disregarding monies lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act, (2) the offer or invitation does not constitute an offer to a ‘retail client’ as defined for the purposes of section 761G of the Corporations Act, (3) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act) in Australia, and (4) such action does not require any document to be lodged with ASIC. In addition, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with the directive issued by the Assistant Treasurer of the Commonwealth of Australia dated September 23, 1996 as contained in Banking (Exemption) Order No. 82 which requires all offers and transfers to be in parcels of not less than AUD500,000 in aggregate principal amount. Banking (Exemption) Order No. 82 does not apply to transfers which occur outside Australia.

General

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms or Pricing Supplement, in any country or jurisdiction where action for that purpose is required. None of the Issuers, the Guarantor or any of the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Permanent Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers nor any of the Dealers shall have any responsibility therefor.

GENERAL INFORMATION

1. Trading information in relation to Notes admitted to the Official List and to trading on the Market will be expressed as a percentage of their principal amount (exclusive of accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Bearer Global Note or Notes (or one or more Certificates) representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes (other than Exempt Notes) issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes (other than Exempt Notes) is expected to be granted on or before July 1, 2016.
2. The Issuers have obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The establishment and update of the Programme and the issue of Deposit Notes thereunder was authorised by Resolutions of the Board of Directors of the Bank passed on October 25, 1994, August 27, 1996, March 25, 1997, June 24, 1997, August 25, 1998, November 30, 1999, October 25, 2005, December 8, 2006, June 26, 2007, December 6, 2007, December 2, 2011, April 8, 2013 and April 8, 2015. On February 5, 1998, September 17, 1998, December 1, 1999, December 6, 2000, December 11, 2001, December 12, 2002, December 10, 2003, December 14, 2004, December 14, 2005, December 13, 2006, January 8, 2008, December 18, 2008, December 16, 2009, June 12, 2013, June 11, 2014, June 10, 2015 and June 8, 2016, the Board of Directors of Scotiabank Europe passed Resolutions authorising participation in the Programme and the issue of up to U.S.\$1,000,000,000 (or its equivalent in other currencies at the date of issue) of Guaranteed Notes thereunder. Pursuant to Resolution of the Board of Directors of the Bank dated June 24, 1997, the Guarantees in respect of Guaranteed Notes were authorised.
3. There has been no significant change in the financial or trading position of the Bank and its subsidiaries taken as a whole since April 30, 2016, being the date of the latest unaudited interim consolidated financial statements of the Bank for the three and six month periods ended April 30, 2016 and no material adverse change in the prospects of the Bank and its subsidiaries taken as a whole since October 31, 2015, being the date of the latest audited published consolidated financial statements of the Bank.
4. There has been no significant change in the financial or trading position of Scotiabank Europe since October 31, 2015, being the date of the latest annual audited financial statements of Scotiabank Europe for year ended October 31, 2015 and no material adverse change in the prospects of Scotiabank Europe since October 31, 2015, being the date of the latest audited published consolidated financial statements of Scotiabank Europe.
5. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code and the International Securities Identification Number ("ISIN") for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg and details of any other agreed clearance system will be set out in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) shall specify any other clearing system that shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

6. From the date hereof and for so long as the Programme remains in effect or any Notes remain outstanding, the following documents will, be available for inspection during usual business hours

on any weekday (Saturdays, Sundays and public holidays excepted), at the head office of the Bank and at the specified office of the Fiscal Agent:

- (i) the Agency Agreement (which includes the form of the Guarantee, the Bearer Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
 - (ii) the Deeds of Covenant;
 - (iii) the Bank Act (being the charter of the Bank) and By-laws of the Bank;
 - (iv) a copy of the Memorandum and Articles of Association of Scotiabank Europe;
 - (v) the Annual Statements of the Bank, including the Annual Information Form, the Annual Report which includes the audited consolidated financial statements for the fiscal years ended October 31, 2015 and October 31, 2014, the auditors' report thereon, the management's discussion and analyses for the year ended October 31, 2015, the Report of Independent Registered Public Accounting Firm on the Bank's internal control over financial reporting as of October 31, 2015, the 2016 First Quarter Report for the three month period ended 31 January 2016 and the 2016 Second Quarter Report for the three and six month periods ended April 30, 2016;
 - (vi) the Directors' report and statutory financial statements of Scotiabank Europe for the fiscal years ended October 31, 2015 and October 31, 2014 and the auditors' report thereon;
 - (vii) the most recently published audited annual financial statements of the Bank and Scotiabank Europe and the most recently published unaudited interim financial statements of the Bank, in each case, together with any audit prepared in connection therewith;
 - (viii) each Final Terms for Notes which are listed on the Official List and admitted to trading on the Market;
 - (ix) each Pricing Supplement (in the case of Exempt Notes) (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity); and
 - (x) a copy of this Prospectus together with any further or supplementary Prospectuses when published.
7. Copies of the latest annual financial statements, annual management's discussion and analysis, interim financial statements and interim management's discussion and analysis to shareholders of the Bank and the latest annual financial statements of Scotiabank Europe may be obtained, and copies of the Agency Agreement and each Deed of Covenant will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
8. This Prospectus may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the relevant Issuer and the headline "Publication of Prospectus" or through the National Storage Mechanism at www.hemscott.com/nsm.do.
9. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
10. The Issuers do not intend to provide any post-issuance information in relation to any issues of Notes.

11. Settlement arrangements will be agreed between the relevant Issuer, the Relevant Dealer and the Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Notes.
12. Yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

SCHEDULE A

PRO FORMA FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not Exempt Notes issued under the Programme.

Final Terms dated [●]

[The Bank of Nova Scotia/Scotiabank Europe plc]
Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
[Guaranteed by The Bank of Nova Scotia]
under the U.S.\$20,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

This document constitutes the final terms relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “Conditions”) set forth in the Prospectus dated June 28, 2016 [and the supplemental Prospectus dated ●] which [together] constitute[s] a base prospectus (the “Prospectus”) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplemental prospectus] [is] [are] available for viewing during normal office hours at the office of the Fiscal Agent, Registrar and Transfer Agent and copies may be obtained from the principal office of the Issuer and may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer [and copies may be available from [address].]

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “Conditions”) set forth in the Prospectus dated [original date] [and the supplemental prospectus to it dated [date]] which are incorporated by reference in the Prospectus dated June 28, 2016 and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) and must be read in conjunction with the Prospectus dated June 28, 2016 [and the supplemental Prospectus dated ●], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated June 28, 2016 [and the supplemental Prospectus dated ●]. The Prospectus dated June 28, 2016 [and the supplemental Prospectus(es)] and the Conditions which are extracted from the Prospectus dated [original date] and are incorporated by reference in the Prospectus dated June 28, 2016 are available for viewing during normal business hours at the office of the Fiscal Agent, Registrar and Transfer Agent and copies may be obtained from the principal office of the Issuer and may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer [and copies may be available from [address]].

INVESTORS SHOULD REFER TO THE SECTION HEADED “RISK FACTORS” IN THE PROSPECTUS FOR A DISCUSSION OF CERTAIN MATTERS THAT SHOULD BE CONSIDERED WHEN MAKING A DECISION TO INVEST IN THE NOTES.

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraph (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]

- | | | |
|-----------|-----------------------------------|---|
| 1. | [(i)] Issuer: | [The Bank of Nova Scotia[, Head office, Toronto]][Scotiabank Europe plc] |
| | [(ii)] Guarantor: | [The Bank of Nova Scotia][Not Applicable] |
| 2. | [(i)] Series Number: | [] |
| | [(ii)] Tranche Number: | [] |
| 3. | Specified Currency or Currencies: | [] |
| 4. | Aggregate Principal Amount: | |
| | [(i)] Series: | [] |
| | [(ii)] Tranche: | [] |
| 5. | Issue Price: | [] per cent. of the Aggregate Principal Amount [plus accrued interest from [●]] |
| 6. | (i) Specified Denomination(s): | [●][(not to be less than €100,000 (or its equivalent in any other currency))
/[€][currency][100,000] (or its equivalent in any other currency)] and integral multiples of [€][currency][1,000] in excess thereof up to and including [€][currency][199,000]]. No Notes in definitive form will be issued with a denomination above [€][currency][199,000]]. |
| | (ii) Calculation Amount: | [] |
| 7. | (i) Issue Date: | [] |
| | (ii) Interest Commencement Date: | [●/Issue Date/Not Applicable] |
| 8. | Maturity Date: | <i>[Specify date or for Floating Rate Notes – Interest Payment Date falling in or nearest to [specify month and year]]</i> |
| 9. | Interest Basis: | [● per cent. Fixed Rate]
[] month [LIBOR/EURIBOR] +/- ● per cent. Floating Rate]
[] years [<i>insert currency</i>] CMS Reference Rate
[Floating Rate Spread]
[Zero Coupon] |
| | | In respect of the period from (and including) [the Interest Commencement Date]/[] to |

(but excluding) [], [[] per cent. per annum Fixed Rate]/[[] month
 [LIBOR/EURIBOR] +/- [] per cent. Floating Rate]/[[] years [*insert currency*]
 CMS Reference Rate]/[Floating Rate Spread]

10. Redemption/Payment Basis: [Redemption at par]
 [Instalment]
11. Change of Interest: [Applicable - *specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 15 and 16 below and identify there*]
 [Not Applicable]
12. Put/Call Options: [Issuer's Option]
 [Noteholders' Option]
13. Status of the Notes: [Deposit Notes/ Guaranteed Notes]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions:** [Applicable/Not Applicable] [Applicable in respect of the period from [the Interest Commencement Date]/[] to []]
- (i) Interest Rate[(s)]: [] per cent. per annum [payable in arrear]
 [In respect of the period from (and including) [the Interest Commencement Date]/[] to (but excluding) [], [] per cent. per annum]
- (ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date [adjusted in accordance with [●] commencing on [], [] [adjusted/not adjusted]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/][Not Applicable]
- (iv) Business Centre(s): []
- (v) Fixed Coupon Amount[(s)]: [] per Calculation Amount/Not Applicable
- (vi) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling on []/Not Applicable
- (vii) Day Count Fraction: [[Actual/365] [Actual/Actual] [Actual/365 (Fixed)] [Actual/Actual – ICMA]

		[Actual/360]/[Actual/365 Sterling]/[30/360]/[30E/360]/[Eurobond Basis]]
(viii)	[Determination Date(s):	[] in each year]
16.	Floating Rate Note Provisions	[Applicable/Not Applicable] [Applicable in respect of the period from [the Interest Commencement Date]/[] to []]
(i)	Interest Period Dates:	[] [, subject to adjustment in accordance with the Business Day Convention set out in (iii) below/, not subject to adjustment, as the Business Day Convention in (iii) below is specified to be Not Applicable]
(ii)	Interest Payment Dates:	[] [, subject to adjustment in accordance with the Business Day Convention set out in (iii) below/, not subject to adjustment, as the Business Day Convention in (iii) below is specified to be Not Applicable]
(iii)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ [Not Applicable]]
(iv)	Business Centre(s):	[]
(v)	Manner in which the Interest Rate and Interest Amount is to be determined:	[Screen Rate Determination][ISDA Determination][CMS Rate][Floating Rate Spread]
(vi)	Screen Rate Determination:	[Applicable][Not Applicable]
		[Terms applicable to the determination of [Floating Rate Spread Rate 1][Floating Rate Spread Rate 2];] <i>(only include if Floating Rate Spread is applicable and Screen Rate Determination is applicable to either or both Floating Rate Spread Rates. If both, repeat items in this sub-paragraph for each Floating Rate Spread Rate)</i>
(a)	Primary Source:	[Screen Rate/ Reference Banks]
(b)	Benchmark:	[LIBOR][EURIBOR]
(c)	Relevant Screen Page:	[]
(d)	Interest Determination Date(s):	[]
(e)	Relevant Currency:	[]
(f)	Representative Amount:	[]

- (vii) ISDA Determination: [Applicable][Not Applicable]
- [Terms applicable to the determination of [Floating Rate Spread Rate 1][Floating Rate Spread Rate 2];] *(only include if Floating Rate Spread is applicable and ISDA Determination is applicable to either or both Floating Rate Spread Rates. If both, repeat items in this subparagraph for each Floating Rate Spread Rate)*
- (a) Floating Rate Option: []
- (b) Designated Maturity: []
- (c) Reset Date: []
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Accrual Period or Interest Period)
- (viii) CMS Rate: [Applicable][Not Applicable]
- [Terms applicable to the determination of [Floating Rate Spread Rate 1][Floating Rate Spread Rate 2];] *(only include if Floating Rate Spread is applicable and CMS Rate is applicable to either or both Floating Rate Spread Rates. If both, repeat items in this subparagraph for each Floating Rate Spread Rate)*
- (a) Relevant Screen Page: []
- (b) Reference Currency: [euro (EUR)][Sterling (GBP)][U.S. dollar (USD)][*insert other*]
- (c) CMS Maturity: []
- (d) Relevant Time: []
- (e) Interest Determination Date(s): []
- (f) Relevant Financial Centre: [*insert*][Not Applicable] *(only required if Reference Currency is other than EUR, GBP or USD)*
- (ix) Floating Rate Spread: [Applicable][Not Applicable]
- (a) Manner in which the Floating Rate Spread Rate 1 is to be determined: Determined in accordance with [Screen Rate Determination][ISDA Determination][CMS Rate].
- (b) Manner in which the Floating Rate Spread Rate 2 is to be determined: Determined in accordance with [Screen Rate Determination][ISDA Determination][CMS Rate].

(c)	Floating Rate Spread Margin 1:	[]	[Not Applicable]
(d)	Floating Rate Spread Margin 2:	[]	[Not Applicable]
(e)	Floating Rate Spread Multiplier 1:	[]	[Not Applicable]
(f)	Floating Rate Spread Multiplier 2:	[]	[Not Applicable]
(g)	Maximum Floating Rate Spread 1:	[]	[Not Applicable]
(h)	Maximum Floating Rate Spread 2:	[]	[Not Applicable]
(i)	Minimum Floating Rate Spread 1:	[]	[Not Applicable]
(j)	Minimum Floating Rate Spread 2:	[]	[Not Applicable]
(x)	Margin(s):	[+/-][]	per cent. per annum
(xi)	Rate Multiplier:	[Applicable/Not Applicable]	[●]
(xii)	Minimum Interest Rate:	[]	per cent. per annum][Not Applicable]
(xiii)	Maximum Interest Rate:	[]	per cent. per annum][Not Applicable]
(xiv)	Day Count Fraction:	[Actual/365] [Actual/Actual] [Actual/365 (Fixed)] [Actual/Actual – ICMA] [Actual/360]/[Actual/365 Sterling]/[30/360]/[30E/360]/[Eurobond Basis]	
(xv)	Effective Date:	[]	
(xvi)	Party responsible for calculating Interest Rate:	[The Bank of Nova Scotia][<i>other</i>]	
17.	Zero Coupon/High Interest/Low Interest Note Provisions	[Applicable/Not Applicable]	
(i)	Amortisation Yield:	[]	per cent. per annum
(ii)	Reference Price:	[]	
(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Actual/365] [Actual/Actual] [Actual/365 (Fixed)] [Actual/Actual – ICMA] [Actual/360]/[Actual/365 Sterling]/[30/360]/[30E/360]/[Eurobond Basis]	

PROVISIONS RELATING TO REDEMPTION

- 18. Issuer Option (Call)** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount(s) of [] per Calculation Amount each Note:
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [] per Calculation Amount
 - (b) Maximum Redemption Amount: [] per Calculation Amount
 - (iv) Issuer's Option Period: []
 - (v) Minimum period of irrevocable notice: [15] days
 - (vi) Maximum period of irrevocable notice: [30] days
- 19. Noteholder Option (Put)** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount(s) of [] per Calculation Amount each Note:
 - (iii) Noteholder's Option Period: []
 - (iv) Minimum period of notice: [15] days
 - (v) Maximum period of notice: [30] days
- 20. Final Redemption Amount of each Note** [] per Calculation Amount
- 21. Early Redemption Amount**
- Early Redemption Amount(s) of each Note [] per Calculation Amount payable on redemption for taxation reasons or on event of default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 22. Form of Notes:**
- Bearer Notes:**
- [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for [definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Bearer Global Note] [and/or Registered Notes]]

[Temporary Bearer Global Note exchangeable for [definitive Notes on [] days' notice] [and/or Registered Notes]]

[Permanent Bearer Global Note exchangeable for [definitive Notes on [days' notice/at any time/in the limited circumstances specified in the Permanent Bearer Global Note] [Registered Notes]]

Registered Notes:

[Registered Notes in the form of a Certificate (U.S.\$[] nominal amount) registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]

- | | | |
|------------|---|--|
| 23. | New Global Note (in respect of Bearer Notes) or New Safekeeping Structure (in the case of Registered Notes): | [Yes/No] [Not Applicable] |
| 24. | Financial Centre(s) or other special provisions relating to Payment Dates: (Condition 6(h)) | [Not Applicable/●] |
| 25. | Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature): | [Yes/No] |
| 26. | Unmatured Coupons to become void on early redemption: | [Yes/No] |
| 27. | Details relating to Instalment Notes: Instalment Amount, Instalment Date, Maximum Instalment Amount, Minimum Instalment Amount: | [Not Applicable/●] |
| 28. | Redenomination | [Not Applicable/The provisions [in Condition ●] apply] |

Signed on behalf of the Issuer:

By: _____
Duly authorised

[Signed on behalf of the Guarantor:

By: _____
Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from [].]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [The Notes to be issued [have been]/[are expected to be]] rated:
- [[Standard & Poor's Global Ratings, acting through Standard & Poor's Ratings Services (Canada), a business unit of The McGraw-Hill Companies (Canada) Corporation]: [●]]
- [Moody's Canada Inc.: [●]]
- [Fitch, Inc.: [●]]
- [DBRS Limited: [●].]
- [The Notes have not specifically been rated.]

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

[Save for any fees payable to the [Managers/Dealers]], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. TEFRA RULES

Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]

5. [Fixed rate Notes only – YIELD]

Indication of yield: []

6. OPERATIONAL INFORMATION

(i) ISIN: []

- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable][]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agents (if any): []

7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (v) U.S. Selling Restrictions: [Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]

SCHEDULE B

PRO FORMA PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes issued under the Programme.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC (AS AMENDED) FOR THE ISSUE OF NOTES DESCRIBED BELOW AND THE TERMS OF SUCH NOTES ARE SET OUT IN A PRICING SUPPLEMENT THAT IS EXEMPT FROM THE REQUIREMENTS OF DIRECTIVE 2003/71/EC (AS AMENDED). THE UK LISTING AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THIS PRICING SUPPLEMENT.

Pricing Supplement dated [●]

[The Bank of Nova Scotia/Scotiabank Europe plc]
Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
[Guaranteed by The Bank of Nova Scotia]
under the U.S.\$20,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

This document constitutes the final terms relating to the issue of Notes described herein.

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Prospectus dated June 28, 2016 [as supplemented by the supplement[s] dated [●]] (the “Prospectus”). Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus. Copies of the Prospectus may be obtained from [address].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Prospectus dated [original date] [and the supplement dated [date]] which are incorporated by reference in the Prospectus].

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

INVESTORS SHOULD REFER TO THE SECTION HEADED “RISK FACTORS” IN THE PROSPECTUS FOR A DISCUSSION OF CERTAIN MATTERS THAT SHOULD BE CONSIDERED WHEN MAKING A DECISION TO INVEST IN THE NOTES.

- | | | | |
|----|--------|------------|--|
| 1. | [(i)] | Issuer: | [The Bank of Nova Scotia[, Head office, Toronto]][Scotiabank Europe plc] |
| | [(ii)] | Guarantor: | [The Bank of Nova Scotia][Not Applicable] |

2. [(i)] Series Number: []
- [(ii)] Tranche Number: []
3. Specified Currency or Currencies: []
4. Aggregate Principal Amount:
- [(i)] Series: []
- [(ii)] Tranche: []
5. Issue Price: [] per cent. of the Aggregate Principal Amount [plus accrued interest from [●]]
6. (i) Specified Denomination(s): [●] / [[€][currency][●]] and integral multiples of [[€][currency][1,000]] in excess thereof up to and including [[€][currency][199,000]]. No Notes in definitive form will be issued with a denomination above [[€][currency][199,000]].
- (ii) Calculation Amount: []
7. (i) Issue Date: []
- (ii) Interest Commencement Date: [●/Issue Date/Not Applicable]
8. Maturity Date: [*Specify date or for Floating Rate Notes – Interest Payment Date falling in or nearest to specify month and year*]
- [Other]
9. Interest Basis: [● per cent. Fixed Rate]
[] month [LIBOR/EURIBOR] +/- ● per cent. Floating Rate]
[[] years [*insert currency*] CMS Reference Rate]
[Floating Rate Spread]
[Zero Coupon]
[*specify other*]
- In respect of the period from (and including) [the Interest Commencement Date]/[] to (but excluding) [], [[] per cent. per annum Fixed Rate]/[[] month [LIBOR/EURIBOR] +/- [] per cent. Floating Rate]/[[] years [*insert currency*] CMS Reference Rate]/[Floating Rate Spread]/[*specify other*]
10. Redemption/Payment Basis: [Redemption at par]
[Instalment]
[*specify other*]
11. Change of Interest or Redemption/Payment [Applicable - *Specify details of any provision*]

- Basis: *for change of Notes into another Interest Basis or Redemption/Payment Basis*
- [Not Applicable]
12. Put/Call Options: [Issuer's Option]
[Noteholders' Option]
13. Status of the Notes: [Deposit Notes/Guaranteed Notes]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions:** [Applicable/Not Applicable] [Applicable in respect of the period from [the Interest Commencement Date]/[] to []]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Rate[(s)]: [] per cent. per annum [payable in arrear]
- [In respect of the period from (and including) [the Interest Commencement Date]/[] to (but excluding) [], [] per cent. per annum]
- (ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date [adjusted in accordance with [●] commencing on [], [] [adjusted/not adjusted]
(Amend appropriately in the case of irregular coupons)
- (iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/][Not Applicable]
- (iv) Business Centre(s): []
- (v) Fixed Coupon Amount[(s)]: [] per Calculation Amount/Not Applicable
- (vi) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling on []/Not Applicable
- (vii) Day Count Fraction: [[Actual/365] [Actual/Actual] [Actual/365 (Fixed)] [Actual/Actual – ICMA] [Actual/360]/[Actual/365 Sterling]/[30/360]/[30E/360]/[Eurobond Basis]] [Specify Other]
- (viii) [Determination Date(s): [[] in each year]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert

regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)

- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes: [None/Give details]

16. Floating Rate Note Provisions

[Applicable/Not Applicable] [Applicable in respect of the period from [the Interest Commencement Date]/[] to []]
(If not applicable, delete the remaining subparagraphs of this paragraph).

- (i) Interest Period Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in (iii) below/, not subject to adjustment, as the Business Day Convention in (iii) below is specified to be Not Applicable]

- (ii) Interest Payment Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in (iii) below/, not subject to adjustment, as the Business Day Convention in (iii) below is specified to be Not Applicable]

- (iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ [Not Applicable]] [*Specify other*]

- (iv) Business Centre(s): []

- (v) Manner in which the Interest Rate and Interest Amount is to be determined: [Screen Rate Determination][ISDA Determination][CMS Rate][Floating Rate Spread] [*other* – See paragraph [(xvii)] below]

- (vi) Screen Rate Determination: [Applicable][Not Applicable]

(if Not Applicable, the sub-paragraphs to this paragraph can be deleted)

[Terms applicable to the determination of [Floating Rate Spread Rate 1][Floating Rate Spread Rate 2];] *(only include if Floating Rate Spread is applicable and Screen Rate Determination is applicable to either or both Floating Rate Spread Rates. If both, repeat items in this sub-paragraph for each Floating Rate Spread Rate)*

- (a) Primary Source: [Screen Rate/ Reference Banks]

- (b) Benchmark: [] month [LIBOR/EURIBOR/specify other Reference Rate]. *(Either LIBOR, EURIBOR or other, although additional information is*

required if other, including fallback provisions in the Agency Agreement.)

- (c) Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (d) Interest Determination Date(s): []
- (e) Relevant Currency: []
- (f) Representative Amount: []
- (vii) ISDA Determination: [Applicable][Not Applicable]
(if Not Applicable, the sub-paragraphs to this paragraph can be deleted)

[Terms applicable to the determination of [Floating Rate Spread Rate 1][Floating Rate Spread Rate 2];] *(only include if Floating Rate Spread is applicable and ISDA Determination is applicable to either or both Floating Rate Spread Rates. If both, repeat items in this sub-paragraph for each Floating Rate Spread Rate)*
- (a) Floating Rate Option: []
- (b) Designated Maturity: []
- (c) Reset Date: []
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Accrual Period or Interest Period)
- (viii) CMS Rate: [Applicable][Not Applicable]
(if Not Applicable, the sub-paragraphs to this paragraph can be deleted)

[Terms applicable to the determination of [Floating Rate Spread Rate 1][Floating Rate Spread Rate 2];] *(only include if Floating Rate Spread is applicable and CMS Rate is applicable to either or both Floating Rate Spread Rates. If both, repeat items in this sub-paragraph for each Floating Rate Spread Rate)*
- (a) Relevant Screen Page: []
- (b) Reference Currency: [EUR][GBP][USD][insert other]

- (c) CMS Maturity: []
- (d) Relevant Time: []
- (e) Interest Determination Date(s): []
- (f) Relevant Financial Centre: *[insert][Not Applicable] (only required if Reference Currency is other than EUR, GBP or USD)*
- (ix) Floating Rate Spread: [Applicable][Not Applicable]
- (a) Manner in which the Floating Rate Spread Rate 1 is to be determined: Determined in accordance with [Screen Rate Determination][ISDA Determination][CMS Rate].
- (b) Manner in which the Floating Rate Spread Rate 2 is to be determined: Determined in accordance with [Screen Rate Determination][ISDA Determination][CMS Rate].
- (c) Floating Rate Spread Margin 1: [] [Not Applicable]
- (d) Floating Rate Spread Margin 2: [] [Not Applicable]
- (e) Floating Rate Spread Multiplier 1: [] [Not Applicable]
- (f) Floating Rate Spread Multiplier 2: [] [Not Applicable]
- (g) Maximum Floating Rate Spread 1: [] [Not Applicable]
- (h) Maximum Floating Rate Spread 2: [] [Not Applicable]
- (i) Minimum Floating Rate Spread 1: [] [Not Applicable]
- (j) Minimum Floating Rate Spread 2: [] [Not Applicable]
- (x) Margin(s): [+/-][] per cent. per annum
- (xi) Rate Multiplier: [Applicable/Not Applicable]
[●]
- (xii) Minimum Interest Rate: [[] per cent. per annum][Not Applicable]
- (xiii) Maximum Interest Rate: [[] per cent. per annum][Not Applicable]
- (xiv) Day Count Fraction: [Actual/365] [Actual/Actual] [Actual/365 (Fixed)] [Actual/Actual – ICMA] [Actual/360]/[Actual/365 Sterling]/[30/360]/[30E/360]/[Eurobond Basis]

[Other]

- (xv) Effective Date: []
- (xvi) Party responsible for calculating Interest Rate: [The Bank of Nova Scotia][other]
- (xvii) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: []

17. Zero Coupon/High Interest/Low Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Amortisation Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes: []
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Actual/365] [Actual/Actual] [Actual/365 (Fixed)] [Actual/Actual – ICMA] [Actual/360]/[Actual/365 Sterling]/[30/360]/[30E/360]/[Eurobond Basis]

18. Other terms or special conditions relating to the determination of interest: [Specify/Not Applicable]

PROVISIONS RELATING TO REDEMPTION

19. Issuer Option (Call) [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Issuer's Option Period: []

- (v) Minimum period of irrevocable notice: [15] days
- (vi) Maximum period of irrevocable notice: [30] days
- 20. Noteholder Option (Put)** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other]
- (iii) Noteholder's Option Period: []
- (iv) Minimum period of notice: [15] days
- (v) Maximum period of notice: [30] days
- 21. Final Redemption Amount of each Note** [[] per Calculation Amount/specify other]
- 22. Early Redemption Amount**
- Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or otherwise and/or the method of calculating the same (if required or if different from that set out in the Conditions: [[] per Calculation Amount/specify other including relevant early redemption conditions, if different from the Conditions]
- 23. Other terms or special conditions relating to redemption:** [Specify/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 24. Form of Notes:**
- Bearer Notes:**
- [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for [definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Bearer Global Note] [and/or Registered Notes]]
- [Temporary Bearer Global Note exchangeable for [definitive Notes on [] days' notice] [and/or Registered Notes]]
- [Permanent Bearer Global Note exchangeable for [definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Bearer Global Note] [Registered Notes]]
- Registered Notes:**

[Registered Notes in the form of a Certificate (U.S.\$[] nominal amount) registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]

25. New Global Note (in respect of Bearer Notes) or New Safekeeping Structure (in the case of Registered Notes):: [Yes/No] [Not Applicable]
26. Financial Centre(s) or other special provisions relating to Payment Dates: (Condition 6(h)) [Not Applicable/●]
27. Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature): [Yes/No]
28. Unmatured Coupons to become void on early redemption: [Yes/No]
29. Details relating to Instalment Notes: Instalment Amount, Instalment Date, Maximum Instalment Amount, Minimum Instalment Amount: [Not Applicable/●]
30. Redenomination [Not Applicable/The provisions in Condition 6(j) apply]
31. Other terms or special conditions: [Not Applicable/*give details*]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: _____

Duly authorised

[Signed on behalf of the Guarantor:

By: _____

Duly authorised]

PART B – OTHER INFORMATION

- 1. LISTING** [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [specify market - note this must not be a regulated market] with effect from [].] [Not Applicable]
- 2. RATINGS**
- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)].
(The above disclosure is only required if the ratings of the Notes are different to those stated in the Prospectus)
- 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**
- [Save for any fees payable to the [Managers/Dealers]], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.
- 4. TEFRA RULES**
- Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
- 5. OPERATIONAL INFORMATION**
- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable][give name(s) and numbers(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agents (if any): []
- 6. DISTRIBUTION**
- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give names]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/give name]

- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (v) U.S. Selling Restrictions: [Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]

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