

Supplemental Terms & Conditions for U.S. Holders of Guaranteed Investment Certificates

This Supplemental Terms & Conditions (the “**Terms**”) are only applicable to the Guaranteed Investment Certificates (“**GICs**”) issued by The Bank of Nova Scotia, Canada (the “**Bank**”) and held, at any time, by U.S. Holders (as defined below). The term “**GICs**” includes one or more Non-Redeemable Guaranteed Investment Certificates, Cashable GICs, Personal Redeemable GICs and Non-Personal Redeemable GICs.

To the extent that the Bank’s records identify a U.S. Holder invested in one or more GICs, it has in place the following specific arrangement for such Holders of GICs denominated in Canadian and U.S. dollars

The Bank has caused its Houston Branch to guarantee the GICs of U.S. Holders through two irrevocable Direct-Pay Letter of Credits (the “**Letter of Credits**”). The Letter of Credits are issued by the Houston Branch in favor of the Bank for the account and benefit of U.S. Holders invested in GICs through their investment account with the Bank. The Houston Branch has issued a separate Letter of Credit in Canadian dollars and a Letter of Credit in U.S. dollars, in each case, based on the respective GICs’ currency denomination.

For purposes of the Terms, the term “**U.S. Holder**” shall mean any person who holds a GIC and such person is a “**U.S. Person**” within the meaning of Rule 902(k) of Regulation S (17 C.F.R. § 230.902(k)) under the U.S. Securities Act of 1933. The term “**U.S. Person**” includes, but is not limited to: (i) any natural person resident in the U.S., (ii) any partnership or corporation organized or incorporated under the laws of the U.S., (iii) any trust of which any trustee is a U.S. Person, or (iv) any discretionary account or similar account (other than an estate or trust) held by a dealer or fiduciary organized, incorporated, or (if an individual) resident in the U.S.

A failure by the Bank to pay any amount of principal or interest due on the date specified or upon demand, where applicable, under a GIC held by a U.S. Holder in accordance with the terms specified for any such payment under any such GIC shall be a “**U.S. Holder Event of Default**”. Upon the occurrence of a U.S. Holder Event of Default, a U.S. Holder shall be entitled to present a demand for payment under the Letter of Credits as set forth below:

1. The following documentation shall be presented by the U.S. Holder to The Bank of Nova Scotia Trust Company (the “**Trustee**”) at 44 King St. W., Toronto, Ontario M5H 1H1 (Attn: Director, Custody Services) or at any other office of the Trustee in Canada which may be designated by the Trustee by written notice delivered to the U.S. Holder.

(a) **Default Certificate.** A completed and signed letter in the form prescribed by the Trustee certifying and evidencing a U.S. Holder Event of Default (a “**Default Certificate**”) must be filled out and signed by the U.S. Holder.

If the account holding the GICs requires more than one signature for the U.S. Holder, the Default Certificate must be received with the required number of signatures

(b) **Identification Documentation.** Identification documentation of the person(s) who signed the Default Certificate must be provided to the Trustee (the “**Identity Documents**”) which shall include a copy of an official and valid government issued personal identification document bearing a photograph of the U.S. Holder (such as a valid driver’s license or passport).

(c) **For Corporations or other Entities: Incumbency Certificate.** Identity Documents shall include an incumbency certificate attesting that the person(s) executing the Default Certificate is duly authorized to represent the U.S. Holder and to execute such certificate. Also include any supporting documentation (i.e. signature specimens of authorized representatives, resolutions or bylaws supporting the incumbency certificate, etc.)

2. Upon receipt of a duly completed and signed Default Certificate and applicable Identity Documents conforming to the Terms hereof, the Trustee has the right to make such inquiries into the matter claimed under the Default Certificate to verify the outstanding amount claimed by the U.S. Holder, without liability to the Trustee. The Trustee shall, without delay, give notice to a U.S. Holder who is demanding payment if such demand for payment is not in accordance with the Terms hereof. The notice shall state the reasons therefore and that the relevant document(s) are being held at such U.S. Holder’s disposal or are being returned to such U.S. Holder, as the Trustee may elect. In such case, the U.S. Holder shall be entitled to submit a corrected Default Certificate which conforms with the Terms hereof.

3. Subject to the foregoing, the Trustee shall promptly prepare and deliver a drawing certificate, in the form and at the location specified in the Letter of Credit (a “**Drawing Certificate**”), to the Houston Branch.

4. The Houston Branch shall pay the amount specified in the Drawing Certificate to the Trustee in immediately available funds, in accordance with the terms of the Letter of Credit. Upon receipt of payment from the Houston Branch, the Trustee shall promptly pay the U.S. Holder the amount specified in the corresponding Default Certificate in respect of which demand was made in the applicable currency.