

BANK OF NOVA SCOTIA
Form 424B5
April 14, 2016

The information in this Preliminary Pricing Supplement is not complete and may be changed. We may not sell these notes until the Pricing Supplement is delivered in final form. We are not selling these notes, nor are we soliciting offers to buy these notes, in any State where such offer or sale is not permitted.

Subject to Completion. Dated April 13, 2016

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-200089

The Bank of Nova Scotia

\$ Capped Buffered Enhanced Participation Notes, Series A

Linked to the MSCI EAFE® Index Due [•]

The notes will not bear interest. The amount that you will be paid on your notes at maturity (expected to be the 3rd business day after the valuation date) is based on the performance of the MSCI EAFE® Index (the reference asset) as measured from the trade date to and including the valuation date (expected to be between 23 and 26 months after the trade date). If the final level on the valuation date is greater than the initial level (set on the trade date), the return on your notes will be positive, subject to the maximum payment amount (expected to be between \$1,180.00 and \$1,211.50 for each \$1,000 principal amount of your notes). If the final level declines by up to 15.00% from the initial level, you will receive the principal amount of your notes. **If the final level declines by more than 15.00% from the initial level, the return on your notes will be negative. Any payment on your notes is subject to the creditworthiness of The Bank of Nova Scotia.**

To determine your payment at maturity, we will first calculate the percentage increase or decrease in the final level from the initial level (the percentage change). At maturity, for each \$1,000 principal amount of your notes:

- if the final level is *greater than* the initial level (the percentage change is positive), you will receive an amount in cash equal to the *sum* of (i) \$1,000 *plus* (ii) the *product* of (a) \$1,000 *times* (b) the percentage change *times* (c) 1.5, subject to the maximum payment amount;

- if the final level is *equal to* the initial level or *less than* the initial level, but not by more than 15.00% (the percentage change is zero or negative, but *equal to* or *greater than* -15.00%) you will receive an amount in cash equal to \$1,000; or
- if the final level is *less than* the initial level by more than 15.00% (the percentage change is negative and is *less than* 15.00%), you will receive an amount in cash equal to the *sum* of (i) \$1,000 *plus* (ii) the *product* of (a) \$1,000 *times* (b) approximately 117.65% *times* (c) the *sum* of the percentage change *plus* 15.00%.

Following the determination of the initial level, the amount you will be paid on your notes at maturity will not be affected by the closing level of the reference asset on any day other than the valuation date. **In addition, no payments on your notes will be made prior to maturity.**

Investment in the notes involves certain risks. You should refer to **Additional Risks** in this pricing supplement and **Additional Risk Factors Specific to the Notes** beginning on page PS-5 of the accompanying product prospectus supplement and **Risk Factors** beginning on page S-2 of the accompanying prospectus supplement and on page 6 of the accompanying prospectus.

The estimated value of your notes at the time the terms of your notes are set on the trade date is expected to be between \$955 and \$975 per \$1,000 principal amount, which will be less than the original issue price of your notes. For a discussion of the estimated value and the price at which at which Goldman, Sachs & Co. would initially buy or sell your notes, if it makes a market in the notes (which it is not obligated to do), see **Additional Information Regarding Estimated Value of the Notes** on page P-2 of this pricing supplement.

| | Per Note | Total |
|-------------------------------------|----------|-------|
| Original Issue Price | 100.00% | \$ |
| Underwriting commissions | % | \$ |
| Proceeds to The Bank of Nova Scotia | % | \$ |

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE NOTES OR PASSED UPON THE ACCURACY OR THE ADEQUACY OF THIS PRICING SUPPLEMENT, THE ACCOMPANYING PROSPECTUS, ACCOMPANYING PROSPECTUS SUPPLEMENT OR ACCOMPANYING PRODUCT PROSPECTUS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE NOTES ARE NOT INSURED BY THE CANADA DEPOSIT INSURANCE CORPORATION PURSUANT TO THE CANADA DEPOSIT INSURANCE CORPORATION ACT OR THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY OF CANADA, THE UNITED STATES OR ANY OTHER JURISDICTION.

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Scotia Capital (USA) Inc.

Goldman, Sachs & Co.

Dealer

Pricing Supplement No. dated April [], 2016

The Capped Buffered Enhanced Participation Notes, Series A Linked to the MSCI EAFE® Index Due [•] (the notes) offered hereunder are unsubordinated and unsecured obligations of The Bank of Nova Scotia (the Bank) and are subject to investment risks including possible loss of the principal amount invested due to the negative performance of the reference asset and the credit risk of The Bank of Nova Scotia. As used in this pricing supplement, the Bank, we, us or our refers to The Bank of Nova Scotia. The notes will not be listed on any U.S. securities exchange or automated quotation system.

The return on your notes will relate to the price return of the reference asset and will not include a total return or dividend component. The notes are derivative products based on the performance of the reference asset. The notes do not constitute a direct investment in any of the shares, units or other securities represented by the reference asset. By acquiring notes, you will not have a direct economic or other interest in, claim or entitlement to, or any legal or beneficial ownership of any such share, unit or security and will not have any rights as a shareholder, unitholder or other security holder of any of the issuers including, without limitation, any voting rights or rights to receive dividends or other distributions.

Scotia Capital (USA) Inc., our affiliate, will purchase the notes from us for distribution to other registered broker dealers or will offer the notes directly to investors. Scotia Capital (USA) Inc. or any of its affiliates or agents may use this pricing supplement in market-making transactions in notes after their initial sale. Unless we, Scotia Capital (USA) Inc. or another of its affiliates or agents selling such notes to you informs you otherwise in the confirmation of sale, this pricing supplement is being used in a market-making transaction. See Supplemental Plan of Distribution (Conflicts of Interest) in this pricing supplement and Supplemental Plan of Distribution on page PS-31 of the accompanying product prospectus supplement.

The original issue price, commissions and proceeds to the Bank listed above relate to the notes we issue initially. We may decide to sell additional notes after the date of this pricing supplement, at original issue prices and with commissions and proceeds to the Bank that differ from the amounts set forth above. The return (whether positive or negative) on your investment in the notes will depend in part on the original issue price you pay for such notes.

Additional Information Regarding Estimated Value of the Notes

The estimated value of your notes at the time the terms of your notes are set on the trade date is expected to be between \$955 and \$975 per \$1,000 principal amount, which is less than the original issue price of your notes. The pricing models used to determine the estimated value consider certain variables, including principally our credit spreads, interest rates (forecasted, current and historical rates), volatility, price-sensitivity analysis and the time to maturity of the notes. The difference between the estimated value of your notes and the original issue price is a result of certain factors, including principally the underwriting

discount and commissions, the expenses incurred in creating, documenting and marketing the notes, and an estimate of the difference between the amounts we pay to Goldman, Sachs & Co. (GS&Co.) and the amounts GS&Co. pay to us in connection with your notes. We pay to GS&Co. amounts based on what we would pay to holders of a non-structured note with a similar maturity. In return for such payment, GS&Co. pays to us the amount we owe under the notes.

The price at which GS&Co. will make a market in the notes (if it makes a market, which it is not obligated to do), and the value of your notes shown on your account statement, will be based on pricing models and variables similar to those used in determining the estimated value on the trade date. The value of your notes at any time will reflect many factors and cannot be predicted; however, the price (not including GS&Co. s customary bid and ask spreads) at which GS&Co. would initially buy or sell notes (if it makes a market, which it is not obligated to do) and the value that GS&Co. will initially use for account statements and otherwise is equal to approximately \$[1] per \$1,000 principal amount, which exceeds the estimated value of your notes on the trade date. The amount of the excess will decline on a straight line basis over the period from the trade date through [1].

We urge you to read the **Additional Risks** beginning on page P-16 of this pricing supplement.

Summary

The information in this Summary section is qualified by the more detailed information set forth in this pricing supplement, the accompanying prospectus, accompanying prospectus supplement, and accompanying product prospectus supplement, each filed with the SEC. See Additional Terms of Your Notes in this pricing supplement.

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|--|--|
| Issuer: | The Bank of Nova Scotia (the Bank) |
| CUSIP/ISIN: | CUSIP 064159GT7 / ISIN US064159GT71 |
| Type of Notes: | Capped Buffered Enhanced Participation Notes, Series A |
| Reference Asset: | The MSCI EAFE® Index (Bloomberg Ticker: MXEA) |
| Minimum Investment and Denominations: | \$1,000 and integral multiples of \$1,000 in excess thereof |
| Principal Amount: | \$1,000 per note; \$[•] in the aggregate for all the offered notes; the aggregate principal amount of the offered notes may be increased if the Bank, at its sole option, decides to sell an additional amount of the offered notes on a date subsequent to the date of this pricing supplement. |
| Original Issue Price: | 100% of the principal amount of each note |
| Currency: | U.S. dollars |
| Trade Date: | [1] |
| Original Issue Date: | [1] (to be determined on the trade date and expected to be the 5 th business day after the trade date). |

We expect that delivery of the notes will be made against payment therefor on or about the 5th business day following the date of pricing of the notes (this settlement cycle being referred to as T+5). Under Rule 15c6-1 of the Securities and Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who

wish to trade the notes on the trade date will be required, by virtue of the fact that each note initially will settle in 5 business days (T+5), to specify alternative settlement arrangements to prevent a failed settlement.

Maturity Date:

[1] (to be determined on the trade date and expected to be the 3rd business day after the valuation date), subject to adjustment as described in more detail under General Terms of the Notes Maturity Date on page PS-17 in the accompanying product prospectus supplement.

Principal at Risk:

You may lose all or a substantial portion of your initial investment at maturity if there is a percentage decrease from the initial level to the final level of more than 15%.

Purchase at amount other than principal amount:

The amount we will pay you on the maturity date for your notes will not be adjusted based on the original issue price you pay for your notes, so if you acquire notes at a premium (or discount) to principal amount and hold them to the maturity date, it could affect your investment in a number of ways. The return on your investment in such notes

will be lower (or higher) than it would have been had you purchased the notes at principal amount. Additionally, the maximum payment amount would be triggered at a lower (or higher) percentage return than indicated below, relative to your initial investment. See **Additional Risks** If you purchase your notes at a premium to principal amount, the return on your investment will be lower than the return on notes purchased at principal amount and the impact of certain key terms of the notes will be negatively affected on page P-20 of this pricing supplement.

Fees and Expenses:

As part of the distribution of the notes, Scotia Capital (USA) Inc. or one of our affiliates will sell notes to GS&Co. at a discount reflecting commissions of \$[1] per \$1,000 principal amount of notes. The commissions per \$1,000 principal amount are comprised of \$[1] of fees and \$[1] of selling commission, to be set on the trade date. See **Supplemental Plan of Distribution (Conflicts of Interest)** in this pricing supplement.

The price at which you purchase the notes includes costs that the Bank or its affiliates expect to incur and profits that the Bank or its affiliates expect to realize in connection with hedging activities related to the notes, as set forth below under **Supplemental Plan of Distribution (Conflicts of Interest)**. These costs and profits will likely reduce the secondary market price, if any secondary market develops, for the notes. As a result, you may experience an immediate and substantial decline in the market value of your notes on the trade date. See **Additional Risks** Hedging activities by the Bank and GS&Co. may negatively impact investors in the notes and cause our respective interests and those of our clients and counterparties to be contrary to those of investors in the notes in this pricing supplement.

Payment at Maturity:

The payment at maturity will be based on the performance of the reference asset and will be calculated as follows:

- If the final level is greater than the initial level, then the payment at maturity will equal:
 - o The lesser of (a) the principal amount + (principal amount x percentage change x participation rate) and (b) the maximum payment amount
- If the final level is greater than or equal to the buffer level, but less than or equal to the initial level, then the payment at maturity will equal the principal amount

- If the final level is less than the buffer level, then the payment at maturity will equal:

- o principal amount + [principal amount x buffer rate x (percentage change + buffer percentage)]

In this case you will suffer a percentage loss on your initial investment equal to the buffer rate multiplied by the negative percentage change in excess of the buffer percentage. Accordingly, you could lose up to 100% of your initial investment.

Closing Level:

As used herein, the closing level of the reference asset on any date will be determined based upon the closing level published on the Bloomberg page `MXEA<Index>` or any successor page on Bloomberg or any successor service, as applicable, on such date.

Initial Level:

The closing level of the reference asset on the trade date.

Final Level: The closing level of the reference asset on the valuation date. In certain special circumstances, the final level will be determined by the calculation agent, in its discretion, and such determinations will, under certain circumstances, be confirmed by an independent calculation expert. See General Terms of the Notes Unavailability of the Level of the Reference Asset on a Valuation Date and General Terms of the Notes Market Disruption Events beginning on page PS-18 and Appointment of Independent Calculation Experts beginning on page PS-22, in the accompanying product prospectus supplement.

Percentage Change: The percentage change, expressed as a percentage, with respect to the payment at maturity, is calculated as follows:

$$\frac{\text{final level} - \text{initial level}}{\text{initial level}}$$

For the avoidance of doubt, the percentage change may be a negative value.

Participation Rate: 150.00%

Buffer Level: 85.00% of the initial level

Buffer Percentage: 15.00%

Buffer Rate: The *quotient* of the initial level *divided* by the buffer level, which equals approximately 117.65%

Maximum Payment Amount: Expected to be \$1,180.00-\$1,211.50, which equals principal amount x 118.00%-121.15% (The actual maximum payment amount to be determined on trade date). The maximum payment amount sets a cap on appreciation of the reference asset of 12.00%-14.10%.

Valuation Date: [1] (to be determined on the trade date and expected to be approximately 23-26 months after the trade date).

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The valuation date could be delayed by the occurrence of a market disruption event. See General Terms of the Notes Market Disruption Events beginning on page PS-19 in the accompanying product prospectus supplement.

Form of Notes:

Book-entry

Calculation Agent:

Scotia Capital Inc., an affiliate of the Bank

Status:

The notes will constitute direct, unsubordinated and unsecured obligations of the Bank ranking *pari passu* with all other direct, unsecured and unsubordinated indebtedness of the Bank from time to time outstanding (except as otherwise prescribed by law). Holders will not have the benefit of any insurance under the provisions of the *Canada Deposit Insurance Corporation Act*, the U.S. *Federal Deposit Insurance Act* or under any other deposit insurance regime of any jurisdiction.

| | |
|----------------------------------|---|
| Tax Redemption: | The Bank (or its successor) may redeem the notes, in whole but not in part, at a redemption price determined by the calculation agent in a manner reasonably calculated to preserve your and our relative economic position, if it is determined that changes in tax laws or their interpretation will result in the Bank (or its successor) becoming obligated to pay additional amounts with respect to the notes. See Tax Redemption below. |
| Listing: | The notes will not be listed on any securities exchange or quotation system. |
| Use of Proceeds: | General corporate purposes |
| Clearance and Settlement: | Depository Trust Company |
| Business Day: | New York and Toronto |
| Terms Incorporated: | All of the terms appearing above the item under the caption General Terms of the Notes beginning on page PS-14 in the accompanying product prospectus supplement, as modified by this pricing supplement. |

INVESTING IN THE NOTES INVOLVES SIGNIFICANT RISKS. YOU MAY LOSE ALL OR A SUBSTANTIAL PORTION OF YOUR INVESTMENT. ANY PAYMENT ON THE NOTES, INCLUDING ANY REPAYMENT OF PRINCIPAL, IS SUBJECT TO THE CREDITWORTHINESS OF THE BANK. IF THE BANK WERE TO DEFAULT ON ITS PAYMENT OBLIGATIONS YOU MAY NOT RECEIVE ANY AMOUNTS OWED TO YOU UNDER THE NOTES AND YOU COULD LOSE YOUR ENTIRE INVESTMENT.

ADDITIONAL TERMS OF YOUR NOTES

You should read this pricing supplement together with the prospectus dated December 1, 2014, as supplemented by the prospectus supplement dated December 1, 2014 and the product prospectus supplement (Equity Linked Index Notes, Series A) dated July 9, 2015, relating to our Senior Note Program, Series A, of which these notes are a part. Capitalized terms used but not defined in this pricing supplement will have the meanings given to them in the product prospectus supplement. In the event of any conflict, this pricing supplement will control. ***The notes may vary from the terms described in the accompanying prospectus, accompanying prospectus supplement and accompanying product prospectus supplement in several important ways. You should read this pricing supplement carefully, including the documents incorporated by reference herein.***

This pricing supplement, together with the documents listed below, contains the terms of the notes and supersedes all prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in Additional Risk Factors Specific to the Notes in the accompanying product prospectus supplement, as the notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the notes. You may access these documents on the SEC website at www.sec.gov as follows (or if that address has changed, by reviewing our filings for the relevant date on the SEC website).

Prospectus dated December 1, 2014:

https://www.sec.gov/Archives/edgar/data/9631/000089109214008992/e61582_424b3.htm

Prospectus Supplement dated December 1, 2014:

<https://www.sec.gov/Archives/edgar/data/9631/000089109214008993/e61583-424b3.htm>

Product Prospectus Supplement (Equity Linked Index Notes, Series A) dated July 9, 2015:

INVESTOR SUITABILITY

The notes may be suitable for you if:

- You fully understand the risks inherent in an investment in the notes, including the risk of losing all or a substantial portion of your initial investment.
- You can tolerate a loss of up to 100% of your initial investment and are willing to make an investment that may have an accelerated downside risk greater than the downside market risk of an investment in the reference asset or in the reference asset constituent stocks, subject to the buffer percentage.
- You believe that the level of the reference asset will appreciate over the term of the notes and that the appreciation is unlikely to exceed the cap on appreciation within the maximum payment amount (the actual maximum payment amount will be determined on the trade date).
- You are willing to hold the notes to maturity, a term of approximately 23 to 26 months, and accept that there may be little or no secondary market for the notes.
- You understand and accept that your potential return is limited to the maximum payment amount and you would be willing to invest in the notes if the maximum payment amount was set equal to the bottom of the range indicated above (the actual maximum payment amount will be set on the trade date).
- You can tolerate fluctuations in the price of the notes prior to maturity that may be similar to or exceed the downside fluctuations in the level of the reference asset.

- You do not seek current income from your investment.
- You are willing to assume the credit risk of the Bank for all payments under the notes, and understand that if the Bank defaults on its obligations you may not receive any amounts due to you including any repayment of principal.

The notes may not be suitable for you if:

- You do not fully understand the risks inherent in an investment in the notes, including the risk of losing all or a substantial portion of your initial investment.
- You require an investment designed to guarantee a full return of principal at maturity.
- You cannot tolerate a loss of all or a substantial portion of your initial investment and are not willing to make an investment that may have an accelerated downside risk greater than downside market risk of an investment in the reference asset or in the reference asset constituent stocks, subject to the buffer percentage.
- You believe that the level of the reference asset will decline during the term of the notes and the final level will likely be less than the buffer level, or you believe the level of the reference asset will appreciate over the term of the notes and that the appreciation is likely to equal or exceed the cap on appreciation within the maximum payment amount (the actual maximum payment amount will be determined on the trade date).
- You seek an investment that has unlimited return potential without a cap on appreciation and you would be unwilling to invest in the notes if the maximum payment amount was set equal to the bottom of the range indicated above (the actual maximum payment amount will be set on the trade date).
- You cannot tolerate fluctuations in the price of the notes prior to maturity that may be similar to or exceed the downside fluctuations in the level of the reference asset.
- You seek current income from your investment or prefer to receive dividends paid on the stocks included in the reference asset.
- You are unable or unwilling to hold the notes to maturity, a term of approximately 23 to 26 months, or you seek an investment for which there will be a secondary market.
- You are not willing to assume the credit risk of the Bank for all payments under the notes.

The investor suitability considerations identified above are not exhaustive. Whether or not the notes are a suitable investment for you will depend on your individual circumstances and you should reach an investment decision only after

you and your investment, legal, tax, accounting and other advisors have carefully considered the suitability of an investment in the notes in light of your particular circumstances. You should also review **Additional Risks** in this pricing supplement and the **Additional Risk Factors Specific to the Notes** beginning on page PS-5 of the accompanying product prospectus supplement and **Risk Factors** beginning on page S-2 of the accompanying prospectus supplement and **Risk Factors** on page 6 of the accompanying prospectus for risks related to an investment in the notes.

EVENTS OF DEFAULT AND ACCELERATION

If the notes have become immediately due and payable following an event of default (as defined in the accompanying prospectus) with respect to the notes, the calculation agent will determine the default amount as described below.

Default Amount

The default amount for your notes on any day (except as provided in the last sentence under *Default Quotation Period* below) will be an amount, in the specified currency for the principal of your notes, equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all our payment and other obligations with respect to your notes as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to you with respect to your notes. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, plus
- the reasonable expenses, including reasonable attorneys' fees, incurred by the trustees of your notes in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for your notes, described below, the trustees and/or the Bank may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest or, if there is only one, the only quotation obtained, and as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the default amount.

Default Quotation Period

The default quotation period is the period beginning on the day the default amount first becomes due (the due day) and ending on the third business day after that day, unless:

- no quotation of the kind referred to above is obtained, or
- every quotation of that kind obtained is objected to within five business days after the due day as described above.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of an objection is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this sentence.

Qualified Financial Institutions

For the purpose of determining the default amount at any time, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States of America, Europe or Japan, which at that time has outstanding debt obligations with a stated maturity of one year or less from the date of issue and that is, or whose securities are, rated either:

- A-1 or higher by Standard & Poor's Ratings Services, or any successor, or any other comparable rating then used by that rating agency, or
- P-1 or higher by Moody's Investors Service or any successor, or any other comparable rating then used by that rating agency.

If the notes have become immediately due and payable following an event of default, you will not be entitled to any additional payments with respect to the notes. For more information, see "Description of the Debt Securities We May Offer - Events of Default" beginning on page 21 of the accompanying prospectus.

TAX REDEMPTION

The Bank (or its successor) may redeem the notes, in whole but not in part, at a redemption price determined by the calculation agent in a manner reasonably calculated to preserve your and our relative economic position, upon the giving of a notice as described below, if:

- as a result of any change (including any announced prospective change) in or amendment to the laws (or any regulations or rulings promulgated thereunder) of Canada (or the jurisdiction of organization of the successor to the Bank) or of any political subdivision or taxing authority thereof or therein affecting taxation, or any change in official position regarding the application or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction), which change or amendment is announced or becomes effective on or after the trade date (or, in the case of a successor to the Bank, after the date of succession), and which in the written opinion to the Bank (or its successor) of legal counsel of recognized standing has resulted or will result (assuming, in the case of any announced prospective change, that such announced change will become effective as of the date specified in such announcement and in the form announced) in the Bank (or its successor) becoming obligated to pay, on the next succeeding date on which a payment is due, additional amounts with respect to the notes; or
- on or after the trade date (or, in the case of a successor to the Bank, after the date of succession), any action has been taken by any taxing authority of, or any decision has been rendered by a court of competent jurisdiction in, Canada (or the jurisdiction of organization of the successor to the Bank) or any political subdivision or taxing authority thereof or therein, including any of those actions specified in the paragraph immediately above, whether or not such action was taken or decision was rendered with respect to the Bank (or its successor), or any change, amendment, application or interpretation shall be officially proposed, which, in any such case, in the written opinion to the Bank (or its successor) of legal counsel of recognized standing, will result (assuming, that such change, amendment or action is applied to the notes by the taxing authority and that, in the case of any announced prospective change, that such announced change will become effective as of the date specified in such announcement and in the form announced) in the Bank (or its successor) becoming obligated to pay, on the next succeeding date on which a payment is due, additional amounts with respect to the notes;

and, in any such case, the Bank (or its successor), in its business judgment, determines that such obligation cannot be avoided by the use of reasonable measures available to it (or its successor).

The redemption price will be determined by the calculation agent, in its discretion, and such determination will, under certain circumstances, be confirmed by an independent calculation expert. See Appointment of Independent Calculation Experts on page PS-22, in the accompanying product prospectus supplement.

In the event the Bank elects to redeem the notes pursuant to the provisions set forth in the preceding paragraph, it shall deliver to the trustees a certificate, signed by an authorized officer, stating that the Bank is entitled to redeem such notes pursuant to their terms in whole only.

The Bank will give notice of intention to redeem such notes to holders of the notes not more than 45 nor less than 30 days prior to the date fixed for redemption specifying, among other things, the date fixed for redemption, and on or promptly after the redemption date, it will give notice of the redemption price.

Other than as described above, the notes are not redeemable prior to their maturity.

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Open Market/Broker

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