

**Prospectus Supplement to the Short Form Base Shelf Prospectus dated January 4, 2021.**

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*This prospectus supplement, together with the short form base shelf prospectus dated January 4, 2021 to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference in the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered, sold or delivered within the United States of America, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of U.S. persons.*

New Issue

July 20, 2022

**Prospectus Supplement**



**The Toronto-Dominion Bank**

**\$800,000,000**

**800,000 Non-Cumulative 5-Year Fixed Rate Reset Preferred Shares, Series 28  
(Non-Viability Contingent Capital (NVCC))**

This offering of Non-Cumulative 5-Year Fixed Rate Reset Preferred Shares, Series 28 (Non-Viability Contingent Capital (NVCC)) (the “Series 28 Shares”) of The Toronto-Dominion Bank (the “Bank”) under this prospectus supplement (the “Prospectus Supplement”) consists of 800,000 Series 28 Shares. The holders of the Series 28 Shares will be entitled to receive fixed non-cumulative preferential cash dividends, as and when declared by the board of directors of the Bank (the “Board of Directors”), for the initial period from and including the closing date of this offering to but excluding October 31, 2027 (the “Initial Fixed Rate Period”), payable semi-annually on April 30 and October 31 in each year, at a per annum rate of 7.232% per share, or \$72.32 per share per annum. Notwithstanding the foregoing, based on the anticipated closing date of this offering of July 25, 2022, the first dividend per Series 28 Share, if declared, will be payable on October 31, 2022 in respect of the period from and including July 25, 2022 to but excluding October 31, 2022, in the amount of \$19.41742466 per share. See “Details of the Offering”.

For each five-year period after the Initial Fixed Rate Period (each, a “Subsequent Fixed Rate Period”), the holders of the Series 28 Shares will be entitled to receive fixed non-cumulative preferential cash dividends, as and when declared by the Board of Directors, payable semi-annually on April 30 and October 31 in each year, in an amount per share per annum determined by multiplying the Annual Fixed Dividend Rate (as defined herein) applicable to such Subsequent Fixed Rate Period by \$1,000.00. The Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period will be determined by the Bank on the Fixed Rate Calculation Date (as defined herein) and will be equal to the sum of the Government of Canada Yield (as defined herein) on the Fixed Rate Calculation Date plus 4.20%. See “Details of the Offering”.

**Upon the occurrence of a Trigger Event (as defined herein), each Series 28 Share will be automatically and immediately converted, on a full and permanent basis, without the consent of the holders thereof, into that number of fully-paid common shares of the Bank (“Common Shares”) determined by dividing the Share Value (as defined herein) in respect of such Series 28 Shares by the Conversion Price (as defined herein) (a**

**“Contingent Conversion”). Investors should therefore carefully consider the disclosure with respect to the Bank, the Series 28 Shares, the Common Shares and the consequences of a Trigger Event included and incorporated by reference in this Prospectus Supplement.**

**An investment in the Series 28 Shares is subject to certain risks. See “Risk Factors”.**

Subject to the provisions of the *Bank Act* (Canada) (the “Bank Act”), including the consent of the Superintendent of Financial Institutions (Canada) (the “Superintendent”), during the period from and including October 1, 2027 to and including October 31, 2027 and during the period from October 1 to October 31 every fifth year thereafter, the Bank may redeem all or any part of the then outstanding Series 28 Shares, at the Bank’s option without the consent of the holder, by the payment in cash of a sum per share so redeemed equal to \$1,000.00 together with all declared and unpaid dividends to, but excluding, the date fixed for redemption. See “Details of the Offering”.

The Series 28 Shares do not have a fixed maturity date and are not redeemable at the option of the holders of the Series 28 Shares. See “Risk Factors”.

The Bank has applied to The Toronto Stock Exchange (the “TSX”) to list the underlying Common Shares that would be issued upon a Contingent Conversion. The Bank will also apply to list the underlying Common Shares that would be issued upon a Contingent Conversion on the New York Stock Exchange. Listing will be subject to the Bank fulfilling all requirements of the TSX and the New York Stock Exchange, respectively.

**PRICE: \$1,000.00 per Series 28 Share with initial dividend rate of 7.232%**

TD Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc., Desjardins Securities Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc., iA Private Wealth Inc., Laurentian Bank Securities Inc., Manulife Securities Incorporated, Merrill Lynch Canada Inc., and Wells Fargo Securities Canada, Ltd. (collectively, the “Agents”), as agents, conditionally offer the Series 28 Shares, subject to prior sale, on a best efforts basis, if, as and when issued by the Bank in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution”, and subject to approval of certain legal matters on behalf of the Bank by McCarthy Tétrault LLP and on behalf of the Agents by Fasken Martineau DuMoulin LLP. **TD Securities Inc., one of the Agents, is a wholly-owned subsidiary of the Bank. By virtue of such ownership, the Bank is a related and connected issuer of TD Securities Inc. under applicable securities legislation.** See “Plan of Distribution”.

	<u>Price to the Public</u>	<u>Agents’ Fee<sup>(1)</sup></u>	<u>Net Proceeds to the Bank<sup>(2)</sup></u>
Per Series 28 Share <sup>(1)</sup>	\$1,000.00	\$10.00	\$990.00
Total	\$800,000,000	\$8,000,000	\$792,000,000

(1) Subscriptions for Series 28 Shares must be for a minimum of 200 shares for a minimum aggregate subscription price of \$200,000.

(2) Before deduction of expenses of the issue estimated at \$650,000, which, together with the Agents’ fee, are payable by the Bank.

The Series 28 Shares may only be offered and sold in Canada to “accredited investors” (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* (“NI 45-106”) or section 73.3 of the *Securities Act* (Ontario), as applicable) who are not individuals unless they are also “permitted clients” (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“NI 31-103”)). Each Agent will represent and covenant, severally and not on a joint and several basis, to the Bank that it will only sell the Series 28 Shares to such purchasers in Canada. **By purchasing Series 28 Shares in Canada and accepting delivery of a purchase confirmation such purchaser will be deemed to represent to the Bank and the Agent from whom the purchase confirmation is received that such purchaser is an “accredited investor” (as**

**such term is defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable) who is not an individual unless such purchaser is also a “permitted client” (as such term is defined in NI 31-103).**

The Series 28 Shares are intended to qualify as additional Tier 1 capital within the meaning of the regulatory capital adequacy requirements to which the Bank is subject. The Series 28 Shares are targeted to institutional investors and as such: (i) they have a minimum par or stated value of \$1,000, (ii) they will be traded on institutional desks and will not be listed on any exchange, (iii) they may only be issued to institutional investors in the primary distribution as described above, and (iv) subscriptions for Series 28 Shares must be for a minimum of 200 shares which amounts to a minimum aggregate subscription price of \$200,000.

In connection with this offering, the Agents may, subject to applicable law, over-allot or effect transactions which stabilize or maintain the market price of the Series 28 Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

**There is no market through which the Series 28 Shares may be sold and purchasers of such securities may not be able to resell the Series 28 Shares purchased under this Prospectus Supplement. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.**

Subscriptions for Series 28 Shares received will be subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing will take place on July 25, 2022, or such later date as the Bank and the Agents may agree. The Series 28 Shares will be issued in “book-entry only” form. The Series 28 Shares will be issued in certificated or uncertificated form and registered in the name of CDS Clearing & Depository Services Inc. (“CDS”) or its nominee and will be deposited with CDS or its nominee on the closing date. No physical certificates evidencing the Series 28 Shares will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of Series 28 Shares will receive only a customer confirmation from the Agent or other registered dealer who is a participant in the depository service of CDS and from or through whom a beneficial interest in the Series 28 Shares is purchased. See “Details of the Offering – Depository Services”.

In this Prospectus Supplement, unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

In this Prospectus Supplement, unless otherwise indicated, capitalized terms which are defined in the Prospectus are used herein with the meanings defined therein.

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### ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, counsel to the Bank, and Fasken Martineau DuMoulin LLP, counsel to the Agents, based on the current provisions of the *Income Tax Act* (Canada) (the “Tax Act”) and the regulations thereunder, the Series 28 Shares, if issued on the date of this Prospectus Supplement, would be, on such date, qualified investments under the Tax Act and the regulations thereunder for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a registered education savings plan (“RESP”), a registered disability savings plan (“RDSP”), a deferred profit sharing plan or a tax-free savings account (“TFSA”).

Notwithstanding that the Series 28 Shares may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, the annuitant under an RRSP or RRIF, the subscriber of an RESP or the holder of an RDSP or a TFSA will be subject to a penalty tax with respect to the Series 28 Shares, as the case may be, if the Series 28 Shares are a “prohibited investment” for the RRSP, RRIF, RESP, RDSP or TFSA, as the case may be. The Series 28 Shares will generally not be a “prohibited investment” provided the annuitant, the subscriber or the holder, as the case may be: (i) deals at arm’s length with the Bank for purposes of the Tax Act; and (ii) does not have a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Bank. In addition, the Series 28 Shares will generally not be a “prohibited investment” for a trust governed by a RRSP, RRIF, RESP, RDSP or TFSA if they are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for such trusts. Holders of a TFSA or a RDSP, annuitants under an RRSP or RRIF and subscribers of an RESP should consult their own tax advisors regarding whether the Series 28 Shares will be prohibited investments in their particular circumstances.

### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement, including those documents incorporated by reference, may contain forward-looking statements. All such statements are made pursuant to the “safe harbour” provisions of, and are intended to be forward-looking statements under, applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements made in the Q2 MD&A (as defined herein) under the heading “How We Performed”, including under the sub-heading “Economic Summary and Outlook”, and under the heading “Managing Risk”, and statements made in the 2021 MD&A (as defined herein) in the Bank’s 2021 Annual Report under the headings “Economic Summary and Outlook” and “The Bank’s Response to COVID-19”, under the headings “Key Priorities for 2022” and “Operating Environment and Outlook” for the Canadian Retail, U.S. Retail, and Wholesale Banking segments, and under the heading “Focus for 2022” for the Corporate segment, and in other statements regarding the Bank’s objectives and priorities for 2022

and beyond and strategies to achieve them, the regulatory environment in which the Bank operates, the Bank's anticipated financial performance, and the potential economic, financial and other impacts of the Coronavirus Disease 2019 (COVID-19). Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "goal", "target", "may", and "could".

By their very nature, these forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the physical, financial, economic, political, and regulatory environments, such risks and uncertainties – many of which are beyond the Bank's control and the effects of which can be difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause, individually or in the aggregate, such differences include: strategic, credit, market (including equity, commodity, foreign exchange, interest rate, and credit spreads), operational (including technology, cyber security, and infrastructure), model, insurance, liquidity, capital adequacy, legal, regulatory compliance and conduct, reputational, environmental and social, and other risks. Examples of such risk factors include the economic, financial, and other impacts of pandemics, including the COVID-19 pandemic; general business and economic conditions in the regions in which the Bank operates; geopolitical risk; the ability of the Bank to execute on long-term strategies and shorter-term key strategic priorities, including the successful completion of acquisitions and dispositions, business retention plans, and strategic plans; technology and cyber security risk (including cyber-attacks or data security breaches) on the Bank's information technology, internet, network access or other voice or data communications systems or services; model risk; fraud activity; the failure of third parties to comply with their obligations to the Bank or its affiliates, including relating to the care and control of information, and other risks arising from the Bank's use of third-party service providers; the impact of new and changes to, or application of, current laws and regulations, including without limitation tax laws, capital guidelines and liquidity regulatory guidance and the bank recapitalization "bail-in" regime; regulatory oversight and compliance risk; increased competition from incumbents and new entrants (including Fintechs and big technology competitors); shifts in consumer attitudes and disruptive technology; exposure related to significant litigation and regulatory matters; ability of the Bank to attract, develop, and retain key talent; changes to the Bank's credit ratings; changes in currency and interest rates (including the possibility of negative interest rates); increased funding costs and market volatility due to market illiquidity and competition for funding; Interbank Offered Rate (IBOR) transition risk; critical accounting estimates and changes to accounting standards, policies, and methods used by the Bank; existing and potential international debt crises; environmental and social risk (including climate change); and the occurrence of natural and unnatural catastrophic events and claims resulting from such events. The Bank cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. For more detailed information, please refer to the "Risk Factors and Management" section of the 2021 MD&A, as may be updated in subsequently filed quarterly reports to shareholders. All such factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, should be considered carefully when making decisions with respect to the Bank. The Bank cautions readers not to place undue reliance on the Bank's forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this Prospectus Supplement and any documents incorporated by reference are set out in the 2021 MD&A under the headings "Economic Summary and Outlook" and "The Bank's Response to COVID-19", under the headings "Key Priorities for 2022" and "Operating Environment and Outlook" for the Canadian Retail, U.S. Retail, and Wholesale Banking segments, and under the heading "Focus for 2022" for the Corporate segment, each as may be updated in subsequently filed quarterly reports to shareholders.

Any forward-looking statements contained in this Prospectus Supplement represent the views of management only as of the date of this Prospectus Supplement and are presented for the purpose of assisting prospective purchasers of the Bank's securities in understanding the Bank's financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation. See "Risk Factors".

## **DOCUMENTS INCORPORATED BY REFERENCE**

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the offering of the Series 28 Shares. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof. In addition, the following documents filed with the Superintendent and the various securities commissions or similar authorities in Canada are incorporated by reference into this Prospectus Supplement:

- (i) the consolidated audited financial statements for the fiscal year ended October 31, 2021 with comparative consolidated financial statements for the fiscal year ended October 31, 2020, together with the auditor's report thereon and the management's discussion and analysis thereon (the "2021 MD&A").
- (ii) the annual information form dated December 1, 2021;
- (iii) the management proxy circular dated as of February 7, 2022;
- (iv) the Second Quarter 2022 Report to Shareholders for the three and six months ended April 30, 2022, which includes consolidated interim financial statements (unaudited) and the management's discussion and analysis thereon (the "Q2 MD&A");
- (v) the indicative term sheet delivered to potential investors with respect to this offering dated July 18, 2022 (the "Indicative Term Sheet"); and
- (vi) the final term sheet delivered to potential investors with respect to this offering dated July 18, 2022 (the "Final Term Sheet", together with the Indicative Term Sheet, the "Marketing Materials").

Any statement contained in this Prospectus Supplement or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

## **MARKETING MATERIALS**

The Marketing Materials are not part of this Prospectus Supplement or the Prospectus to the extent that the contents of such materials have been modified or superseded by a statement contained in this Prospectus Supplement or any amendment. In addition, any template version of any other marketing materials filed with the securities commission or similar authority in each of the provinces and territories of Canada in connection with this offering after the date hereof but prior to the termination of the distribution of the Series 28 Shares under this Prospectus Supplement is deemed to be incorporated by reference herein and in the Prospectus.

## **TRADING PRICE AND VOLUME OF THE BANK'S SECURITIES**

The following chart sets out the trading price and volume of the Bank's securities on the TSX during the 12 months preceding the date of this Prospectus Supplement.

	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 1 to Jul 19, 2022
<b>COMMON SHARES</b>													
High (\$)	87.70	86.80	85.45	90.70	96.39	98.21	104.17	109.08	104.00	101.30	97.11	97.13	85.17
Low (\$)	81.34	81.91	80.675	84.05	89.865	91.95	96.89	100.30	95.70	90.38	90.55	82.80	77.27
Vol. ('000)	132,398	66,680	89,535	162,749	84,732	87,652	166,734	91,425	116,900	142,448	76,000	102,613	123,067
<b>PREFERRED SHARES</b>													
<b>Series 1</b>													
High (\$)	24.00	24.25	24.49	24.66	24.66	24.50	24.58	24.10	23.43	22.61	22.32	22.80	21.24
Low (\$)	23.44	23.54	23.90	24.02	24.28	23.85	23.84	22.76	21.89	19.65	20.00	20.38	20.38
Vol. ('000)	179	125	501	467	670	225	726	300	322	607	178	480	206
<b>Series 3</b>													
High (\$)	23.93	24.25	24.49	24.84	24.64	24.59	24.60	24.11	23.10	22.82	22.40	22.60	20.92
Low (\$)	23.50	23.50	23.90	24.11	24.30	24.00	23.87	22.87	22.32	19.63	20.40	20.38	20.40
Vol. ('000)	170	174	103	146	231	124	158	271	352	275	289	155	188
<b>Series 5</b>													
High (\$)	24.00	24.40	24.82	24.75	24.74	24.63	24.75	24.18	23.21	22.80	22.48	22.78	21.07
Low (\$)	23.61	23.65	24.06	24.35	24.48	23.95	23.88	22.75	22.39	19.76	20.45	20.75	20.35
Vol. ('000)	169	242	264	404	628	180	326	405	518	408	226	288	103
<b>Series 7</b>													
High (\$)	24.56	25.06	25.09	25.20	25.11	25.00	25.21	24.75	24.60	23.86	23.38	23.48	21.74
Low (\$)	23.85	24.22	24.56	24.77	24.81	24.08	24.42	24.10	23.20	21.16	21.00	20.77	20.62
Vol. ('000)	115	297	160	228	114	95	276	240	169	137	150	310	86
<b>Series 9</b>													
High (\$)	24.61	25.27	25.19	25.28	25.34	25.20	25.33	24.91	24.90	24.00	23.10	23.40	21.46
Low (\$)	23.95	24.43	24.82	24.95	24.83	23.79	24.55	24.21	23.40	20.96	21.57	20.81	20.81
Vol. ('000)	82	93	62	73	111	63	101	139	137	157	74	59	66
<b>Series 16</b>													
High (\$)	25.89	26.04	25.79	26.04	25.65	25.79	25.75	25.40	25.64	25.39	25.10	25.10	25.00
Low (\$)	25.36	25.42	25.43	25.55	25.30	25.11	25.20	24.95	24.90	24.25	24.46	24.70	24.51
Vol. ('000)	117	133	69	123	163	96	70	230	145	132	152	282	155
<b>Series 18</b>													
High (\$)	25.47	26.01	25.94	25.75	26.00	25.94	26.00	25.75	25.35	25.06	25.10	25.23	24.10
Low (\$)	24.75	25.23	25.31	25.23	25.25	24.67	25.14	24.74	24.70	23.08	23.33	23.20	23.03
Vol. ('000)	85	104	199	144	111	142	488	313	165	215	162	289	111
<b>Series 20</b>													
High (\$)	25.53	25.93	25.70	25.66	25.69	25.70	25.70	25.28	25.25	24.70	24.45	24.60	23.94
Low (\$)	24.64	25.03	25.12	25.14	25.29	24.92	25.00	24.565	24.25	22.19	22.93	22.90	22.53
Vol. ('000)	277	250	131	130	105	215	283	201	241	185	289	364	437
<b>Series 22</b>													
High (\$)	26.84	27.01	26.88	27.07	26.93	26.72	26.87	26.33	26.50	25.94	25.70	25.68	25.27
Low (\$)	25.89	26.27	26.25	26.35	26.49	25.82	25.69	25.86	25.50	24.30	24.57	24.78	24.50
Vol. ('000)	134	105	133	129	141	62	153	126	213	125	69	143	143
<b>Series 24</b>													
High (\$)	27.12	27.33	27.33	27.38	27.00	26.84	27.00	26.65	26.60	26.11	25.50	25.89	25.34
Low (\$)	25.86	26.59	26.61	26.80	26.65	25.97	25.90	26.00	25.63	24.48	24.65	24.70	24.73
Vol. ('000)	122	124	193	140	133	111	77	381	307	224	146	135	93

## DETAILS OF THE OFFERING

The following is a summary of certain provisions attaching to the Series 28 Shares as a series which represents a series of Class A First Preferred Shares of the Bank. See “Description of Preferred Shares” in the Prospectus for a description of the general terms and provisions of the Class A First Preferred Shares as a class.

### Certain Provisions of the Series 28 Shares as a Series

#### *Definition of Terms*

The following definitions are relevant to the Series 28 Shares.

“**Annual Fixed Dividend Rate**” means, for any Subsequent Fixed Rate Period, the rate of interest (expressed as a percentage rate rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 4.20%.

“**Bloomberg Screen GCAN5YR Page**” means the display designated as page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada bond yields).

“**Fixed Period End Date**” means October 31, 2027 and each October 31 every fifth year thereafter.

“**Fixed Rate Calculation Date**” means, for any Subsequent Fixed Rate Period, the business day prior to the first day of such Subsequent Fixed Rate Period.

“**Government of Canada Yield**” means, as at any Fixed Rate Calculation Date, the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the related Subsequent Fixed Rate Period, as determined by two independent Canadian investment dealers (each of which is a member of the Investment Industry Regulatory Organization of Canada or any successor to or of the Investment Industry Regulatory Organization of Canada) selected by the Bank, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market at approximately 10:00 a.m. (Toronto time), if available, on the relevant date (or, if not available on the relevant date, on the most recent date for which such bids are available) for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span such Subsequent Fixed Rate Period on such Fixed Rate Calculation Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

“**Initial Fixed Rate Period**” means the period from and including the closing date of this offering to but excluding October 31, 2027.

“**Initial Reset Date**” means October 31, 2027.

“**Subsequent Fixed Rate Period**” means the period from and including the Initial Reset Date to, but excluding, the next Fixed Period End Date and each five-year period thereafter from and including such Fixed Period End Date to, but excluding, the next Fixed Period End Date.



### ***Issue Price***

The Series 28 Shares will have an issue price of \$1,000.00 per share.

### ***Dividends***

During the Initial Fixed Rate Period, the holders of the Series 28 Shares will be entitled to receive fixed rate non-cumulative preferential cash dividends, as and when declared by the Board of Directors, subject to the provisions of the Bank Act, payable semi-annually on April 30 and October 31 in each year, in an amount per share per annum determined by multiplying the applicable Initial Annual Fixed Dividend Rate by \$1,000.00; provided that, whenever it is necessary to compute any dividend amount in respect of the Series 28 Shares for a period of less than one full semi-annual dividend period, such dividend amount shall be calculated on the basis of the actual number of days in the period and a year of 365 days. Notwithstanding the foregoing, the first dividend per Series 28 Share, if declared, will be payable on October 31, 2022 in respect of the period from and including July 25, 2022 to but excluding October 31, 2022, in the amount of \$19.41742466 per share, based on the anticipated closing date of this offering of July 25, 2022.

During each Subsequent Fixed Rate Period, the holders of the Series 28 Shares will be entitled to receive fixed rate non-cumulative preferential cash dividends, as and when declared by the board of directors, subject to the provisions of the Bank Act, payable semi-annually on April 30 and October 31 in each year, in an amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$1,000.00.

The Bank will determine the Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Bank and all holders of Series 28 Shares. The Bank will, on the relevant Fixed Rate Calculation Date, give notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of Series 28 Shares.

If the board of directors does not declare a dividend, or any part thereof, on the Series 28 Shares on or before the dividend payment date therefor, then the rights of the holders of the Series 28 Shares to such dividend, or to any part thereof, will be extinguished.

The Bank is restricted under the Bank Act from paying dividends on the Series 28 Shares in certain circumstances. See “Bank Act Restrictions and Approvals” and “Bank Act Restrictions and Restrictions on Payment of Dividends” herein and in the Prospectus, respectively.

### ***Redemption***

Except as noted below, the Series 28 Shares will not be redeemable prior to October 1, 2027. Subject to the provisions of the Bank Act (see “Bank Act Restrictions and Approvals” and “Bank Act Restrictions and Restrictions on Payment of Dividends” herein and in the Prospectus, respectively), the consent of the Superintendent and the provisions described below under “Restriction on Dividends and Retirement of Shares”, during the period from October 1, 2027 to and including October 31, 2027 and during the period from October 1 to and including October 31 every fifth year thereafter, the Bank may redeem all or any part of the outstanding Series 28 Shares at the option of the Bank. The redemption price per share will be an amount in cash for each share redeemed of \$1,000.00 plus any declared and unpaid dividends up to, but excluding, the date fixed for redemption.

Upon the occurrence of a Regulatory Event Date (as defined below), with the prior approval of the Superintendent, the Bank may, at its option, at any time following a Regulatory Event Date, redeem the Series 28 Shares, in whole but not in part, by the payment of an amount in cash for each share redeemed of \$1,000.00 plus any declared and unpaid dividends up to, but excluding, the date fixed for redemption.

“**Regulatory Event Date**” means the date specified in a letter from the Superintendent to the Bank on which the Series 28 Shares will no longer be recognized in full as eligible “Additional Tier 1 Capital” or will no longer be

eligible to be included in full as risk-based “Total Capital” on a consolidated basis under the guidelines for capital adequacy requirements for banks as interpreted by the Superintendent.

The Bank will give notice of any redemption to registered holders not more than 60 days and not less than 10 days prior to the redemption date.

Where a part only of the then outstanding Series 28 Shares is at any time to be redeemed, the Series 28 Shares will be redeemed pro rata disregarding fractions, or in such other manner as the board of directors of the Bank determines.

### **Purchase for Cancellation**

Subject to the provisions of the Bank Act, the provisions described below under “Restriction on Dividends and Retirement of Shares” and the consent of the Superintendent the Bank may at any time, purchase for cancellation any of the Series 28 Shares in the open market at the lowest price or prices at which in the opinion of the board of directors such shares are obtainable.

### **Conversion Upon Occurrence of a Non-Viability Contingent Capital Trigger Event**

Upon the occurrence of a Trigger Event, each outstanding Series 28 Share will automatically and immediately be converted, on a full and permanent basis, without the consent of the holder thereof, into the number of Common Shares determined by the following formula:  $(\text{Multiplier} \times \text{Share Value}) \div \text{Conversion Price}$  (rounding down, if necessary, to the nearest whole number of Common Shares) (a “Contingent Conversion”). For the purposes of the foregoing:

“**Conversion Price**” means the greater of (i) the Common Share Price (as defined below), and (ii) the Floor Price (as defined below).

“**Common Share Price**” means the volume weighted average per share trading price of the Common Shares on the TSX for the 10 consecutive Trading Day (as defined below) period ending on the Trading Day immediately before the occurrence of a Trigger Event, or if the Common Shares are not then listed on the TSX, the principal stock exchange on which the Common Shares are then listed or quoted (being the stock exchange with the greatest volume of trading in the Common Shares during the previous six months), or if such shares are not listed or quoted on any stock exchange, or if no such trading prices are available, the Floor Price.

“**Floor Price**” means \$5.00, subject to adjustment in the event of (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or similar distribution, (ii) the subdivision, redivision or change of the Common Shares into a greater number of shares, or (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares. No adjustment of the Floor Price will be required if the amount of such adjustment will be less than 1% of the Floor Price in effect immediately prior to the event giving rise to the adjustment, provided, however, that in such case any adjustment that would otherwise be required then to be made will be carried forward and will be made at the time of and together with the next subsequent adjustment which, together with any adjustment so carried forward, will amount to at least 1% of the Floor Price.

“**Multiplier**” means 1.0.

“**Share Value**” means \$1,000.00 plus declared and unpaid dividends as at the date of the Trigger Event.

“**Trading Day**” means, with respect to any stock exchange or market, a day on which shares may be traded through the facilities of that stock exchange or market.

“**Trigger Event**” has the meaning set out in the OSFI Guideline for Capital Adequacy Requirements (CAR), Chapter 2 – Definition of Capital, effective November 2018, as such term may be amended or superseded by OSFI from time to time, which term currently provides that each of the following constitutes a Trigger Event:

- the Superintendent publicly announces that the Bank has been advised, in writing, that the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and that, after the conversion or write-off, as applicable, of all contingent instruments and taking into account any other factors or circumstances that are considered relevant or appropriate, it is reasonably likely that the viability of the Bank will be restored or maintained; or
- the federal or a provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

Fractions of Common Shares will not be issued or delivered pursuant to a Contingent Conversion and no cash payment will be made in lieu of a fractional Common Share. Notwithstanding any other provision of the Series 28 Shares, the conversion of the Series 28 Shares in connection with a Contingent Conversion shall not be an event of default and the only consequence of a Trigger Event under the provisions of the Series 28 Shares will be the conversion of the Series 28 Shares into Common Shares.

In the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares, the Bank will take necessary action to ensure that holders of Series 28 Shares receive, pursuant to a Contingent Conversion, the number of Common Shares or other securities that such holders would have received if the Contingent Conversion occurred immediately prior to the record date for such event.

### **Right Not to Deliver Common Shares upon a Contingent Conversion**

Upon a Contingent Conversion, the Bank reserves the right not to (a) deliver some or all of the Common Shares issuable thereupon to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Person or any person who, by virtue of the Contingent Conversion, would become a Significant Shareholder, or (b) record in its securities register a transfer or issue of Common Shares to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Government Holder based on a declaration submitted to the Bank or its transfer agent by or on behalf of such person. In those circumstances, the Bank or its agent will hold, as agent of any such person, all or the relevant number of Common Shares otherwise to be delivered to such Ineligible Persons or persons who would become Significant Shareholders or registered to such Ineligible Government Holders, as the case may be, and the Bank or its agent will deliver such shares to a broker retained by the Bank for the purpose of selling such Common Shares to parties other than the Bank and its affiliates on behalf of any such person. Such sales (if any) will be made at such times and at such prices as the Bank (or its agent as directed by the Bank), in its sole discretion, may determine. Neither the Bank nor its agent will be subject to any liability for failure to sell any such Common Shares on behalf of any such person or at any particular price on any particular day. The net proceeds received by the Bank or its agent from the sale of any such Common Shares will be delivered to any such person, after deducting the costs of sale and any applicable withholding taxes, in accordance with CDS procedures or otherwise. For the purposes of the foregoing:

- **“Ineligible Government Holder”** means any person who is the federal or a provincial government in Canada or agent or agency thereof, or the government of a foreign country or any political subdivision of a foreign country, or any agent or agency of a foreign government, in each case to the extent that the recording in the Bank’s securities register of a transfer or issue of any share of the Bank to such person would cause the Bank to contravene the Bank Act.
- **“Ineligible Person”** means (i) any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada to the extent that the issuance of Common Shares or Series 28 Shares by the Bank or delivery of Common Shares by its transfer agent to that person upon a Contingent Conversion (A) would require the Bank to take any action to comply with securities, banking or analogous laws of that jurisdiction or (B) would give rise to a liability for withholding tax in connection with such issuance or delivery, or (ii) any person to the extent that the issuance of Common Shares or Series 28 Shares by the Bank or delivery of Common

Shares by its transfer agent to that person upon a Contingent Conversion would cause the Bank to be in violation of any law to which the Bank is subject.

- **“Significant Shareholder”** means any person who beneficially owns directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person (as determined in accordance with the Bank Act), a percentage of the total number of outstanding shares of a class of the Bank that is in excess of that permitted by the Bank Act.

### **Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Bank, provided that a Trigger Event has not occurred, holders of Series 28 Shares will be entitled to receive \$1,000.00 per share, together with the amount of declared and unpaid dividends to the date of payment, before any amount will be paid or any assets of the Bank distributed to the holders of the Common Shares or other shares ranking junior to the Series 28 Shares. The holders of Series 28 Shares will not be entitled to share in any further distribution of the property or assets of the Bank. The Series 28 Shares will rank on parity with all other series of Class A First Preferred Shares of the Bank and in priority to the Common Shares with respect to the payment of dividends and on the distribution of assets in the event of the liquidation, dissolution or winding-up of the Bank. If a Trigger Event occurs, the rights on liquidation described above will not be relevant since all Series 28 Shares will be converted into Common Shares which will rank on parity with all other issued and outstanding Common Shares.

### **Restriction on Dividends and Retirement of Shares**

So long as any of the Series 28 Shares are outstanding, the Bank shall not, without the approval of holders of the Series 28 Shares:

- declare any dividends on the Common Shares or any other shares ranking junior to the Series 28 Shares (other than stock dividends on shares of the Bank ranking junior to the Series 28 Shares); or
- redeem, purchase or otherwise retire any Common Shares or any other shares of the Bank ranking junior to the Series 28 Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 28 Shares); or
- redeem, purchase or otherwise retire less than all the Series 28 Shares then outstanding; or
- except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares of the Bank, redeem, purchase or otherwise retire any other shares ranking prior to or on a parity with the Series 28 Shares;

unless, in each case, all dividends on the Series 28 Shares up to and including those payable on the dividend payment date for the last completed period for which dividends shall be payable and in respect of which the rights of the holders thereof have not been extinguished or waived, and all dividends then accrued on all other shares ranking prior to or on a parity with the Series 28 Shares have been declared and paid or set apart for payment.

### **Issue of Additional Series of Class A First Preferred Shares**

The Bank may not, without the prior approval of the holders of the Class A First Preferred Shares (in addition to such approvals as may be required by the Bank Act or any other legal requirement), (a) create or issue any shares ranking in priority to the Class A First Preferred Shares, or (b) create or issue any additional series of Class A First Preferred Shares or any shares ranking pari passu with the Class A First Preferred Shares, unless at the date of such creation or issuance all cumulative dividends up to and including the last completed period for which such cumulative dividends shall be payable, shall have been declared and paid or set apart for payment in respect of each series of cumulative Class A First Preferred Shares then issued and outstanding and any declared and unpaid non-cumulative dividends shall have been paid or set apart for payment in respect of each series of non-cumulative Class A First

Preferred Shares then issued and outstanding. Currently, there are no outstanding Class A First Preferred Shares which carry the right to cumulative dividends.

### **Conversion into Another Series of Class A First Preferred Shares**

The Bank may at any time, subject to the approval of the Superintendent, (i) give the holders of Series 28 Shares the right, at their option, to convert such Series 28 Shares into a new series of Class A First Preferred Shares of the Bank, or (ii) require the holders of Series 28 Shares to convert such Series 28 Shares into a new series of Class A First Preferred Shares of the Bank.

### **Amendments to Series 28 Shares**

The provisions attaching to the Series 28 Shares may not be deleted or varied without such approval as may then be required by the Bank Act, subject to a minimum requirement for approval by at least two-thirds of the votes cast at a meeting of the holders of the Series 28 Shares, duly called for the purpose or by the signature of the holders of at least two-thirds of the Series 28 Shares outstanding. In addition to the aforementioned approval, the Bank will not without, but may from time to time with, the prior approval of the Superintendent, make any such deletion or variation which might affect the classification afforded to the Series 28 Shares from time to time for capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder, including the OSFI Guideline for Capital Adequacy Requirements (CAR), as may be amended from time to time.

### **Voting Rights**

Subject to the provisions of the Bank Act, holders of Series 28 Shares, as such, will not be entitled to receive notice of, or to attend or to vote at, any meeting of the shareholders of the Bank unless and until the first time at which the rights of such holders to any undeclared dividends have been extinguished as described under “Dividends”, above. In that event, the holders of Series 28 Shares will be entitled to receive notice of, and to attend, meetings of shareholders at which directors are to be elected and will be entitled to one vote for each share held. The voting rights of the holders of Series 28 Shares will forthwith cease upon the first payment by the Bank of a semi-annual dividend on the Series 28 Shares to which the holders are entitled subsequent to the time such voting rights first arose. At such time as the rights of such holders to any undeclared dividends on the Series 28 Shares have again been extinguished, such voting rights will become effective again and so on from time to time. In connection with any action to be taken by the Bank which requires the approval of the holders of Series 28 Shares voting as a series or as part of the class, each such share will entitle the holder thereof to one vote.

### **Tax Election**

The Series 28 Shares will be “taxable preferred shares” as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of such shares. The terms of the Series 28 Shares require the Bank to make the necessary election under Part VI.1 of the Tax Act so that such corporate holders will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 28 Shares. See “Canadian Federal Income Tax Considerations”.

### **Bank Act Restrictions**

The Bank reserves the right not to issue shares, including Series 28 Shares, to any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Bank to take any action to comply with the securities, banking or analogous laws of such jurisdiction. See also “Bank Act Restrictions and Approvals” and “Bank Act Restrictions and Restrictions on Payment of Dividends” herein and in the Prospectus, respectively.

### **Non-Business Days**

In the event that any dividend is payable or any other action or payment is required to be taken or paid in respect of the Series 28 Shares on a day that is not a business day, then such dividend shall be payable or such other

action or payment shall be taken or made on the immediately following business day unless the Bank determines to take such action or make such payment on the immediately preceding business day.

### **Depository Services**

Except as otherwise provided below, the Series 28 Shares will be issued in “book- entry only” form and must be purchased, transferred, converted or redeemed through participants (“Participants”) in the depository service of CDS or its nominee. Each of the Agents is a Participant. On the closing of this offering, the Bank will cause a global certificate or certificates representing the Series 28 Shares to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Series 28 Shares will be entitled to a certificate or other instrument from the Bank or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Series 28 Shares will receive a customer confirmation of purchase from the registered dealer from which the Series 28 Shares are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Series 28 Shares. Reference in this Prospectus Supplement to a holder of the Series 28 Shares means, unless the context otherwise requires, the owner of the beneficial interest in the Series 28 Shares.

If the Bank determines, or CDS notifies the Bank in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Series 28 Shares and the Bank is unable to locate a qualified successor, or if the Bank at its option elects, or is required by law, to withdraw the Series 28 Shares from the book-entry system, then the Series 28 Shares will be issued in fully registered form to holders or their nominees.

### **Transfers**

Transfers of ownership in the Series 28 Shares will be effected only through records maintained by CDS for such Series 28 Shares with respect to interests of Participants and on the records of Participants with respect to interests of holders other than Participants. The holders of the Series 28 Shares, other than Participants, wishing to purchase, sell or otherwise transfer ownership of or other interests in the Series 28 Shares may do so only through Participants. The ability of a holder to pledge Series 28 Shares or otherwise take action with respect to such holder’s interest in Series 28 Shares (other than through a Participant) may be limited due to the lack of a physical certificate.

### **Payments and Deliveries**

Payments of dividends, if any, or other amounts in respect of Series 28 Shares will be made by or on behalf of the Bank to CDS or its nominee, as the case may be, as the registered holder of the Series 28 Shares and the Bank understands that such payments will be forwarded by CDS or its nominee in the appropriate amounts to the relevant Participants in accordance with CDS procedures. Deliveries of shares in respect of the exercise of the conversion rights attached to the Series 28 Shares or the operation of the automatic conversion features of the Series 28 Shares will be made by or on behalf of the Bank to CDS or its nominee, as the case may be, as the registered holder of the Series 28 Shares and the Bank understands that such shares will be forwarded by CDS or its nominee in the appropriate amounts to the relevant Participants in accordance with CDS procedures. As long as CDS or its nominee is the sole registered holder of the Series 28 Shares, CDS or its nominee will be considered the sole owner of the Series 28 Shares for purposes of receiving any payments or deliveries thereon and for all other purposes.

## **DESCRIPTION OF COMMON SHARES**

For a description of the terms of the Common Shares, see “Description of Common Shares” in the Prospectus.

### **RATINGS**

The Series 28 Shares are expected to be assigned a rating of “Pfd-2 (high)” by DBRS Limited (“DBRS”). A “Pfd-2 (high)” rating ranks in the higher end of the second highest of six categories available from DBRS for first preferred shares, which range from Pfd-1 to D. A reference to “high” or “low” reflects the relative standing within the

rating category. The absence of either a “high” or “low” designation indicates the rating is in the middle of the category.

The Series 28 Shares are expected to be assigned a rating of “Baa1 (hyb)” by Moody’s Canada Inc. (“Moody’s”). A “Baa1 (hyb)” rating by Moody’s ranks in the higher end of the fourth highest of the nine categories used by Moody’s for preferred shares, which range from Aaa to C. Moody’s appends numerical modifiers 1, 2 or 3 to each generic rating classification from Aa through Caa to indicate the relative standing of the securities being rated within a particular rating category.

The Series 28 Shares are expected to be assigned a rating of “BBB” by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (“S&P”), using S&P’s global scale for first preferred shares. The “BBB” rating ranks in the middle of the third highest of the nine categories used by S&P on its global scale for preferred shares, which range from AA to D. A reference to “+/-” reflects the relative standing within the rating category. The absence of either a “+” or “-” designation indicates the rating is in the middle of the category.

The Bank made payments to DBRS, Moody’s and S&P in connection with the assignment of ratings on its rated instruments. In addition, the Bank has or may have made payments in respect of certain other services provided to the Bank by each of such rating agencies during the last two years.

Credit ratings are intended to provide investors with an independent measure of credit quality of any issue of securities and are indicators of the likelihood of the payment capacity and willingness of a company to meet its financial commitment on an obligation in accordance with the terms of the obligation. The credit ratings accorded to securities by the rating agencies are not recommendations to purchase, hold or sell the securities inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances so warrant, and if any such rating is so revised or withdrawn, the Bank is under no obligation to update this Prospectus Supplement. Prospective purchasers of the Series 28 Shares should consult the relevant rating organization with respect to the interpretation and implications of the foregoing ratings.

### **BANK ACT RESTRICTIONS AND APPROVALS**

The Bank is prohibited under the Bank Act from paying or declaring a dividend if there are reasonable grounds for believing that the Bank is, or the payment would cause the Bank to be, in contravention of any regulation made under the Bank Act respecting the maintenance by the banks of adequate capital and adequate and appropriate forms of liquidity or any directive to the Bank made by the Superintendent pursuant to subsection 485(4) of the Bank Act regarding its capital or its liquidity. As of the date hereof, this limitation would not restrict a payment of dividends on the Series 28 Shares, and no such directive to the Bank has been made.

The Bank Act contains restrictions on the issue, transfer, acquisition, beneficial ownership and voting of all shares of a bank. By way of summary, no person, or persons acting jointly or in concert or that are associated with one another, shall 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 where (i) the aggregate of the shares of any class of voting shares beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person (as contemplated by the Bank Act) is more than 20% of the outstanding shares of that class of voting shares; or (ii) the aggregate of the shares of any class of non-voting shares beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person (as contemplated by the Bank Act) is more than 30% of the outstanding shares of that class of non-voting shares. No person, or persons acting jointly or in concert or that are associated with one another, shall have a significant interest in any class of shares of a bank, including the Bank, unless the person first receives the approval of the Minister of Finance (Canada). For purposes of the Bank Act, a person has a significant interest in a class of shares of a bank where the aggregate of any shares of the class beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person (as contemplated by the Bank Act) exceeds 10% of all of the outstanding shares of that class of shares of the bank.

In addition, the Bank Act prohibits a bank, including the Bank, from recording in its securities register the transfer or issuance of shares of any class to Her Majesty in right of Canada or of a province, an agent or agency of Her Majesty, a government of a foreign country or any political subdivision of a foreign country or an agent or agency of a foreign government. The Bank Act also suspends the exercise of any voting rights attached to any share of a bank, including the Bank, that is beneficially owned by Her Majesty in right of Canada or of a province, an agency of Her Majesty, a government of a foreign country or any political subdivision of a foreign country, or any agency thereof. The Bank Act exempts from such constraints certain foreign financial institutions that are controlled by foreign governments and eligible agents provided certain conditions are satisfied.

## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Bank, and Fasken Martineau DuMoulin LLP, counsel to the Agents, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser of Series 28 Shares pursuant to this Prospectus Supplement (a “Holder”) who, for purposes of the Tax Act and at all relevant times, is resident or is deemed to be resident in Canada, deals at arm’s length with the Bank and each Agent and is not affiliated with the Bank or any Agent, holds such Series 28 Shares and will hold any Common Shares as capital property and is not exempt from tax under Part I of the Tax Act. Generally, the Series 28 Shares and Common Shares will be considered to constitute capital property to a holder provided that the holder does not acquire or hold such shares in the course of carrying on a business of trading or dealing in securities or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 28 Shares or Common Shares as capital property may, in certain circumstances, be entitled to have such shares and all of their other “Canadian securities”, as defined in the Tax Act, owned by them in the taxation year of the election and any subsequent taxation year treated as capital property by making the irrevocable election permitted under subsection 39(4) of the Tax Act.

This summary is based upon the current provisions of the Tax Act and the regulations issued thereunder in force as of the date hereof, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Tax Proposals”) and counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “CRA”) published in writing by the CRA prior to the date hereof. This summary is not exhaustive of all possible Canadian federal income tax considerations, and, except for the Tax Proposals, does not take into account or anticipate any changes in law or CRA administrative policies or assessing practices, whether by way of legislative, governmental or judicial decision or action, nor does it take into account or consider any other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein. While this summary assumes that the Tax Proposals will be enacted in the form proposed, no assurance can be given that this will be the case, and no assurance can be given that judicial, legislative or administrative changes will not modify or change the statements below. Further, this summary is based upon statements made in this Prospectus Supplement.

This summary is not applicable to a Holder (i) that is a “financial institution” as defined in the Tax Act for purposes of the mark-to-market rules; (ii) an interest in which is or would constitute a “tax shelter investment” as defined in the Tax Act; (iii) that reports its “Canadian tax results”, as defined in the Tax Act, in a currency other than Canadian currency; or (iv) that has entered into, with respect to the Series 28 Shares or Common Shares, a “derivative forward arrangement” as defined in the Tax Act. Furthermore, this summary is not applicable to a Holder that is a “specified financial institution” (as defined in the Tax Act). Such Holders should consult their own tax advisors.

This summary does not address the Canadian federal income tax considerations of the disposition of Series 28 Shares or the acquisition, holding or disposition of a new series of Class A First Preferred Shares of the Bank in the event that the Bank (i) gives the right to the holder of Series 28 Shares to convert such Series 28 Shares into a new series of Class A First Preferred Shares of the Bank and such right of conversion is exercised, or (ii) requires holders of Series 28 Shares to convert such Series 28 Shares into a new series of Class A First Preferred Shares of the Bank.

**This summary is of a general nature only and is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Holder and no representation with respect to the income tax consequences to any particular Holder is made. Prospective purchasers of Series 28 Shares should consult their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of Series 28 Shares or Common Shares having regard to their own particular circumstances.**



## **Dividends**

Dividends (including deemed dividends) received on the Series 28 Shares or Common Shares by a Holder that is an individual (other than certain trusts) will be included in the individual's income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by the Bank as eligible dividends in accordance with the provisions of the Tax Act. Dividends (including deemed dividends) received on the Series 28 Shares or Common Shares by a Holder that is a corporation will be included in computing its income and will generally be deductible in computing its taxable income. In some circumstances, all or part of a dividend or deemed dividend may be treated as proceeds of disposition or a gain of a corporate Holder from the disposition of a capital property and not as a dividend.

The Series 28 Shares will be "taxable preferred shares" as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate Holders of the Series 28 Shares. The terms of the Series 28 Shares require the Bank to make the necessary election under Part VI.1 of the Tax Act so that such corporate Holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 28 Shares.

A Holder that is a "private corporation", as defined in the Tax Act, or any other Canadian resident corporation controlled, whether by reason of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Series 28 Shares and Common Shares to the extent such dividends are deductible in computing its taxable income, respectively.

## **Dispositions**

A Holder who disposes of or is deemed to dispose of Series 28 Shares or Common Shares (including on a redemption of the shares or other acquisition by the Bank, but not including a Contingent Conversion) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to such Holder immediately before the disposition or deemed disposition. The amount of any deemed dividend arising on the redemption, acquisition or cancellation by the Bank of Series 28 Shares or Common Shares (described below) generally will not be included in computing the proceeds of disposition to a Holder for purposes of computing the capital gain or capital loss arising on the disposition of such shares. See "Redemption" below. If the Holder is a corporation, any capital loss realized on a disposition or deemed disposition of Series 28 Shares or Common Shares may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such shares, or any shares which were converted or exchanged for such shares, to the extent and under circumstances prescribed by the Tax Act. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

## **Redemption**

If the Bank redeems for cash or otherwise acquires Series 28 Shares or Common Shares, other than by a purchase in the manner in which shares are normally purchased by a member of the public in the open market or by reason of a Contingent Conversion, the Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Bank, including any redemption premium, in excess of the paid-up capital (as determined for purposes of the Tax Act) of such shares at such time. See "Dividends" above. Generally, the difference between the amount paid and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such shares. See "Dispositions" above.

## **Contingent Conversion**

The conversion of the Series 28 Shares into Common Shares upon a Contingent Conversion will be deemed not to be a disposition of property and accordingly will not give rise to any capital gain or capital loss. The cost to a Holder of Common Shares received on the conversion will be deemed to be equal to the Holder's adjusted cost base

of the converted Series 28 Shares immediately before the conversion. The adjusted cost base of the Common Shares held by a Holder will be subject to the cost averaging rules in the Tax Act.

### **Taxation of Capital Gains and Capital Losses**

Generally, a Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “taxable capital gain”) realized by the Holder in the year. Subject to and in accordance with the provisions of the Tax Act, a Holder is required to deduct one-half of the amount of any capital loss (an “allowable capital loss”) realized in a taxation year from taxable capital gains realized by the Holder in the year and allowable capital losses in a taxation year in excess of taxable capital gains in the taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

### **Additional Refundable Tax**

A Holder that is throughout its taxation year a Canadian-controlled private corporation (as defined in the Tax Act) or a “substantive CCPC” as proposed to be defined in the Tax Act as announced in the Federal Budget released by the government of Canada on April 7, 2022, may be liable to pay an additional refundable tax on certain investment income including amounts in respect of taxable capital gains. Such holders that are “Canadian-controlled private corporations” or “substantive CCPCs”, as proposed, should consult their own tax advisors regarding their particular circumstances.

### **Alternative Minimum Tax**

Capital gains realized and dividends received (or deemed to be received) by a Holder that is an individual (including certain trusts) may give rise to a liability for alternative minimum tax.

## **EARNINGS COVERAGE**

The dividend requirements on all of the Bank’s outstanding preferred shares and other equity instruments, after adjustment for new issues, including the issue of the Series 28 Shares, and retirement and adjusted to a before-tax equivalent using an effective tax rate of 21.2% for the twelve months ended October 31, 2021, amounted to \$392.0 million for the twelve months ended October 31, 2021, and \$365.1 million for the twelve months ended April 30, 2022 (using an effective tax rate of 21.4%). The Bank’s interest and dividend requirements on all subordinated notes and debentures, preferred shares and other equity instruments, and liabilities for capital trust securities, after adjustment for new issues, including the issue the Series 28 Shares, and retirement, amounted to \$876.7 million for the twelve months ended October 31, 2021 and \$802.7 million for the twelve months ended April 30, 2022. The Bank’s reported net income, before interest on subordinated debt and liabilities for preferred shares and other equity instruments, and capital trust securities and income taxes was \$17,511 million for the twelve months ended October 31, 2021, and \$18,242 million for the twelve months ended April 30, 2022, which was 20.0 and 22.7 times the Bank’s aggregate dividend and interest requirement for the respective periods.

On an adjusted basis, the Bank’s net income before interest on subordinated debt and liabilities for preferred shares and other equity instruments, and capital trust securities and income taxes for the twelve months ended October 31, 2021, was \$17,678 million and \$18,211 million for the twelve months ended April 30, 2022, which was 20.2 and 22.7 times the Bank’s aggregate dividend and interest requirement for the respective periods.

The Bank’s financial results are prepared in accordance with International Financial Reporting Standards (“IFRS”), the current generally accepted accounting principles (“GAAP”). The Bank refers to results prepared in accordance with IFRS as “reported” results. The Bank also utilizes non-GAAP financial measures referred to as “adjusted” results to assess each of its businesses and to measure overall Bank performance. To arrive at adjusted results, the Bank removes “items of note” from reported results. The items of note relate to items which management does not believe are indicative of underlying business performance. The Bank believes that adjusted results provide the reader with a better understanding of how management views the Bank’s performance. As explained, adjusted results are different from reported results determined in accordance with IFRS. Adjusted results, items of note, and

related terms used herein are not defined terms under IFRS, and, therefore, may not be comparable to similar terms used by other issuers. Please refer to the “Financial Results Overview – How the Bank Reports” section of the 2021 MD&A and the “How We Performed – How the Bank Reports” section of the Q2 MD&A and which are incorporated by reference, for further explanation, reported basis results, a list of the items of note, and a reconciliation between the Bank’s reported and adjusted results.

## PLAN OF DISTRIBUTION

Under an agreement dated July 20, 2022 between the Agents and the Bank (the “Agency Agreement”), the Agents have agreed to act as the Bank’s agents to offer the Series 28 Shares for sale to the public on a best efforts basis, if, as and when issued by the Bank, subject to compliance with all necessary legal requirements and in accordance with the terms and conditions of the Agency Agreement. The offering price of the Series 28 Shares was established by negotiation between the Bank and the Agents. The Agents will receive a fee equal to \$10.00 for each Series 28 Share sold.

The Series 28 Shares may only be offered and sold in Canada to “accredited investors” (as such term is defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable) who are not individuals unless they are also “permitted clients” (as such term is defined in NI 31-103). Each Agent will represent and covenant, severally and not on a joint and several basis, to the Bank that it will only sell the Series 28 Shares to such purchasers in Canada. **By purchasing Series 28 Shares in Canada and accepting delivery of a purchase confirmation such purchaser will be deemed to represent to the Bank and the Agent from whom the purchase confirmation is received that such purchaser is an “accredited investor” (as such term is defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable) who is not an individual unless such purchase is also a “permitted client” (as such term is defined in NI 31-103).**

Subscriptions for Series 28 Shares must be for a minimum of 200 shares for a minimum aggregate subscription price of \$200,000.

The obligations of the Agents under the Agency Agreement may be terminated in their discretion on the basis of their assessment of the state of the financial markets and also upon the occurrence of certain stated events. While the Agents have agreed to use their best efforts to sell the Series 28 Shares offered under this prospectus supplement, the Agents will not be obligated to purchase any Series 28 Shares which are not sold.

Neither the Series 28 Shares nor the Common Shares into which the Series 28 Shares may be converted upon the occurrence of a Trigger Event have been, or will be, registered under the U.S. Securities Act or any state securities laws, and the Agents have agreed not to (i) buy or offer to buy, (ii) sell or offer to sell or (iii) solicit any offer to buy any Series 28 Shares as part of their original distribution in the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. Person.

In connection with the offering of Series 28 Shares, the Agents may, subject to applicable laws, over-allot or effect transactions which stabilize or maintain the market price of the Series 28 Shares at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Bank may withdraw, cancel or modify the offer made hereby without notice and may reject orders in whole or in part (whether placed directly with the Bank or through the Agents). Each Agent may, in its discretion reasonably exercised, reject in whole or in part any offer to purchase Series 28 Shares received by it.

The Series 28 Shares will not be listed on any securities exchange and do not have an established trading market. Each of the Agents may from time to time purchase and sell Series 28 Shares in the secondary market, but no Agent is obligated to do so, and there is no assurance that there will be a secondary market for the Series 28 Shares or liquidity in the secondary market if one develops. From time to time, each of the Agents may make a market in the Series 28 Shares, but the Agents are not obligated to do so and may discontinue any market-making activity at any time.

The Bank has applied to TSX to list the underlying Common Shares that would be issued upon a Contingent Conversion. The Bank will also apply to list the underlying Common Shares that would be issued upon a Contingent Conversion on the New York Stock Exchange. Listing will be subject to the Bank fulfilling all requirements of the TSX and the New York Stock Exchange, respectively.

TD Securities Inc., one of the Agents, is a wholly-owned subsidiary of the Bank. By virtue of such ownership, the Bank is a related and connected issuer of TD Securities Inc. under applicable securities legislation. The decision to distribute the Series 28 Shares and the determination of the terms of the distribution were made through negotiations between the Bank on the one hand and the Agents on the other hand. CIBC World Markets Inc., an Agent in respect of which the Bank is not a related or connected issuer, has participated in the structuring and pricing of this offering of the Series 28 Shares, and in the due diligence activities performed by the Agents for this offering. TD Securities Inc. will not receive any benefit from the Bank in connection with this offering, other than a portion of the Agents' fee.

## **RISK FACTORS**

An investment in the Series 28 Shares (and Common Shares upon the occurrence of a Trigger Event) is subject to certain risks including those set out herein and in the Prospectus. Before deciding whether to invest in the Series 28 Shares, investors should consider carefully the risks set out herein and incorporated by reference in this Prospectus Supplement (including those set out in the Prospectus and subsequently filed documents incorporated by reference).

As an investment in the Series 28 Shares may become an investment in Common Shares in certain circumstances, potential investors in the Series 28 Shares should also consider the risks set out herein regarding the Series 28 Shares and in the Prospectus regarding the Class A First Preferred Shares and Common Shares, in addition to the other risks set out herein regarding the Series 28 Shares. Prospective purchasers should also consider the categories of risks identified and discussed in the 2021 MD&A and Q2 MD&A, which are incorporated herein by reference, including credit, market, liquidity, strategic, insurance, operational, reputation and legal, regulatory and environmental risks and those related to general business and economic conditions. Additional risks and uncertainties not presently known to the Bank may also impair its business operations. If the Bank does not successfully address any of such risks or risks described in other filings incorporated by reference, there could be a material adverse effect on the business, financial condition or results of operations of the Bank. The Bank cannot assure an investor that they will successfully address these risks.

*The Series 28 Shares are loss-absorption financial instruments that involve significant risk and may not be a suitable investment for all investors.*

The Series 28 Shares are loss-absorption financial instruments designed to comply with applicable Canadian banking regulations and involve significant risks. Each potential investor in the Series 28 Shares must determine the suitability (either alone or with the help of a financial adviser) of that investment in light of its own circumstances. In particular, each potential investor should understand thoroughly the terms of the Series 28 Shares, such as the provisions governing the Contingent Conversion, including the circumstances constituting a Trigger Event. A potential investor should not invest in the Series 28 Shares unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Series 28 Shares will perform under changing conditions, the resulting effects on the likelihood of the Contingent Conversion into Common Shares and the value of the Series 28 Shares, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus Supplement and the Prospectus or incorporated by reference herein.

*An investment in the Series 28 Shares is subject to the Bank's credit risk.*

The value of the Series 28 Shares will be affected by the general creditworthiness of the Bank. Real or anticipated changes in credit ratings on the Series 28 Shares may affect the market value of the Series 28 Shares, respectively. In addition, real or anticipated changes in the Bank's credit ratings could also affect the cost at which the Bank can transact or obtain funding, and thereby affect the Bank's liquidity, business, financial condition or results of

operations, and therefore, the Bank's ability to make payment on the Series 28 Shares could be adversely affected. See the 2021 MD&A and Q2 MD&A incorporated by reference in this Prospectus Supplement. These analyses discuss, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on the Bank's business, financial condition or results of operations.

The Bank's earnings are significantly affected by changes in general business and economic conditions in the regions in which it operates. These conditions include short- and long-term interest rates, inflation, fluctuations in the debt and capital markets (including changes in credit spreads, credit migration and rates of default), equity or commodity prices, exchange rates, the strength of the economy, the stability of various financial markets, threats of terrorism and the level of business conducted in a specific region and/or any one sector within each region. Challenging market conditions and the health of the economy as a whole may have a material effect on the Bank's business, financial condition, liquidity and results of operations.

*An investment in the Series 28 Shares is subject to market fluctuations*

The value of the Series 28 Shares may be affected by market value fluctuations resulting from factors which influence the Bank's operations, including regulatory developments, competition and global market activity.

*There is no market for the Series 28 Shares.*

The Series 28 Shares will not be listed on any stock exchange or quotation system, consequently, there may be no market through which the Series 28 Shares may be sold and purchasers may therefore be unable to resell such Series 28 Shares. This may affect the pricing of the Series 28 Shares in any secondary market, the transparency and availability of trading prices, the liquidity of the Series 28 Shares and the extent of issuer regulation. Each of the Agents may from time to time purchase and sell Series 28 Shares in the secondary market or make a market for the Series 28 Shares, but no Agent is obliged to do so and there can be no assurance as to a secondary market for the Series 28 Shares, liquidity in any such market or any market making activities by any Agent.

*The market value of the Series 28 Shares may fluctuate.*

Prevailing yields on similar securities will affect the market value of Series 28 Shares. Assuming all other factors remain unchanged, the market value of the Series 28 Shares will decline as prevailing yields for similar securities rise and will increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield and comparable benchmark rates of interest for similar securities will also affect the market value of the Series 28 Shares.

*The Series 28 Shares are non-cumulative and there is a risk the Bank will be unable to pay dividends on the shares.*

Dividends on the Series 28 Shares are non-cumulative and payable at the discretion of the board of directors. See "Earnings Coverage" in this Prospectus Supplement, which is relevant to an assessment of the risk that the Bank will be unable to pay dividends and any redemption price on the Series 28 Shares when due.

*Ranking of Series 28 Shares on insolvency, dissolution or winding-up.*

The Series 28 Shares are equity capital of the Bank. The Series 28 Shares will rank equally with other Class A First Preferred Shares in the event of an insolvency, dissolution or winding-up of the Bank, where a Contingent Conversion has not occurred. If the Bank becomes insolvent, is dissolved or is wound-up where a Contingent Conversion has not occurred, the Bank's assets must be used to pay deposit liabilities and other debt, including subordinated debt, before payments may be made on the Series 28 Shares, if any, and other Class A First Preferred Shares.

*The Series 28 Shares are subject to an automatic and immediate redemption in exchange for Common Shares upon a Trigger Event and a Contingent Conversion.*

Upon the occurrence of a Trigger Event and a Contingent Conversion, there is no certainty of the value of the Common Shares to be received by the holders of the Series 28 Shares and the value of such Common Shares could be significantly less than the face value of the Series 28 Shares. Moreover, there may be an illiquid market, or no market at all, in Common Shares received upon, or immediately following, a Contingent Conversion, and investors may not be able to sell the Common Shares at a price equal to the value of their investment and as a result may suffer significant loss.

*A Trigger Event may involve a subjective determination outside the Bank's control.*

The decision as to whether a Trigger Event will occur may involve a subjective determination by the Superintendent that the Bank has ceased, or is about to cease, to be viable and that the conversion of all contingent instruments is reasonably likely, taking into account any other factors or circumstances that are considered relevant or appropriate by the Superintendent, to restore or maintain the viability of the Bank. A Trigger Event will also occur if a federal or provincial government in Canada publicly announces that the Bank accepted or agreed to accept a capital injection, or equivalent support from such government or a political subdivision or agent or agency thereof, without which the Superintendent would have determined to be non-viable. Such determination will be beyond the control of the Bank. See the definition of Trigger Event under “Description of Series 28 Shares — Redemption.”

OSFI has stated that the Superintendent will consult with the Canada Deposit Insurance Corporation (“CDIC”), the Bank of Canada, the Department of Finance, and the Financial Consumer Agency of Canada prior to making a determination as to the non-viability of a financial institution. The conversion of contingent instruments alone may not be sufficient to restore an institution to viability and other public sector interventions, including liquidity assistance or a bail-in conversion, could be required along with the conversion of contingent instruments to maintain an institution as a going concern.

In assessing whether the Bank has ceased, or is about to cease, to be viable and that, after the conversion of all contingent instruments, it is reasonably likely that the viability of the Bank will be restored or maintained, OSFI has stated that the Superintendent will consider, in consultation with the authorities referred to above, all relevant facts and circumstances. Those facts and circumstances may include, in addition to other public sector interventions, a consideration of whether, among other things:

- the assets of the Bank are, in the opinion of the Superintendent, sufficient to provide adequate protection to the Bank's depositors and creditors;
- the Bank has lost the confidence of depositors or other creditors and the public (for example, ongoing increased difficulty in obtaining or rolling over short-term funding);
- the Bank's regulatory capital has, in the opinion of the Superintendent, reached a level, or is eroding in a manner, that may detrimentally affect its depositors and creditors;
- the Bank has failed to pay any liability that has become due and payable or, in the opinion of the Superintendent, the Bank will not be able to pay its liabilities as they become due and payable;
- the Bank failed to comply with an order of the Superintendent to increase its capital;
- in the opinion of the Superintendent, any other state of affairs exists in respect of the Bank that may be materially prejudicial to the interests of the Bank's depositors or creditors or the owners of any assets under the Bank's administration; and
- the Bank is unable to recapitalize on its own through the issuance of Common Shares or other forms of regulatory capital (for example, no suitable investor or group of investors exists that is willing or capable

of investing in sufficient quantity and on terms that will restore the Bank's viability, nor is there any reasonable prospect of such an investor emerging in the near-term in the absence of conversion of contingent instruments).

Canadian authorities retain full discretion to choose not to trigger non-viability contingent capital notwithstanding a determination by the Superintendent that the Bank has ceased, or is about to cease, to be viable. Under such circumstances, the holders of the Series 28 Shares could be exposed to losses through the use of other resolution tools or in liquidation.

*The number and value of Common Shares to be received in connection with a Contingent Conversion is variable and subject to further dilution.*

The number of Common Shares issuable in connection with a Contingent Conversion is calculated by reference to the prevailing market price of Common Shares immediately prior to a Trigger Event, subject to the Floor Price. If there is a Contingent Conversion at a time when the Common Share Price is below the Floor Price, investors may receive Common Shares with an aggregate market price less than the value of the Series 28 Shares.

The Bank is expected to have outstanding from time to time other subordinated debt and preferred shares that will automatically convert into Common Shares upon a Trigger Event. Other subordinated debt and preferred shares that are convertible into Common Shares upon a Trigger Event may use a lower effective Floor Price or a different multiplier than that applicable to the Series 28 Shares to determine the maximum number of Common Shares to be issued to holders of such instruments upon a Trigger Event. In such cases, holders of the Series 28 Shares will receive Common Shares pursuant to a Contingent Conversion at a time when other subordinated debt or preferred shares, as the case may be, are converted into Common Shares at a conversion rate that is more favourable to the holders of such instruments than the rate applicable to the Series 28 Shares, thereby causing substantial dilution to holders of Common Shares and the holders of the Series 28 Shares, who will become holders of Common Shares upon a Contingent Conversion.

In the circumstances surrounding a Trigger Event, the Superintendent or other governmental authorities or agencies may also require other steps to be taken, or implement other resolution tools, to restore or maintain the viability of the Bank, such as the injection of new capital and the issuance of additional Common Shares or other securities. In addition, CDIC has the power to convert, or cause the Bank to convert, in whole or in part, by means of a transaction or series of transactions and in one or more steps, the prescribed shares and liabilities of the Bank into Common Shares or the common shares of the Bank's affiliates ("Bail-in Conversion"), if the Governor in Council (Canada) makes an order under paragraph 39.13(1)(d) of the *Canada Deposit Insurance Corporation Act* ("CDIC Act") in respect of the Bank. The Bank Recapitalization (Bail-in) Conversion Regulations (the "Bail-in Regulations") prescribe the liabilities and shares that may be subject to a Bail-in Conversion ("Bail-in Instruments"). Under the Bail-in Regulations, a debt obligation issued by the Bank is prescribed to be a Bail-in Instrument if it (i) has a term to maturity of more than 400 days or is perpetual (or has certain imbedded options), (ii) is unsecured or partially secured at the time of issuance, and (iii) has been assigned a CUSIP number, ISIN, or other similar designation that identifies a specific security to facilitate its trading and settlement. In addition, any non-NVCC subordinated indebtedness and non-NVCC shares (other than Common Shares) issued by the Bank are also prescribed to be Bail-in Instruments. The Bail-in Regulations exempt certain instruments from Bail-In Conversion, including certain structured notes, covered bonds, and eligible financial contracts issued by the Bank as well as any debt obligation or share of the Bank that is issued before September 23, 2018 (unless amended after that date to increase the principal amount or extend the term).

The Bail-in Regulations provide that CDIC must use its best efforts to ensure that a Bail-in Instrument is converted into Common Shares only if subordinate-ranking Bail-in Instruments and NVCC Instruments (such as the Series 28 Shares) have been converted, or are converted at the same time, into Common Shares. In addition, under the Bail-in Regulations, a holder of a Bail-in Instrument must receive more Common Shares per dollar of the claim converted than holders of subordinate-ranking Bail-in Instruments and NVCC instruments (such as the Series 28 Shares) that have been converted into Common Shares during the same restructuring period.

Liabilities and shares of the Bank that are prescribed to be Bail-in Instruments may be subject to a Bail-in Conversion and the holders of such Bail-in Instruments may receive Common Shares in exchange for their converted Bail-in Instruments, if an order under paragraph 39.13(1)(d) of the CDIC Act is made in respect of the Bank. Moreover,

holders of the Series 28 Shares who receive Common Shares following the occurrence of a Trigger Event and as a result of a Contingent Conversion may sustain substantial dilution following the Bail-in Conversion of such Bail-in Instruments, as the conversion rate of such Bail-in Instruments could be significantly more favorable to the holders of such Bail-in Instruments than the rate applicable to holders of the Series 28 Shares.

Given that the Series 28 Shares are subject to Contingent Conversion, they are not subject to Bail-in Conversion. However, the Bail-In Regulations provide that the CDIC must use its best efforts to ensure that the prescribed types of shares and liabilities are converted only if all subordinate prescribed shares and liabilities and any subordinate non-viability contingent capital (such as the Series 28 Shares) have previously been converted or are converted at the same time. Accordingly, in the case of a Bail-in Conversion, the Series 28 Shares would be subject to Contingent Conversion prior to, or at the same time as, a Bail-in Conversion. In addition, the Bail-in Regulations prescribes that holders of unsubordinated or senior ranking instruments that are subject to Bail-in Conversion must receive more common shares per dollar amount converted than holders of any subordinate ranking instruments that are subject to Bail-in Conversion or NVCC instruments converted, including the Series 28 Shares. The holders of senior ranking instruments that are subject to Bail-in Conversion would therefore receive Common Shares at a conversion rate that would be more favorable to the holders of such instruments than the rate applicable to the Series 28 Shares.

*Circumstances surrounding a potential Contingent Conversion will have an adverse effect on the market price of the Series 28 Shares.*

The occurrence of a Trigger Event may involve a subjective determination by the Superintendent that the conversion of all contingent instruments is reasonably likely to restore or maintain the viability of the Bank. As a result, a Contingent Conversion may occur in circumstances that are beyond the control of the Bank. Also, even in circumstances where the market expects the Superintendent to cause a Contingent Conversion, the Superintendent may choose not to take that action. Because of the inherent uncertainty regarding the determination of when a Contingent Conversion may occur, it will be difficult to predict, when, if at all, the Series 28 Shares will be mandatorily converted into Common Shares and delivered to holders of the Series 28 Shares. Accordingly, trading behavior in respect of the Series 28 Shares is not necessarily expected to follow trading behavior associated with other types of convertible or exchangeable securities. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Series 28 Shares and the Common Shares, whether or not such Trigger Event actually occurs.

*Holders of Series 28 Shares may be exposed to losses through the use of other Canadian bank resolution powers or in liquidation.*

The holders of Series 28 Shares may be exposed to losses through the use of other Canadian bank resolution powers or in liquidation. Under the Canadian bank resolution powers, in circumstances where the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and viability cannot be restored or preserved by exercise of the Superintendent's powers under the Bank Act, the Superintendent, after providing the Bank with a reasonable opportunity to make representations, is required to provide a report to CDIC. Following receipt of the Superintendent's report, CDIC may request the Minister of Finance to recommend that the Governor in Council (Canada) (the "Governor in Council") make an order (an "Order") and, if the Minister of Finance is of the opinion that it is in the public interest to do so, the Minister of Finance may recommend that the Governor in Council make, and on that recommendation, the Governor in Council may make, one or more Orders vesting in CDIC the shares and subordinated debt of the Bank specified in the Order (a "vesting order"), appointing CDIC as receiver in respect of the Bank (a "receivership order"), if a receivership order has been made, directing the Minister of Finance to incorporate a federal institution designated in the order as a bridge institution (a "bridge bank order") wholly-owned by CDIC and specifying the date and time as of which the Bank's deposit liabilities are assumed; or if a vesting order or receivership order has been made, directing CDIC to carry out a Bail-in Conversion.

Following a vesting order or a receivership order, CDIC will assume temporary control or ownership of the Bank and will be granted broad powers under such Order, including the power to sell or dispose of all or a part of the assets of the Bank, and the power to carry out or cause the Bank to carry out a transaction or a series of transactions the purpose of which is to restructure the business of the Bank. Under a bridge bank order, CDIC has the power to transfer the Bank's insured deposit liabilities and certain assets and other liabilities of the Bank to a bridge institution.



Upon the exercise of that power, any assets and liabilities of the Bank that are not transferred to the bridge institution would remain with the Bank, which would then be wound up. In such a scenario, any liabilities of the Bank that are not assumed by the bridge institution could receive only partial or no repayment in the ensuing wind-up of the Bank.

There is no limitation on the type of Order that may be made where it has been determined that the Bank has ceased, or is about to cease, to be viable. As a result, a holder of Series 28 Shares may be exposed to losses through the use of Canadian bank resolution powers other than a Contingent Conversion or in liquidation.

As a result, a holder of Series 28 Shares may lose all of its investment, including the issue price plus any accrued dividends, if the CDIC were to take action under the Canadian bank resolution powers, and any Common Shares into which the Series 28 Shares are converted upon the occurrence of a Trigger Event or a Contingent Conversion may be of little value at the time of a Contingent Conversion and thereafter.

*Any potential compensation to be provided through the compensation process under the CDIC Act is unknown.*

The CDIC Act provides for a compensation process for holders of Series 28 Shares who immediately prior to the making of an Order, directly or through an intermediary, own Series 28 Shares that after the Order is made, are converted in whole or in part into Common Shares in accordance with their terms. While this process applies to successors of those holders it does not apply to assignees or transferees of the holder following the making of the Order.

Under the compensation process, the compensation to which such holders are entitled is the difference, to the extent it is positive, between the estimated liquidation value and the estimated resolution value of the Series 28 Shares less an amount equal to an estimate of losses attributable to the conversion of such Series 28 Shares into Common Shares. The liquidation value is the estimated value the holders would have received if an Order under the *Winding-up and Restructuring Act* (Canada) had been made in respect of the Bank, as if no Order had been made and without taking into consideration any assistance, financial or otherwise, that is or may be provided to the Bank, directly or indirectly, by CDIC, the Bank of Canada, the Government of Canada or a province of Canada, after any Order to wind up the Bank has been made.

The resolution value in respect of the Series 28 Shares is the aggregate estimated value of the following: (a) the Series 28 Shares if they are not held by CDIC and they are not converted, after the making of an Order, into Common Shares in accordance with its terms; (b) Common Shares that are the result of a conversion of the Series 28 Shares in accordance with their terms after the making of an Order; (c) any dividend payments made, after the making of the Order, with respect to the Series 28 Shares to any person other than CDIC; and (d) any other cash, securities or other rights or interests that are received or to be received with respect to the Series 28 Shares as a direct or indirect result of the making of the Order and any actions taken in furtherance of the Order, including from CDIC, the Bank, the liquidator of the Bank, if the Bank is wound up, the liquidator of a CDIC subsidiary incorporated or acquired by Order of the Governor in Council for the purposes of facilitating the acquisition, management or disposal of real property or other assets of the Bank that CDIC may acquire as the result of its operations that is liquidated or the liquidator of a bridge institution if the bridge institution is wound up.

In connection with the compensation process, CDIC is required to estimate the liquidation value and the resolution value in respect of the portion of converted Series 28 Shares and is required to consider the difference between the estimated day on which the liquidation value would be received and the estimated day on which the resolution value is, or would be, received.

CDIC must, within a period following the Order, make an offer of compensation by notice to the relevant holders that held the Series 28 Shares equal to, or in value estimated to be equal to, the amount of compensation to which such holders are entitled or provide a notice stating that such holders are not entitled to any compensation. In either case such notice is required to include certain prescribed information, including important information regarding the rights of such holders to seek to object and have the compensation to which they are entitled determined by an assessor (a Canadian Federal Court judge) where holders of liabilities representing at least 10% of the liquidation entitlement of the Series 28 Shares object to the offer or absence of compensation. The period for objecting is limited (45 days following the day on which a summary of the notice is published in the Canada Gazette) and failure by holders holding a sufficient liquidation entitlement of the Series 28 Shares to object within the prescribed period will

result in the loss of any ability to object to the offered compensation or absence of compensation, as applicable. CDIC will pay the relevant holders the offered compensation within 135 days after the date on which a summary of the notice is published in the Canada Gazette if the offer of compensation is accepted, the holder does not notify CDIC of acceptance or objection to the offer or if the holder objects to the offer but the 10% threshold described above is not met within the aforementioned 45-day period.

Where an assessor is appointed, the assessor could determine a different amount of compensation payable, which could either be higher or lower than the original amount. The assessor is required to provide holders, whose compensation it determines, notice of its determination. The assessor's determination is final and there are no further opportunities for review or appeal. CDIC will pay the relevant holders the compensation amount determined by the assessor within 90 days of the assessor's notice.

Given the considerations involved in determining the amount of compensation, if any, that a holder that held Series 28 Shares may be entitled to following an Order, it is not possible to anticipate what, if any, compensation would be payable in such circumstances.

*Following the occurrence of a Trigger Event, you will no longer have rights as a holder of Series 28 Shares and will only have rights as a holder of Common Shares.*

Upon the occurrence of a Trigger Event, the rights, terms and conditions of the Series 28, including with respect to priority and rights on liquidation, will no longer be relevant as all Series 28 Shares will have been converted on a full and permanent basis without the consent of the holders thereof into Common Shares ranking on parity with all other outstanding Common Shares and all holders of such Series 28 Shares will then be holding Common Shares. Given the nature of the Trigger Event, a holder of Series 28 Shares will become a holder of Common Shares at a time when the Bank's financial condition has deteriorated. If the Bank were to become insolvent, is dissolved or wound-up after the occurrence of a Trigger Event, as holders of Common Shares investors may receive substantially less than they might have received had they continued to hold Series 28 Shares instead of Common Shares.

A Contingent Conversion may also occur at a time when a federal or provincial government or other government agency in Canada has provided, or will provide, a capital injection or equivalent support, the terms of which may rank in priority to the Common Shares with respect to the payment of dividends, rights on liquidation or other terms. Further, holders of Series 28 Shares will receive Common Shares pursuant to a Contingent Conversion at a time when other debt obligations of the Bank may be converted into Common Shares, and additional Common Shares or securities ranking in priority to the Common Shares may be issued, thereby causing substantial dilution to holders of Common Shares and the former holders of Series 28 Shares, who will then become holders of Common Shares upon the Trigger Event.

*Holders of Series 28 Shares do not have anti-dilution protection in all circumstances.*

The Floor Price that is used to calculate the Conversion Price is subject to adjustment in a limited number of events: (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all holders of Common Shares as a stock dividend, (ii) the subdivision, redivision or change of the Common Shares into a greater number of Common Shares, or (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of Common Shares. In addition, in the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares after the date of this Prospectus Supplement, the Bank will take necessary action to ensure that holders of Series 28 Shares receive, pursuant to a Contingent Conversion, the number of Common Shares or other securities that such holders would have received if the Contingent Conversion occurred immediately prior to the record date for such event. However, there is no requirement that there should be an adjustment of the Floor Price or other anti-dilutive action by the Bank for every corporate or other event that may affect the market price of the Common Shares. Accordingly, the occurrence of events in respect of which no adjustment to the Floor Price is made may adversely affect the number of Common Shares issuable to a holder of Series 28 Shares upon a Contingent Conversion.

*The Series 28 Shares do not have a fixed maturity date.*

The Series 28 Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series 28 Shares. The ability of a holder to liquidate its holdings of Series 28 Shares may be limited.

*The dividend rate in respect of the Series 28 Shares will reset.*

The dividend rate in respect of Series 28 Shares will reset every five years. The new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period.

*As required by the Bank Act, the voting rights of the Class A First Preferred Shares are limited to one vote per Class A First Preferred Share.*

Subject to certain exceptions, on a matter submitted to a class vote of the Class A First Preferred Shares, each holder of Class A First Preferred Shares will be entitled to one vote for each Class A First Preferred Share held, as required by the Bank Act, without distinction as to series, regardless of the issue price of the Class A First Preferred Share held by such holder. Accordingly, a holder of a Series 28 Shares issued for \$1,000.00 will have the same number of votes as a holder of a Class A First Preferred Share of a series that was issued for \$25.00 per share. As a result, holders of the Bank's outstanding Class A First Preferred Shares that were issued for \$25.00 per share may have influence over the outcome of matters submitted to a class vote of holders of Class A First Preferred Shares for approval.

*The Bank may redeem the Series 28 Shares at its option in certain situations.*

The Bank may elect to redeem the Series 28 Shares without the consent of the holders of the Series 28 Shares in the circumstances described under "Description of Series 28 Shares – Redemption". In addition, the redemption of Series 28 Shares is subject to the consent of the Superintendent and other restrictions contained in the Bank Act and the regulations and guidelines thereunder, including the OSFI Guideline for Capital Adequacy Requirements (CAR), as may be amended from time to time. See "Bank Act Restrictions and Approvals" and "Bank Act Restrictions and Restrictions on Payment of Dividends" herein and in the Prospectus, respectively, and "Description of Series 28 Shares – Restriction on Dividends and Retirement of Shares" in this Prospectus Supplement.

*The Bank reserves the right not to deliver Common Shares upon a Contingent Conversion.*

Upon a Contingent Conversion, the Bank reserves the right not to (a) deliver some or all of the Common Shares issuable thereupon to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Person or any person who, by virtue of a Contingent Conversion, would become a Significant Shareholder, or (b) record in its securities register a transfer or issue of Common Shares to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Government Holder based on a declaration submitted to the Bank or its transfer agent by or on behalf of such person. In such circumstances, the Bank or its transfer agent will hold, as agent for such persons, the Common Shares that would have otherwise been delivered to such persons and will attempt to facilitate the sale of such Common Shares to parties other than the Bank and its affiliates on behalf of such persons through a registered dealer to be retained by the Bank on behalf of such persons. Those sales (if any) may be made at any time and at any price as the Bank (or its transfer agent as directed by the Bank), in its sole discretion, may determine. Neither the Bank nor its transfer agent will be subject to any liability for failure to sell such Common Shares on behalf of such persons or at any particular price on any particular day.

#### **USE OF PROCEEDS**

The net proceeds to the Bank from the sale of the Series 28 Shares, after deducting expenses of issue, will be used for general corporate purposes of the Bank.

## **LEGAL MATTERS**

In connection with the issue and sale of the Series 28 Shares, certain legal matters will be passed upon on behalf of the Bank by McCarthy Tétrault LLP and on behalf of the Agents by Fasken Martineau DuMoulin LLP. As of the date hereof, partners, counsel and associates of each of McCarthy Tétrault LLP and Fasken Martineau DuMoulin LLP, respectively, as a group, beneficially own, directly or indirectly, less than one percent of any securities of the Bank or any associates or affiliates of the Bank.

### **TRANSFER AGENT AND REGISTRAR**

TSX Trust Company is transfer agent and registrar for the Series 28 Shares and is the transfer agent and registrar for each outstanding series of Class A First Preferred Shares and the Common Shares.

### **PURCHASERS' STATUTORY RIGHTS**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

**CERTIFICATE OF THE AGENTS**

Dated: July 20, 2022

To the best of our knowledge, information and belief, the short form base shelf prospectus dated January 4, 2021, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces and territories of Canada.

**TD SECURITIES INC.**

By: (signed) *“Greg McDonald”*

**CIBC WORLD MARKETS INC.**

By: (signed) *“Gaurav Matta”*

**BMO NESBITT  
BURNS INC.**

By: (signed)  
*“Michael Cleary”*

**DESJARDINS  
SECURITIES INC.**

By: (signed) *“Ryan  
Godfrey”*

**NATIONAL BANK  
FINANCIAL INC.**

By: (signed) *“John  
Carrique”*

**RBC DOMINION  
SECURITIES INC.**

By: (signed) *“Andrew  
Franklin”*

**SCOTIA CAPITAL  
INC.**

By: (signed) *“Graham  
Fry”*

**IA  
PRIVATE  
WEALTH  
INC.**

By: (signed)  
*“Frank  
Lachance”*

**LAURENTIAN  
BANK  
SECURITIES  
INC.**

By: (signed)  
*“Benoit Lalonde”*

**MANULIFE  
SECURITIES  
INCORPORATED**

By: (signed) *“William  
Porter”*

**MERRILL  
LYNCH  
CANADA  
INC.**

By: (signed)  
*“Jamie  
Hancock”*

**WELLS FARGO  
SECURITIES,  
CANADA  
LTD.**

By: (signed)  
*“Darin  
Deschamps”*