

**Prospectus Supplement to the Short Form Base Shelf Prospectus dated December 4, 2014.**

*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 December 4, 2014 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

December 9, 2014

**Prospectus Supplement**



**The Toronto-Dominion Bank**

**\$500,000,000**

**20,000,000 Non-Cumulative 5-Year Rate Reset Preferred Shares, Series 5**

This offering of Non-Cumulative 5-Year Rate Reset Preferred Shares, Series 5 (the “Series 5 Shares”) of The Toronto-Dominion Bank (the “Bank”) under this prospectus supplement (the “Prospectus Supplement”) consists of 20,000,000 Series 5 Shares. The holders of the Series 5 Shares will be entitled to receive fixed quarterly 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 January 31, 2020 (the “Initial Fixed Rate Period”), payable on the last day of January, April, July and October in each year (each three-month period ending on the last day of each such month, a “Quarter”), at a per annum rate of 3.75% per share, or \$0.9375 per share per annum. Notwithstanding the foregoing, based on the anticipated closing date of this offering of December 16, 2014, the first dividend per Series 5 Share, if declared, will be payable on April 30, 2015 in respect of the period from and including December 16, 2014 to but excluding April 30, 2015, in the amount of \$0.3467 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 5 Shares will be entitled to receive fixed quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors, payable on the last day of January, April, July and October 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 \$25.00. 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 2.25%. See “Details of the Offering”.

### Option to Convert Into Series 6 Shares

The holders of the Series 5 Shares will have the right, at their option, to convert their shares into Non-Cumulative Floating Rate Preferred Shares, Series 6 of the Bank (the “Series 6 Shares”), subject to certain conditions, on January 31, 2020 and on January 31 every five years thereafter. The holders of the Series 6 Shares will be entitled to receive quarterly floating rate non-cumulative preferential cash dividends, as and when declared by the Board of Directors, payable on the last day of January, April, July and October in each year (the initial quarterly dividend period and each subsequent quarterly dividend period is referred to as a “Quarterly Floating Rate Period”) in an amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate (as defined herein) by \$25.00. The Floating Quarterly Dividend Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 2.25% (calculated on the basis of the actual number of days elapsed in the applicable Quarterly Floating Rate Period divided by 365) determined on the Floating Rate Calculation Date (as defined herein). See “Details of the Offering”.

**Upon the occurrence of a Trigger Event (as defined herein), each Series 5 Share and/or Series 6 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 5 Shares and/or Series 6 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 5 Shares, the Series 6 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 5 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”), on January 31, 2020 and on January 31 every five years thereafter, the Bank may redeem all or any part of the then outstanding Series 5 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 \$25.00 together with all declared and unpaid dividends to the date fixed for redemption. See “Details of the Offering”.

The Series 5 Shares and the Series 6 Shares do not have a fixed maturity date and are not redeemable at the option of the holders of the Series 5 Shares or the Series 6 Shares, respectively. See “Risk Factors”.

The Toronto Stock Exchange (the “TSX”) has conditionally approved the listing of the Series 5 Shares, the Series 6 Shares and the underlying Common Shares that would be issued upon a Contingent Conversion subject to the Bank fulfilling all of the requirements of the TSX on or before March 9, 2015. 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 New York Stock Exchange.

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**PRICE: \$25.00 per Series 5 Share to Yield initially 3.75%**

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The Underwriters (as defined herein), as principals, conditionally offer the Series 5 Shares, subject to prior sale, if, as and when issued by the Bank and accepted by the Underwriters in accordance with the conditions contained in the Underwriting 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 Underwriters by Fasken Martineau DuMoulin LLP. **TD Securities Inc., one of the Underwriters, 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>Underwriters' Fee<sup>(1)</sup></u>	<u>Net Proceeds to the Bank<sup>(2)</sup></u>
Per Series 5 Share	\$25.00	\$0.75	\$24.25
Total	\$500,000,000	\$15,000,000	\$485,000,000

- (1) The Underwriters' fee is \$0.25 for each Series 5 Share sold to certain institutions and \$0.75 per Series 5 Share for all other shares sold. The Underwriters' fee set forth in the table assumes that no shares are sold to such institutions.
- (2) Before deduction of expenses of the issue estimated at \$400,000, which, together with the Underwriters' fee, are payable by the Bank.

In connection with this offering, the Underwriters may over allot or effect transactions that stabilize or maintain the market price of the Series 5 Shares in accordance with applicable market stabilization rules. **The Underwriters may offer the Series 5 Shares at a lower price than stated above. See "Plan of Distribution".**

Subscriptions for Series 5 Shares will be received by the Underwriters 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 the closing date will be on or about December 16, 2014 or such later date as the Bank and the Underwriters may agree, but in any event not later than January 13, 2015. A book-entry only certificate representing the Series 5 Shares will be issued in registered form only to CDS Clearing and Depository Services Inc. ("CDS"), or its nominee, and will be deposited with CDS on closing of this offering. A purchaser of the Series 5 Shares will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Series 5 Shares are purchased. See "Details of the Offering — Depository Services".

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In this Prospectus Supplement, unless otherwise indicated, capitalized terms which are defined in the accompanying short form base shelf prospectus of the Bank dated December 4, 2014 (the "Prospectus") are used herein with the meanings defined therein.

### ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, counsel to the Bank, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, the Series 5 Shares to be issued under this Prospectus Supplement, if issued on the date hereof, would be, on such date, qualified investments under the *Income Tax Act* (Canada) (the "Tax Act") and the regulations thereunder for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts ("TFSA"). The Series 5 Shares will not be prohibited investments on such date for a TFSA, RRSP or RRIF provided that, for purposes of the Tax Act, the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Bank and does not have a significant interest (within the meaning of the Tax Act) in the Bank, or provided that such shares constitute "excluded property" (as defined in subsection 207.01(1) of the Tax Act) for the TFSA, RRSP or RRIF, as the case may be. Holders of TFSAs and annuitants of RRSPs or RRIFs should consult their own tax advisors in this regard.

### 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 Bank's management's discussion & analysis for the fiscal year ended October 31, 2014 (the "2014 MD&A") under the heading "Economic Summary and Outlook", for each business segment under headings "Business Outlook and Focus for 2015", and in other statements regarding the Bank's objectives and priorities for 2015 and beyond and strategies to achieve them, and the Bank's anticipated financial performance. Forward-looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "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 such differences include: credit, market (including equity, commodity, foreign exchange, and interest rate), liquidity, operational (including technology), reputational, insurance, strategic, regulatory, legal, environmental, capital adequacy, and other risks. Examples of such risk factors include the general business and economic conditions in the regions in which the Bank operates; the ability of the Bank to execute on key priorities, including to successfully complete acquisitions and strategic plans and to attract, develop and retain key executives; disruptions in or attacks (including cyber-attacks) on the Bank's information technology, internet, network access or other voice or data communications systems or services; the evolution of various types of fraud or other criminal behaviour to which the Bank is exposed; 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; the impact of new and changes to current laws and regulations; the overall difficult litigation environment, including in the U.S.; increased competition, including through internet and mobile banking; changes to the Bank's credit ratings; changes in currency and interest rates; increased funding costs for credit due to market illiquidity and competition for funding; changes to accounting policies and methods used by the Bank; 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 see the "Risk Factors and Management" section of the 2014 MD&A, as may be updated in subsequently filed quarterly reports to shareholders. All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, when making decisions with respect to the Bank and 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 or any documents incorporated by reference herein are set out in the 2014 MD&A under the headings "Economic Summary and Outlook", and for each business segment, "Business Outlook and Focus for 2015", each as 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 5 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:

- (a) the initial term sheet delivered to potential investors with respect to this offering dated December 5, 2014 (the "Initial Term Sheet"); and
- (b) the revised term sheet delivered to potential investors with respect to this offering dated December 5, 2014 (the "Revised Term Sheet", together with the Initial 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 5 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.

	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	June 2014	July 2014	Aug 2014	Sept 2014	Oct 2014	Nov 2014	Dec 1 to 4, 2014
<b>COMMON SHARES</b>													
High (\$)	100.56	99.46	50.44	52.00	52.83	54.07	55.47	57.68	58.20	57.97	55.74	57.89	57.82
Low (\$)	93.73	95.62	47.35	49.67	50.60	51.35	53.77	54.60	55.31	54.37	50.11	55.09	53.47
Vol. ('000)	35,329	34,660	50,906	52,893	39,709	38,406	47,344	45,972	41,747	60,075	64,275	39,142	15,375
<b>PREFERRED SHARES</b>													
<b>Series P</b>													
High (\$)	26.34	26.18	26.02	26.22	26.50	26.58	26.45	26.50	26.40	26.14	26.10	26.43	26.49
Low (\$)	25.90	25.56	25.77	25.96	25.85	26.26	26.17	25.92	25.96	25.85	25.65	25.76	26.21
Vol. ('000)	65	131	114	85	251	77	66	82	76	172	94	75	8
<b>Series Q</b>													
High (\$)	26.56	26.42	26.12	26.44	26.57	26.59	26.50	26.47	26.32	26.49	26.35	26.49	26.44
Low (\$)	26.27	25.89	25.93	26.06	26.16	26.30	26.25	26.12	26.26	26.12	25.92	26.16	26.32
Vol. ('000)	70	87	82	78	208	314	77	62	46	222	61	59	10
<b>Series R</b>													
High (\$)	26.67	26.35	26.20	26.46	26.71	26.82	26.64	26.58	26.46	26.45	26.45	26.64	26.50
Low (\$)	26.26	25.93	26.02	26.22	26.28	26.40	26.34	26.20	26.26	26.29	26.00	26.32	26.22
Vol. ('000)	201	74	147	93	109	236	218	60	47	101	55	47	25
<b>Series S</b>													
High (\$)	25.51	25.32	25.00	25.22	25.60	25.62	25.40	25.50	25.49	25.99	25.44	25.76	25.61
Low (\$)	24.87	24.68	24.70	24.89	25.06	24.85	24.92	25.08	25.31	25.22	25.15	25.32	25.50
Vol. ('000)	83	108	198	120	144	133	215	50	51	38	232	25	4
<b>Series T</b>													
High (\$)	25.20	25.20	25.09	25.09	25.20	25.43	25.45	25.44	25.69	25.71	25.52	25.59	25.56
Low (\$)	25.02	24.56	24.70	24.78	24.70	25.08	25.07	25.20	25.20	25.20	25.26	25.40	25.45
Vol. ('000)	342	308	96	150	241	84	76	63	55	81	52	68	8
<b>Series Y</b>													
High (\$)	25.50	25.29	25.24	25.49	25.65	25.87	25.55	25.59	25.60	25.71	25.53	25.89	25.72
Low (\$)	24.95	24.79	24.77	25.11	25.21	25.10	25.11	25.35	25.41	25.43	25.25	25.47	25.50
Vol. ('000)	108	338	303	485	253	107	118	214	44	52	52	41	12

	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	June 2014	July 2014	Aug 2014	Sept 2014	Oct 2014	Nov 2014	Dec 1 to 4, 2014
<b>Series Z</b>													
High (\$)	25.23	25.19	24.98	24.95	25.29	25.43	25.40	25.36	25.57	25.64	25.69	25.58	25.51
Low (\$)	25.02	24.80	24.75	24.66	24.82	25.10	24.97	25.01	25.18	25.31	25.30	25.45	25.39
Vol. ('000)	122	231	71	74	109	66	67	53	81	59	40	54	3
<b>Series 1</b>													
High (\$)	-	-	-	-	-	-	25.38	25.60	25.46	25.40	25.43	25.61	25.58
Low (\$)	-	-	-	-	-	-	24.85	25.26	25.27	25.20	24.97	25.35	25.40
Vol ('000)	-	-	-	-	-	-	2,708	1,473	267	329	522	565	70
<b>Series 3</b>													
High (\$)	-	-	-	-	-	-	-	25.08	25.25	25.29	25.36	25.55	25.49
Low (\$)	-	-	-	-	-	-	-	24.99	24.99	25.05	24.95	25.20	25.36
Vol ('000)	-	-	-	-	-	-	-	1,013	1,878	894	604	619	38

## DETAILS OF THE OFFERING

The following is a summary of certain provisions attaching to the Series 5 Shares as a series and the Series 6 Shares as a series, each of which represents a series of Class A First Preferred Shares. 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 5 Shares as a Series

#### *Definition of Terms*

The following definitions are relevant to the Series 5 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 Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.25%.

“**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 Rate Calculation Date**” means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

“**Government of Canada Yield**” means, on any date, the 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 arithmetic average of the yields quoted to the Bank by two registered Canadian investment dealers selected by the Bank as being the annual yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years.

“**Initial Fixed Rate Period**” means the period from and including the closing date of this offering to but excluding January 31, 2020.

**“Subsequent Fixed Rate Period”** means, for the initial Subsequent Fixed Rate Period, the period from and including January 31, 2020 to but excluding January 31, 2025, and for each succeeding Subsequent Fixed Rate Period, the period from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to but excluding January 31 in the fifth year thereafter.

#### ***Issue Price***

The Series 5 Shares will have an issue price of \$25.00 per share.

#### ***Dividends on Series 5 Shares***

During the Initial Fixed Rate Period, the holders of the Series 5 Shares will be entitled to receive fixed quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors, subject to the provisions of the Bank Act, payable on the last day of January, April, July and October in each year, at a per annum rate of 3.75% per share or \$0.9375 per share per annum. Notwithstanding the foregoing, the first dividend per Series 5 Share, if declared, will be payable on April 30, 2015 in respect of the period from and including December 16 to but excluding April 30, 2015, in the amount of \$0.3467 per share, based on the anticipated closing date of this offering of December 16, 2014.

During each Subsequent Fixed Rate Period, the holders of the Series 5 Shares will be entitled to receive fixed quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors, subject to the provisions of the Bank Act, payable on the last day of January, April, July and October 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 \$25.00.

The Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period will be determined by the Bank on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Bank and upon all holders of the Series 5 Shares. The Bank will, on the Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series 5 Shares.

If the Board of Directors does not declare a dividend, or any part thereof, on the Series 5 Shares on or before the dividend payment date therefor, then the rights of the holders of the Series 5 Shares to such dividend, or to any part thereof, will be extinguished.

#### ***Redemption of Series 5 Shares***

The Series 5 Shares will not be redeemable prior to January 31, 2020. Subject to the provisions of the Bank Act, including the prior consent of the Superintendent, and to the provisions described below under “ — Certain Provisions Common to the Series 5 Shares and the Series 6 Shares — Restrictions on Dividends and Retirement of Series 5 Shares and Series 6 Shares”, on January 31, 2020 and on January 31 every five years thereafter, the Bank may redeem all or any part of the then outstanding Series 5 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 \$25.00 together with all declared and unpaid dividends to the date fixed for redemption.

Notice of any redemption of the Series 5 Shares will be given in writing by the Bank not more than 60 days and not less than 30 days prior to the date fixed for redemption. If less than all of the outstanding Series 5 Shares are at any time to be redeemed, the shares to be redeemed will be selected pro rata disregarding fractions or in such other manner as the Bank may determine.

#### ***Conversion of Series 5 Shares into Series 6 Shares***

The holders of the Series 5 Shares will have the right, at their option, on January 31, 2020 and on January 31 every five years thereafter (each, a “Series 5 Conversion Date”), to convert, subject to the restrictions on conversion described below and the payment or delivery to the Bank of evidence of payment of the tax (if any)



payable, all or any of their Series 5 Shares into Series 6 Shares on the basis of one Series 6 Share for each Series 5 Share. Notice of a holder's intention to convert Series 5 Shares is irrevocable and must be received by the Bank not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series 5 Conversion Date.

The Bank will, not more than 60 and not less than 30 days prior to the applicable Series 5 Conversion Date, give notice in writing to the then registered holders of the Series 5 Shares of the above-mentioned conversion right. On the 30<sup>th</sup> day prior to each Series 5 Conversion Date, the Bank will give notice in writing to the then registered holders of the Series 5 Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series 6 Shares for the next succeeding Quarterly Floating Rate Period.

The holders of the Series 5 Shares will not be entitled to convert their shares into Series 6 Shares if the Bank determines that there would remain outstanding on a Series 5 Conversion Date less than 1,000,000 Series 6 Shares, after having taken into account all Series 5 Shares tendered for conversion into Series 6 Shares and all Series 6 Shares tendered for conversion into Series 5 Shares. The Bank will give notice in writing thereof to all registered holders of the Series 5 Shares at least seven days prior to the applicable Series 5 Conversion Date. Furthermore, if the Bank determines that there would remain outstanding on a Series 5 Conversion Date less than 1,000,000 Series 5 Shares, after having taken into account all Series 5 Shares tendered for conversion into Series 6 Shares and all Series 6 Shares tendered for conversion into Series 5 Shares, then, all, but not part, of the remaining outstanding Series 5 Shares will automatically be converted into Series 6 Shares on the basis of one Series 6 Share for each Series 5 Share on the applicable Series 5 Conversion Date and the Bank will give notice in writing thereof to the then registered holders of such remaining Series 5 Shares at least seven days prior to the Series 5 Conversion Date.

Upon exercise by a holder of this right to convert Series 5 Shares into Series 6 Shares, or upon automatic conversion as described above, the Bank reserves the right not to (i) deliver Series 6 Shares 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 that conversion, would become a Significant Shareholder, or (ii) record in its securities register a transfer or issue of Series 6 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 agent will hold, as agent of any such person, all or the relevant number of Series 6 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 Series 6 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 Series 6 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 Series 6 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. See "Bank Act Restrictions and Approval" in this Prospectus Supplement and "Bank Act Restrictions and Restrictions on Payment of Dividends" in the Prospectus.

If the Bank gives notice to the registered holders of the Series 5 Shares of the redemption of all the Series 5 Shares, the Bank will not be required to give notice as provided hereunder to the registered holders of the Series 5 Shares of an Annual Fixed Dividend Rate, a Floating Quarterly Dividend Rate or of the conversion right of the holders of the Series 5 Shares and the right of any holder of Series 5 Shares to convert such Series 5 Shares will cease and terminate in that event.

#### **Certain Provisions of the Series 6 Shares as a Series**

##### ***Definition of Terms***

The following definitions are relevant to the Series 6 Shares.

**"Floating Quarterly Dividend Rate"** means, for any Quarterly Floating 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 T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.25% (calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365).

**“Floating Rate Calculation Date”** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

**“Quarterly Commencement Date”** means the last day of January, April, July and October in each year, commencing January 31, 2020.

**“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period from and including January 31, 2020 to but excluding the next following Quarterly Commencement Date, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

#### ***Issue Price***

The Series 6 Shares will have an issue price of \$25.00 per share.

#### ***Dividends on Series 6 Shares***

The holders of the Series 6 Shares will be entitled to receive quarterly floating rate non-cumulative preferential cash dividends, as and when declared by the Board of Directors, subject to the provisions of the Bank Act, payable on the last day of January, April, July and October in each year. Such quarterly cash dividends, if declared, will be in an amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate by \$25.00.

The Floating Quarterly Dividend Rate for each Quarterly Floating Rate Period will be determined by the Bank on the Floating Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Bank and upon all holders of the Series 6 Shares. The Bank will, on the Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series 6 Shares.

If the Board of Directors does not declare a dividend, or any part thereof, on the Series 6 Shares on or before the dividend payment date therefor, then the rights of the holders of the Series 6 Shares to such dividend, or to any part thereof, will be extinguished.

#### ***Redemption of Series 6 Shares***

Subject to the provisions of the Bank Act, including the prior consent of the Superintendent, and to the provisions described below under “ — Certain Provisions Common to the Series 5 Shares and the Series 6 Shares — Restrictions on Dividends and Retirement of Series 5 Shares and Series 6 Shares”, the Bank may redeem all or any part of the then outstanding Series 6 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 (i) \$25.00 in the case of redemptions on January 31, 2025 and on January 31 every five years thereafter, or (ii) \$25.50 in the case of redemptions on any other date on or after January 31, 2020, together, in each case, with all declared and unpaid dividends to the date fixed for redemption.

Notice of any redemption of the Series 6 Shares will be given in writing by the Bank not more than 60 days and not less than 30 days prior to the date fixed for redemption. If less than all of the outstanding Series 6 Shares are

at any time to be redeemed, the shares to be redeemed will be selected pro rata disregarding fractions or in such other manner as the Bank may determine.

### ***Conversion of Series 6 Shares into Series 5 Shares***

The holders of the Series 6 Shares will have the right, at their option, on January 31, 2025 and on January 31 every five years thereafter (each, a “Series 6 Conversion Date”), to convert, subject to the restrictions on conversion described below and the payment or delivery to the Bank of evidence of payment of the tax (if any) payable, all or any of their Series 6 Shares into Series 5 Shares on the basis of one Series 5 Share for each Series 6 Share. Notice of a holder’s intention to convert Series 6 Shares is irrevocable and must be received by the Bank not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series 6 Conversion Date.

The Bank will, not more than 60 and not less than 30 days prior to the applicable Series 6 Conversion Date, give notice in writing to the then registered holders of the Series 6 Shares of the above-mentioned conversion right. On the 30<sup>th</sup> day prior to each Series 6 Conversion Date, the Bank will give notice in writing to the then registered holders of the Series 6 Shares of the Annual Fixed Dividend Rate applicable to the Series 5 Shares for the next succeeding Subsequent Fixed Rate Period.

The holders of the Series 6 Shares will not be entitled to convert their shares into Series 5 Shares if the Bank determines that there would remain outstanding on a Series 6 Conversion Date less than 1,000,000 Series 5 Shares, after having taken into account all Series 6 Shares tendered for conversion into Series 5 Shares and all Series 5 Shares tendered for conversion into Series 6 Shares. The Bank will give notice in writing thereof to all registered holders of the Series 6 Shares at least seven days prior to the applicable Series 6 Conversion Date. Furthermore, if the Bank determines that there would remain outstanding on a Series 6 Conversion Date less than 1,000,000 Series 6 Shares, after having taken into account all Series 6 Shares tendered for conversion into Series 5 Shares and all Series 5 Shares tendered for conversion into Series 6 Shares, then, all, but not part, of the remaining outstanding Series 6 Shares will automatically be converted into Series 5 Shares on the basis of one Series 5 Share for each Series 6 Share on the applicable Series 6 Conversion Date and the Bank will give notice in writing thereof to the then registered holders of such remaining Series 6 Shares at least seven days prior to the Series 6 Conversion Date.

Upon exercise by a holder of this right to convert Series 6 Shares into Series 5 Shares, or upon automatic conversion as described above, the Bank reserves the right not to (i) deliver Series 5 Shares 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 that conversion, would become a Significant Shareholder, or (ii) record in its securities register a transfer or issue of Series 5 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 Series 5 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 Series 5 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 Series 5 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 Series 5 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. See “Bank Act Restrictions and Approval” in this Prospectus Supplement and “Bank Act Restrictions and Restrictions on Payment of Dividends” in the Prospectus.

If the Bank gives notice to the registered holders of the Series 6 Shares of the redemption of all the Series 6 Shares, the Bank will not be required to give notice as provided hereunder to the registered holders of the Series 6 Shares of an Annual Fixed Dividend Rate or of the conversion right of the holders of the Series 6 Shares and the right of any holder of Series 6 Shares to convert such Series 6 Shares will cease and terminate in that event.

## Certain Provisions Common to the Series 5 Shares and the Series 6 Shares

### *Definition of Terms*

The following definitions are relevant to both the Series 5 Shares and the Series 6 Shares:

“**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 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.

“**Conversion Price**” means the greater of the Common Share Price and the Floor Price.

“**Floor Price**” means \$5.00, as such price may be adjusted as described under “— Conversion of Series 5 Shares or Series 6 Shares into Common Shares upon a Trigger Event”.

“**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 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 or delivery by the Bank to such person of Series 5 Shares, Series 6 Shares, New Preferred Shares or Common Shares, as the case may be, upon the exercise of rights of conversion or upon a Contingent Conversion (a) would require the Bank to take any action to comply with securities, banking or analogous laws of such jurisdiction or (b) would give rise to a liability for withholding tax in connection with such issuance or delivery.

“**Multiplier**” means 1.0.

“**New Preferred Shares**” means a further series of Class A First Preferred Shares constituted by the Board of Directors having rights, privileges, restrictions and conditions attaching thereto which would qualify such New Preferred Shares as Tier 1 capital or equivalent of the Bank under the then current capital adequacy guidelines prescribed by the Superintendent if applicable, and if not applicable, having such rights, privileges, restrictions and conditions as the Board of Directors may determine, provided that in each case such New Preferred Shares will not, if issued, be or be deemed to be “short term preferred shares” within the meaning of the Tax Act.

“**Share Value**” means for a Series 5 Share or Series 6 Share, as applicable, \$25.00 plus declared and unpaid dividends thereon as of the date of the Trigger Event.

“**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), shares of any class of the Bank in excess of 10% of the total number of outstanding shares of that class in contravention of the Bank Act.

“**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 Office of the Superintendent of Financial Institutions Canada (“OSFI”), Guideline for Capital Adequacy Requirements (CAR), Chapter 2 — Definition of Capital, effective April 2014, 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:

- (a) 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 of all contingent instruments (including the Series 5 Shares and the Series 6 Shares) 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
- (b) 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 in Canada or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

***Conversion of Series 5 Shares or Series 6 Shares into Another Series of Preferred Shares at the Option of the Holder***

The Bank may at any time, with the consent of the Superintendent, give the holders of the Series 5 Shares or the Series 6 Shares notice that they have the right, pursuant to the terms of the Series 5 Shares or the Series 6 Shares, at their option, to convert their Series 5 Shares or Series 6 Shares, as applicable, on the date specified in the notice into fully-paid New Preferred Shares on a share for share basis. Notice shall be given by the Bank in writing not more than 60 and not less than 30 days prior to such conversion date.

Upon exercise by the holder of this right to convert Series 5 Shares or Series 6 Shares into New Preferred Shares, the Bank reserves the right not to (i) deliver New Preferred Shares 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 that conversion, would become a Significant Shareholder, or (ii) record in its securities register a transfer or issue of New Preferred 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 agent will hold, as agent of any such person, all or the relevant number of New Preferred 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 New Preferred 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 New Preferred 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 New Preferred 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. See “Bank Act Restrictions and Approval” in this Prospectus Supplement and “Bank Act Restrictions and Restrictions on Payment of Dividends” in the Prospectus.

***Conversion of Series 5 Shares or Series 6 Shares into Common Shares upon a Trigger Event***

Upon the occurrence of a Trigger Event, each Series 5 Share and Series 6 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 determined by dividing (a) the product of the Multiplier multiplied by the Share Value in respect of such Series 5 Share or Series 6 Share, as applicable, by (b) the Conversion Price. In any case where the aggregate number of Common Shares to be issued to a holder of Series 5 Shares or Series 6 Shares pursuant to a Contingent Conversion includes a fraction of a Common Share, such number of Common Shares to be issued to such holder shall be rounded down to the nearest whole number of Common Shares and no cash payment shall be made in lieu of such fractional Common Share.

As promptly as practicable after the occurrence of a Trigger Event, the Bank shall announce the Contingent Conversion by way of a press release and shall give notice of the Contingent Conversion to the then registered holders of the Series 5 Shares and the Series 6 Shares. From and after the Contingent Conversion, the Series 5 Shares and the Series 6 Shares will cease to be outstanding, the holders of the Series 5 Shares and the Series 6 Shares will cease to be entitled to dividends on such shares and any certificates representing the Series 5 Shares or the Series 6 Shares, as applicable, will represent only the right to receive upon surrender thereof certificates representing the applicable number of Common Shares described above. A Contingent Conversion shall be mandatory and binding upon both the Bank and all holders of the Series 5 Shares and the Series 6 Shares notwithstanding anything else including: (a) any prior action to or in furtherance of redeeming, exchanging or converting the Series 5 Shares or the Series 6 Shares pursuant to the other terms and conditions of such Series 5 Shares or Series 6 Shares; and (b) any delay in or impediment to the issuance or delivery of the Common Shares to the holders of the Series 5 Shares or the Series 6 Shares. See “Risk Factors” for a discussion of the circumstances that may result in a Trigger Event and the consequences of a Trigger Event to a holder of the Series 5 Shares or the Series 6 Shares.

Upon a Contingent Conversion, the Bank reserves the right not to (i) deliver Common Shares 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 (ii) 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. See “Bank Act Restrictions and Approval” in this Prospectus Supplement and “Bank Act Restrictions and Restrictions on Payment of Dividends” in the Prospectus.

The Floor Price is subject to adjustment in the event of: (a) 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; (b) the subdivision, redivision or change of the Common Shares into a greater number of shares; or (c) 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.

In the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares, the Bank shall take all necessary action to ensure that the holders of the Series 5 Shares and the Series 6 Shares receive, pursuant to a Contingent Conversion, after such event, the number of shares or other securities that the holders of such Series 5 Shares and Series 6 Shares would have received if the Contingent Conversion occurred immediately prior to the record date for such event. Notwithstanding any other provision of the Series 5 Shares or the Series 6 Shares, a Contingent Conversion of such shares shall not be an event of default and the only consequence of a Trigger Event under the provisions of such shares will be the conversion of such shares into Common Shares.

### ***Purchase for Cancellation***

Subject to the provisions of the Bank Act, including the prior consent of the Superintendent, and to the provisions described below under “—Restrictions on Dividends and Retirement of Series 5 Shares and Series 6 Shares”, the Bank may at any time purchase for cancellation any Series 5 Shares or Series 6 Shares at the lowest price or prices at which, in the opinion of the Bank, such shares are obtainable.

### ***Rights on Liquidation***

In the event of the liquidation, dissolution or winding-up of the Bank, where a Trigger Event has not occurred, the holders of the Series 5 Shares and the Series 6 Shares will be entitled to receive a sum per share equal to \$25.00, together with the amount of declared and unpaid dividends to the date of payment, before any amount shall be paid or any assets of the Bank distributed to the holders of the Common Shares or other shares ranking junior to the Series 5 Shares and the Series 6 Shares. The holders of the Series 5 Shares and the Series 6 Shares will not be entitled to share in any further distribution of the property or assets of the Bank.

If a Trigger Event occurs, the rights on liquidation described above will not be relevant since all Series 5 Shares and Series 6 Shares will be converted into Common Shares which will rank on parity with all other issued and outstanding Common Shares. See “Risk Factors”.

### ***Restrictions on Dividends and Retirement of Series 5 Shares and Series 6 Shares***

So long as any Series 5 Shares or Series 6 Shares are outstanding, the Bank will not, without the approval of the holders of the Series 5 Shares or the Series 6 Shares, as applicable, given as specified below under “—Issuance of Additional Series of Class A First Preferred Shares and Amendment of Series 5 Share or Series 6 Share Provisions”:

- (a) declare any dividend on the Common Shares or any other shares ranking junior to the Series 5 Shares or the Series 6 Shares (other than stock dividends on shares ranking junior to the Series 5 Shares or the Series 6 Shares); or
- (b) redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Series 5 Shares or the Series 6 Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 5 Shares or the Series 6 Shares); or
- (c) redeem, purchase or otherwise retire: (i) less than all the Series 5 Shares or the Series 6 Shares; or (ii) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares of the Bank, any other shares ranking prior to or on a parity with the Series 5 Shares or the Series 6 Shares;

unless, in each case, all dividends on the Series 5 Shares or the Series 6 Shares, as applicable, 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, and all dividends then accrued on all other shares ranking prior to or on a parity with the Series 5 Shares or the Series 6 Shares, have been declared and paid or set apart for payment.

### ***Issuance of Additional Series of Class A First Preferred Shares and Amendment of Series 5 Share or Series 6 Share Provisions***

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), (i) create or issue any shares ranking in priority to the Class A First Preferred Shares, or (ii) 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.

The provisions attaching to the Series 5 Shares and the Series 6 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 5 Shares or the Series 6 Shares, as applicable, duly called for the purpose or by the signature of the holders of at least two-thirds of the Series 5 Shares or the Series 6 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 5 Shares or the Series 6 Shares from time to time for capital adequacy requirements pursuant to the Bank Act and the Regulations and Guidelines thereunder.

### ***Voting Rights***

The holders of the Series 5 Shares and the Series 6 Shares will not be entitled as such 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 “— Certain Provisions of the Series 5 Shares as a Series — Dividends on Series 5 Shares” and “— Certain Provisions of the Series 6 Shares as a Series — Dividends on Series 6 Shares” above. In that event, the holders of the Series 5 Shares and the Series 6 Shares will be entitled to receive notice of, and to attend, all meetings of the 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 the Series 5 Shares and the Series 6 Shares shall forthwith cease upon the first payment by the Bank of a dividend on the Series 5 Shares or the Series 6 Shares, as applicable, to which the holders are entitled subsequent to the time such voting rights arose. At such time as the rights of such holders to any undeclared dividends on the Series 5 Shares or the Series 6 Shares have again been extinguished, such voting rights will become effective again and so on from time to time.

### ***Tax Election***

The Series 5 Shares and the Series 6 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 5 Shares and the Series 6 Shares. The terms of the Series 5 Shares and the Series 6 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 5 Shares or the Series 6 Shares. See “Canadian Federal Income Tax Considerations”.

### ***Business Day***

If any action is required to be taken by the Bank on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

### **Depository Services**

Except as otherwise provided below, the Series 5 Shares and the Series 6 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 Underwriters is a Participant. On the closing of this offering, the Bank will cause a global certificate or certificates representing the Series 5 Shares to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Series 5 Shares or Series 6 Shares, as applicable, 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 5 Shares or Series 6 Shares, as applicable, will receive a customer confirmation of purchase from the registered dealer from



which the Series 5 Shares or the Series 6 Shares, as applicable, 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 5 Shares or the Series 6 Shares, as applicable. Reference in this Prospectus Supplement to a holder of the Series 5 Shares or the Series 6 Shares, as applicable, means, unless the context otherwise requires, the owner of the beneficial interest in the Series 5 Shares or the Series 6 Shares, as applicable.

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 5 Shares or the Series 6 Shares, as applicable, 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 5 Shares or the Series 6 Shares, as applicable, from the book-entry system, then the Series 5 Shares or the Series 6 Shares, as applicable, will be issued in fully registered form to holders or their nominees.

### **Transfers**

Transfers of ownership in the Series 5 Shares or the Series 6 Shares, as applicable, will be effected only through records maintained by CDS for such Series 5 Shares or Series 6 Shares, as applicable, 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 5 Shares or the Series 6 Shares, as applicable, other than Participants, wishing to purchase, sell or otherwise transfer ownership of or other interests in the Series 5 Shares or the Series 6 Shares, as applicable, may do so only through Participants. The ability of a holder to pledge Series 5 Shares or Series 6 Shares, as applicable, or otherwise take action with respect to such holder's interest in Series 5 Shares or Series 6 Shares, as applicable, (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 5 Shares or Series 6 Shares, as applicable, 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 5 Shares or the Series 6 Shares, as applicable, 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 5 Shares and the Series 6 Shares or the operation of the automatic conversion features of the Series 5 Shares and the Series 6 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 5 Shares or the Series 6 Shares, as applicable, 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 5 Shares or the Series 6 Shares, as applicable, CDS or its nominee will be considered the sole owner of the Series 5 Shares or the Series 6 Shares, as applicable, for purposes of receiving any payments or deliveries thereon and for all other purposes.

### **RATINGS**

The Series 5 Shares have been given a preliminary rating of "Pfd-2" by DBRS Limited ("DBRS"), "P-2" and "BBB" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies (Canada) Corporation ("S&P"), using S&P's Canadian Scale for preferred shares and S&P's global scale for preferred shares, respectively, and "A3 (hyb)" by Moody's Investors Service, Inc. ("Moody's"), a subsidiary of Moody's Corporation.

A "Pfd-2" rating by DBRS is the second highest category granted by DBRS for preferred shares. A reference to "high" or "low" reflects the relative strength within the rating category. The absence of either a "high" or "low" designation indicates the rating is in the middle of the category. A "P-2" rating by S&P is the second highest of the eight categories used by S&P in its Canadian preferred share rating scale. The "BBB" rating by S&P is the third highest of nine categories used by S&P in its global preferred share scale. Securities rated "A" by Moody's are considered upper medium-grade and subject to low credit risk. The modifier "3" indicates that the obligation ranks

in the lower end of the A rating category. A “(hyb)” indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Series 5 Shares may not reflect the potential impact of all risks on the value of the Series 5 Shares. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency.

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

The Prospectus sets out a summary of the restrictions contained in the Bank Act concerning the declaration and payment of dividends. The Bank does not anticipate that such restrictions will prevent a declaration or payment of dividends on the Series 5 Shares or the Series 6 Shares, as applicable, in the normal course and the Superintendent has not made any direction to the Bank pursuant to the Bank Act regarding its capital or its liquidity.

### **CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of McCarthy Tétrault LLP, counsel to the Bank, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser of Series 5 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 and is not affiliated with the Bank, holds such Series 5 Shares and will hold any Series 6 Shares, New Preferred Shares and Common Shares as capital property and is not exempt from tax under Part I of the Tax Act. Generally, the Series 5 Shares, Series 6 Shares, New Preferred 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 5 Shares, Series 6 Shares, New Preferred 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 not applicable to a purchaser an interest in which is a “tax shelter investment” (as defined in the Tax Act), to a purchaser who has elected to determine its Canadian tax results in a currency (other than Canadian currency) that is a “functional currency” (as defined in the Tax Act), to a purchaser who is a “financial institution” (as defined in the Tax Act) for purposes of certain rules applicable to securities held by financial institutions (referred to as the “mark-to-market” rules) or a purchaser that enters into a “derivative forward agreement” (as defined in the Tax Act) with respect to Series 5 Shares, Series 6 Shares, New Preferred Shares or Common Shares. Such purchasers should consult their own tax advisors. Furthermore, this summary is not applicable to a purchaser that is a “specified financial institution” (as defined in the Tax Act) that receives or is deemed to receive, alone or together with persons with whom it does not deal at arm’s length, in the aggregate dividends in respect of more than 10% of the Series 5 Shares, New Preferred Shares or Series 6 Shares, as the case may be, outstanding at the time a dividend is (or is deemed to be) received. This summary also assumes that all issued and outstanding Series 5 Shares, Series 6 Shares and New Preferred Shares are listed on a designated stock exchange in Canada (as defined in the Tax Act, such as the TSX) at the time dividends are (or are deemed to be) received on such shares.

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.

**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 5 Shares should consult their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of Series 5 Shares, Series 6 Shares, New Preferred Shares or Common Shares having regard to their own particular circumstances.**

## **Dividends**

Dividends (including deemed dividends) received on the Series 5 Shares, Series 6 Shares, New Preferred Shares or Common Shares by 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 5 Shares, Series 6 Shares, New Preferred Shares or Common Shares by a corporation to which this summary applies will be included in computing its income and will generally be deductible in computing its taxable income.

The Series 5 Shares, New Preferred Shares and Series 6 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 5 Shares, New Preferred Shares and Series 6 Shares. The terms of the Series 5 Shares and the Series 6 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 5 Shares and the Series 6 Shares.

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 33 $\frac{1}{3}$ % refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Series 5 Shares, Series 6 Shares, New Preferred Shares and Common Shares to the extent such dividends are deductible in computing its taxable income.

## **Dispositions**

A Holder who disposes of or is deemed to dispose of Series 5 Shares, Series 6 Shares, New Preferred Shares or Common Shares (including on a redemption of the shares or other acquisition by the Bank, but not including a 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 5 Shares, Series 6 Shares, New Preferred 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. If the Holder is a corporation, any capital loss realized on a disposition or deemed disposition of Series 5 Shares, Series 6 Shares, New Preferred 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 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 5 Shares, Series 6 Shares, New Preferred 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 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. 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. In the case of a corporate shareholder, it is possible that in certain circumstances all or part of the amount so deemed to be a dividend may be treated as proceeds of disposition and not as a dividend.

## **Conversion**

The conversion of the Series 5 Shares into Series 6 Shares, New Preferred Shares or Common Shares and the conversion of Series 6 Shares into Series 5 Shares, New Preferred Shares or Common Shares 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 Series 6 Shares, Series 5 Shares, New Preferred Shares or Common Shares, as the case may be, received on the conversion will be deemed to be equal to the Holder's adjusted cost base of the converted Series 5 Shares, Series 6 Shares or New Preferred Shares, as the case may be, immediately before the conversion. The adjusted cost base of the Series 5 Shares, Series 6 Shares, New Preferred Shares or Common Shares, respectively, 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 a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 ⅔% on certain investment income including amounts in respect of taxable capital gains.

## **Alternative Minimum Tax**

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

## **EARNINGS COVERAGE**

The Bank's dividend requirements on all its outstanding preferred shares, after adjustment for new issues, including the issue of the Series 5 Shares, and retirement and adjusted to a before tax equivalent using an effective tax rate of 16.7%, amounted to \$133.1 million for the twelve months ended October 31, 2014. The Bank's interest requirements on all subordinated notes and debentures and liabilities for preferred shares and capital trust securities, after adjustment for new issues and retirement, amounted to \$658.08 million for the twelve months ended October 31, 2014. The Bank's reported net income, before interest on subordinated debt and liabilities for preferred shares and capital trust securities and income taxes was \$9,491 million for the twelve months ended October 31, 2014, which was 12.0 times its aggregate dividend and interest requirement for the period.

On an adjusted basis, the Bank's net income before interest on subordinated debt and liabilities for preferred shares and capital trust securities and income taxes for the twelve months ended October 31, 2014 was \$9,819 million, which was 12.4 times its aggregate dividend and interest requirement for the period.

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", net of income taxes, 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 see the "Financial Results Overview – How the Bank Reports" section of the Bank's 2014 MD&A for a reconciliation between the Bank's reported and adjusted results.

### **PLAN OF DISTRIBUTION**

Under an underwriting agreement (the "Underwriting Agreement") dated as of December 9, 2014 between the Bank and TD Securities Inc. and the other underwriters whose names appear under the heading "Certificate of the Underwriters" (together, the "Underwriters"), the Bank has agreed to sell and the Underwriters have severally agreed to purchase on December 16, 2014 or such later date as may be agreed upon, but not later than January 13, 2015, subject to the terms and conditions stated therein, all but not less than all of the 20,000,000 Series 5 Shares at a price of \$25.00 per share payable in cash to the Bank against delivery of such Series 5 Shares. The obligations of the Underwriters under the Underwriting Agreement may be terminated if there should occur conditions of national or international consequence which may seriously adversely affect the Canadian financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Series 5 Shares if any Series 5 Shares are purchased under the Underwriting Agreement.

The Underwriting Agreement provides that the Underwriters will be paid a fee equal to \$0.25 per share in respect of Series 5 Shares sold to certain institutions and \$0.75 per share in respect of all other Series 5 Shares sold, on account of underwriting services rendered in connection with this offering, which fees will be paid out of the general funds of the Bank.

The Underwriters may not, throughout the period of distribution, bid for or purchase the Series 5 Shares. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Series 5 Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. The Bank has been advised that, in connection with this offering and subject to the foregoing, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 5 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 Underwriters propose to offer the Series 5 Shares initially at the offering price specified on the front cover of this Prospectus Supplement. After the Underwriters have made a reasonable effort to sell all of the Series 5 Shares at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page.

The TSX has conditionally approved the listing of the Series 5 Shares, the Series 6 Shares and the underlying Common Shares that would be issued upon a Contingent Conversion subject to the Bank fulfilling all of the requirements of the TSX on or before March 9, 2015.

TD Securities Inc., one of the Underwriters, 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 5 Shares and the determination of the terms of the distribution were made through negotiations between the Bank on the one hand and the Underwriters on the other hand. TD Securities Inc. will not receive any benefit in connection with this offering, other than its share of the Underwriters' fee payable by the Bank.

Under applicable securities laws, RBC Dominion Securities Inc. ("**RBC Securities**") is an independent underwriter in connection with this offering and is not related or connected to the Bank or to TD Securities Inc. In that capacity, RBC Securities has participated with all other Underwriters in due diligence meetings relating to this Prospectus Supplement with the Bank and its representatives, has reviewed this Prospectus Supplement and has had the opportunity to propose such changes to this Prospectus Supplement as it considered appropriate. In addition, RBC Securities has participated, together with the other Underwriters, in the structuring and pricing of this offering.

## **RISK FACTORS**

An investment in the Series 5 Shares is subject to certain risks including those set out in the Prospectus and the following. From time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Series 5 Shares, the Series 6 Shares and the Common Shares for reasons unrelated to the Bank's performance. Also, the financial markets are generally characterized by extensive interconnections among financial institutions. As such, financial difficulties experienced, or a perception in the marketplace of such difficulties, by other financial institutions in Canada, the United States or other countries could adversely affect the Bank and the market price of the Series 5 Shares, the Series 6 Shares and the Common Shares. Additionally, the Series 5 Shares and the Common Shares are, and the Series 6 Shares will be, subject to market value fluctuations based upon factors which influence the Bank's operations, such as legislative or regulatory developments, competition, technological change and global capital market activity.

### ***Automatic Conversion into Common Shares Upon a Trigger Event***

Upon the occurrence of a Trigger Event, an investment in the Series 5 Shares or the Series 6 Shares will automatically become an investment in fully-paid Common Shares without the consent of the holder. See "Details of the Offering — Certain Provisions Common to the Series 5 Shares and the Series 6 Shares — Conversion of Series 5 Shares or Series 6 Shares into Common Shares upon a Trigger Event". After a Contingent Conversion, a holder of Series 5 Shares or Series 6 Shares will no longer have any rights as a preferred shareholder of the Bank and will only have rights as a common shareholder. While the Series 5 Shares, the Series 6 Shares and the Common Shares are all equity capital of the Bank, the claims of holders of Series 5 Shares and Series 6 Shares have certain priority of payment over the claims of holders of Common Shares. Given the nature of a Trigger Event, a holder of Series 5 Shares or Series 6 Shares will become a holder of Common Shares at a time when the Bank's financial condition has deteriorated and, as such, the terms of the Series 5 Shares and Series 6 Shares with respect to priority and rights upon liquidation will not be relevant. If the Bank were to become insolvent or wound-up after the occurrence of a Trigger Event, the holders of the Common Shares may receive, if anything, substantially less than the holders of the Series 5 Shares or the Series 6 Shares might have received had the Series 5 Shares or the Series 6 Shares not been converted into 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.

### ***A Trigger Event Involves a Subjective Determination Outside the Bank's Control***

The decision as to whether a Trigger Event will occur is 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. See the definition of Trigger Event under "Details of the Offering — Certain Provisions Common to the Series 5 Shares and the Series 6 Shares — Definition of Terms".

OSFI has stated that the Superintendent will consult with the Canada Deposit Insurance Corporation, 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, 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 could 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 has 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).

If a Contingent Conversion occurs, then the interests of depositors, other creditors of the Bank, and holders of the Bank's securities which are not contingent instruments will all rank in priority to the holders of contingent instruments, including the Series 5 Shares and the Series 6 Shares. The Superintendent retains full discretion to choose not to trigger non-viable contingent capital notwithstanding a determination that the Bank has ceased, or is about to cease, to be viable. Under such circumstances, the holders of the Series 5 Shares and the Series 6 Shares could be exposed to losses through the use of other resolution tools or in liquidation.

#### ***Number and Value of Common Shares to be Received on Contingent Conversion is Variable***

The number of Common Shares to be received for each Series 5 Share and each Series 6 Share upon 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. See "Details of the Offering — Certain Provisions Common to the Series 5 Shares and the Series 6 Shares — Conversion of Series 5 Shares or Series 6 Shares into Common Shares upon a Trigger Event". If there is a Contingent Conversion at a time when the market price of the Common Shares is below the Floor Price, investors will receive Common Shares with an aggregate market price less than the Share Value. Investors may also receive Common Shares with an aggregate market price less than the prevailing market price of the Series 5 Shares or the Series 6 Shares being converted if such shares are trading at a price above the Share Value.

The Bank is expected to have outstanding from time to time other preferred shares and subordinated debt that will automatically convert into Common Shares upon a Trigger Event. In the case of such subordinated debt, the number of Common Shares to be received on conversion will be calculated by reference to the principal amount of such debt, together with accrued and unpaid interest and, in order to take into account the priority of claims in liquidation, holders of subordinated debt are expected to receive economic entitlements which are more favourable than preferred shareholders. Other preferred shares or subordinated debt that are convertible into Common Shares upon a Trigger Event may also use a lower effective floor price (e.g. including using a different multiplier) than that applicable to the Series 5 Shares and the Series 6 Shares to determine the maximum number of Common Shares to be issued to holders of such instruments upon a Contingent Conversion. Accordingly, holders of the Series 5 Shares and the Series 6 Shares will receive Common Shares pursuant to a Contingent Conversion at a time when other preferred shares and subordinated debt are converted into Common Shares, possibly at a conversion rate that is more favourable to the holders of such instruments than the rate applicable to the Series 5 Shares and the Series 6 Shares, thereby causing substantial dilution to holders of Common Shares and the holders of the Series 5 Shares and the Series 6 Shares, who will become holders of Common Shares upon the Trigger Event.

#### ***Common Shares Received on a Contingent Conversion Could be Subject to Further Dilution***

In the circumstances surrounding a Trigger Event, the Superintendent or other governmental authorities or agencies may also require other steps to be taken 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. Accordingly, holders of the Series 5 Shares and the Series 6 Shares will receive Common Shares pursuant to a Contingent Conversion at a time when debt obligations of the Bank may be converted into Common Shares, possibly at a conversion rate that is more favourable to the holders of such obligations than the rate applicable to the Series 5 Shares and the Series 6 Shares, and additional Common Shares or other securities ranking in priority to the Common Shares may be issued, thereby causing substantial dilution to holders of Common Shares and the holders of the Series 5 Shares and the Series 6 Shares, who will become holders of Common Shares upon the Trigger Event.

#### ***Circumstances Surrounding Contingent Conversion and Effect on Market Price***

The occurrence of a Trigger Event is subject to 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. See the definition of Trigger Event under “Details of the Offering — Certain Provisions Common to the Series 5 Shares and the Series 6 Shares — Definition of Terms”. 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 a Contingent Conversion to occur, 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 5 Shares or the Series 6 Shares will be mandatorily converted into Common Shares. Accordingly, trading behavior in respect of the Series 5 Shares or the Series 6 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 5 Shares, the Series 6 Shares and the Common Shares, whether or not such Trigger Event actually occurs.

#### ***Credit Ratings***

Real or anticipated changes in credit ratings on the Series 5 Shares or the Series 6 Shares may affect the market value of the Series 5 Shares and the Series 6 Shares, respectively. In addition, real or anticipated changes in credit ratings can affect the cost at which the Bank can transact or obtain funding, and thereby affect its liquidity, business, financial condition or results of operation.

#### ***Rankings on Insolvency or Winding-Up***

The Series 5 Shares and the Series 6 Shares are equity capital of the Bank which, provided such shares have not been converted into Common Shares upon a Trigger Event, rank equally with other Class A First Preferred Shares in the event of an insolvency or winding-up of the Bank. If the Bank becomes insolvent or is wound-up, 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 5 Shares, the Series 6 Shares, the other Class A First Preferred Shares and the Common Shares.

Upon a Contingent Conversion of the Series 5 Shares or the Series 6 Shares, the terms of such shares with respect to priority and rights upon liquidation will not be relevant as such securities will have been converted to Common Shares ranking on parity with all other outstanding Common Shares. If the Bank were to become insolvent or wound-up after the occurrence of a Trigger Event, the holders of the Common Shares may receive, if anything, substantially less than the holders of the Series 5 Shares or the Series 6 Shares might have received had the Series 5 Shares or the Series 6 Shares not been converted into Common Shares.

#### ***Market Value Fluctuations***

Prevailing yields on similar securities will also affect the market value of the Series 5 Shares and the Series 6 Shares.

#### ***Reset of Dividend Rate***

After the Initial Fixed Rate Period, the dividend rate in respect of the Series 5 Shares and the Series 6 Shares will reset every five years and quarterly, respectively. In each case, 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.

#### ***No Fixed Maturity Date***

The Series 5 Shares and the Series 6 Shares do not have a fixed maturity date and are not redeemable at the option of the holders of the Series 5 Shares or the Series 6 Shares, as applicable. The ability of a holder to liquidate its holdings of Series 5 Shares or Series 6 Shares, as applicable, may be limited.

#### ***Automatic Conversion into Series 6 Shares or Series 5 Shares***

An investment in the Series 5 Shares or the Series 6 Shares may become an investment in Series 6 Shares or Series 5 Shares, respectively, without the consent of the holder in the event of an automatic conversion in the circumstances described under “Details of the Offering — Certain Provisions of the Series 5 Shares as a Series — Conversion of Series 5 Shares into Series 6 Shares” and “Details of the Offering — Certain Provisions of the Series 6 Shares as a Series — Conversion of Series 6 Shares into Series 5 Shares” above. Upon the automatic conversion of the Series 5 Shares into Series 6 Shares, the dividend rate on the Series 6 Shares will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate which may vary from time to time while, upon the automatic conversion of the Series 6 Shares into Series 5 Shares, the dividend rate on the Series 5 Shares will be, for each five-year period, a fixed rate that is determined by reference to the Government of Canada Yield on the 30<sup>th</sup> day prior to the first day of each such five-year period. In addition, holders may be prevented from converting their Series 5 Shares into Series 6 Shares, and vice versa, in certain circumstances. See “Details of the Offering — Certain Provisions of the Series 5 Shares as a Series — Conversion of Series 5 Shares into Series 6 Shares” and “Details of the Offering — Certain Provisions of the Series 6 Shares as a Series — Conversion of Series 6 Shares into Series 5 Shares”.

### **USE OF PROCEEDS**

The net proceeds to the Bank from the sale of the Series 5 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 5 Shares, certain legal matters will be passed upon on behalf of the Bank by McCarthy Tétrault LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP. As of the date hereof, partners, counsel and associates 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**

CST Trust Company, Toronto, is a transfer agent and registrar for the Series 5 Shares and the Series 6 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 UNDERWRITERS**

Dated: December 9, 2014

To the best of our knowledge, information and belief, the short form base shelf prospectus dated December 4, 2014, 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) Jonathan Broer

**RBC DOMINION SECURITIES INC.**

By: (signed) John Bylaard

**BMO NESBITT BURNS  
INC.**

By: (signed) Bradley J.  
Hardie

**CIBC WORLD MARKETS  
INC.**

By: (signed) Shannan M. Levere

**NATIONAL BANK  
FINANCIAL INC.**

By: (signed) Maude Leblond

**SCOTIA CAPITAL INC.**

By: (signed) David Garg

**DESJARDINS SECURITIES INC.**

By: (signed) A. Thomas Little

**BROOKFIELD  
FINANCIAL  
CORP.**

By: (signed)  
Mark Murski

**CANACCORD  
GENUITY  
CORP.**

By: (signed)  
Alan Polak

**DUNDEE  
SECURITIES  
LTD.**

By: (signed)  
Aaron Unger

**GMP  
SECURITIES  
L.P.**

By: (signed)  
Neil Selfe

**HSBC  
SECURITIES  
(CANADA)  
INC.**

By: (signed)  
Jeffrey Allsop

**LAURENTIAN  
BANK  
SECURITIES  
INC.**

By: (signed)  
Thomas Berky

**MANULIFE  
SECURITIES  
INCORPORATED**

By: (signed) David  
MacLeod

**RAYMOND  
JAMES  
LTD.**

By: (signed)  
Sean Martin