

1 INVESTING

– NBC Canadian Equity Flex GIC, Series 62, Advisors Category

Oral Disclosure for Sales in Person or by Telephone

The NBC Canadian Equity Flex GIC, Series 62, Advisors Category (herein referred to as a “Deposit”) is governed by federal regulations. Whether an investor purchases Deposits over the telephone or in person, the advisor must at the time orally highlight certain information in respect of the Deposits:

Term and important dates of your Deposit

The Deposit has a 3-year term with a closing on May 10, 2024. The Maturity Date will be May 10, 2027 and the Valuation Date will be May 3, 2027.

Return of your Deposit

Payment at maturity of your Deposits will be linked to the price performance of the equally weighted Reference Portfolio composed of the common shares of the following 10 Canadian companies: BCE Inc., The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Enbridge Inc., Great-West Lifeco Inc., Manulife Financial Corporation, Pembina Pipeline Corporation, TELUS Corporation, The Toronto-Dominion Bank and TC Energy Corporation. The Deposits will have a Principal Amount of \$100 each. The Deposits aim to repay you, on the Maturity Payment Date, your Principal Amount and provide you with a Variable Return if the Reference Portfolio Return is positive on the Valuation Date.

Maturity Redemption Payment means an amount per Deposit to which you are entitled on the Maturity Date based on the performance of the Reference Portfolio, which is equal to your Principal Amount x (1 + Variable Return). The Variable Return means a percentage equal to the product of (i) the Reference Portfolio Return on the Valuation Date and (ii) the Participation Factor of 125.00%, subject to a minimum of zero. The Reference Portfolio Return means, on any day, the sum of the Weighted Reference Asset Return of each Reference Asset comprising the Reference Portfolio. The Weighted Reference Asset Return means for each Reference Asset contained in the Reference Portfolio and on any day, the product of (i) the Reference Asset Return and (ii) the Reference Asset Weight. The Reference Asset Return means for each Reference Asset contained in the Reference Portfolio and on any day, a number which may be positive or negative, expressed as a percentage, calculated as follows: (Closing Level on such day / Closing Level on the Issuance Date) - 1.

The Reference Asset Return is a price return, and will not take into account dividends and/or distributions paid by the issuers on account of the Reference Assets. As of April 11, 2024, the dividends and/or distributions paid on account of all the Reference Assets in the Reference Portfolio represented an annual return of approximately 6.40%, representing an aggregate yield of approximately 19.20% over the term of the Deposits, assuming that the dividends and/or distributions remain constant and are not reinvested.

Fees

- The advisors, whose clients purchase the Deposits, will receive a selling fee of up to \$2.50 per Deposit sold under the offering.

Risk factors. Such risk factors include, without limitation, the following:

- Bank’s creditworthiness;
- Investors could make no return on the Deposits;
- Risks relating to unsecured nature of the Deposits;
- The Deposits could be redeemed prior to maturity under a Reimbursement Under Special Circumstances;
- Reliance on the Calculation Agent;
- Conflict of interest may affect the Calculation Agent;
- Hedging transactions may affect the underlying interests;
- The Valuation Date may be postponed if a Market Disruption Event occurs on the given date, which may affect the payment at maturity;
- The Reference Asset Returns will not reflect the full appreciation in the Reference Assets when including dividends and/or other distributions;
- The return on the Deposits may not reflect the full performance of the Reference Portfolio that could be realized if investors held the Reference Assets directly;
- Holders have no ownership interest in the underlying interest or the constituents thereof;
- Concentration risk. The Deposits are linked only to the underlying interests;
- Deferred payment;
- Legal, administrative and regulatory change;
- Deposits are not qualified by prospectus;
- You will not be entitled to the benefit of any changes in the Closing Level for any Reference Asset included in the Reference Portfolio prior to the Valuation Date;
- The Deposit is not transferable to other investors; no trading market for the Deposit;
- Sale back to the Bank at Bid Price; many factors affect the value of the Deposit; Bid Prices for Deposit may not reflect the return of the underlying interest;
- Conflict of interest may affect the Bid Provider; and
- Tax may be withheld from interest paid or deemed to be paid to a Holder who is a non-resident of Canada.

Risk factors related to equity linked Deposits, including:

- Trading prices;
- Exposure to equities;
- Potential replacement of the Reference Shares; and
- Neither the Bank nor the Agent nor the Bid Provider make any representation or warranty as to the accuracy or completeness of the information regarding the Reference Shares.

Investors should read the Information Statement dated April 23, 2024 for complete details of the risk factors.

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Suitability considerations and guidelines

An investment in the Deposits is not suitable for all investors and even if suitable, investors should consider what part the Deposits should serve in an overall investment plan. The Deposits may be suitable for you if:

- you are seeking protection of your capital at maturity;
- you are seeking the potential for higher returns in the current interest rate environment;
- you have a long-term investment horizon and are prepared to hold the Deposits to maturity;
- you do not need or do not expect certainty of return and can accept seeing the value of your investment in the Deposits diminish over time due to inflation;
- you are looking to participate in the growth potential of a portfolio composed of each Reference Asset;
- you are prepared to assume the risks as described in the “Risk Factors” section in the Information Statement; and
- in order to benefit from the Deposit structure and capital protection at maturity, you are prepared to waive the aggregate dividend and/or distribution yield provided by each Reference Asset over the term of the Deposits to maturity, assuming that the dividends and/or distributions remain constant and are not reinvested.

The Deposits have certain investment characteristics that differ from those of conventional fixed income investments in that they may not provide you with a return or income stream prior to maturity, or a return at maturity, calculated by reference to a fixed or floating rate of interest that is determinable prior to maturity. The return on the Deposits, unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain in that if the Reference Portfolio does not generate a positive return, the Deposits will produce no return on your original investment.

Transfers; no secondary market; sale of the Deposits back to the Bank

Investors should be willing to hold the Deposits to maturity. The Deposit is not transferable to other investors prior to maturity. The Deposit will not be listed on any stock exchange and no secondary market will be provided. You will however be able to sell your Deposit back to the Bank at the Bid Price. To this end, the Bank has appointed the Bid Provider (NBF) as its agent to quote on a daily basis a price based on its assessment of the market value for the Deposit (the “Bid Price”) and to purchase from Holders that wish to sell back their Deposits prior to maturity such Deposit on behalf of the Bank for resale to the Bank and cancellation. If you decide to sell the Deposit back to the Bank prior to maturity, you may receive less than the Principal Amount per Deposit, even if the performance of the Reference Portfolio up to that time has been positive.

The Bid Provider will maintain until the Valuation Date, under normal market conditions, a daily Bid Price for the Deposit. If the trading markets for one or more of the underlying interest are disrupted, or if trading of one or more of the underlying interest is suspended or terminated, or if any other Market Disruption Event occurs, the Bid Provider will generally deem that normal market conditions do not exist. In such instances, there may be no Bid Price quoted and Holders may be unable to sell back their Deposit to the Bank.

If you sell your Deposits back to the Bank prior to maturity through the Bid Provider, you will be subject to an early trading charge of \$3.60 per Deposit, declining every 30 days by \$0.30 to be \$0.00 after 360 days from and including the Issuance Date.

Eligibility for the CDIC deposit insurance

The Deposit is a deposit eligible for deposit insurance by the Canada Deposit Insurance Corporation (CDIC), subject to the maximum dollar limit of CDIC coverage and to applicable conditions. More information about CDIC deposit insurance can be found in the “Protecting Your Deposits” brochure (available online at www.cdic.ca or by telephone at 1-800-461-2342).

Right of cancellation

Investors are entitled to a right of cancellation, which must be exercised within two Business Days after the later of (i) the day on which the agreement to purchase the Deposits is entered into and (ii) the day on which the Information Statement of the Deposits is provided to the investor. To exercise their right of cancellation, investors may contact their investment advisor.

Amendment to the Deposits

The terms of the Deposits may be amended without the consent of the Holders if, in the reasonable opinion of the Bank, the amendment would not materially and adversely affect the interests of the investors.

Conflict of interest

The Bank, as Calculation Agent, may have economic interests which differ from and may be adverse to those of the Holders. Conflict of interest may affect the Bid Provider, which is a wholly-owned subsidiary of the Bank.

Certain Canadian federal income tax considerations

Initial Holders should consult and rely on their own tax advisors as to the overall consequences of their acquisition, ownership and disposition of Deposits having regard to their particular circumstances.

Availability of information

All information about the Deposits, including those disclosed, the most recent Bid Price of the Deposits, the applicable early trading charge (if any) and the last available measures on which the Maturity Redemption Payment is determined, is available on request from your investment advisor or on the Bank’s website at www.nbcstructuredolutions.ca.

This is only a summary of certain terms of the Deposits. Investors should read the Information Statement dated April 23, 2024 for complete and detailed information on all aspects of the Deposits. Capitalized terms used and not otherwise defined herein have the meaning ascribed thereto in the Information Statement.

