



Unlike ordinary debt securities, the Securities do not pay interest or repay a fixed amount of principal at maturity. Instead, the Securities provide for a payment at maturity that may be greater than, equal to or less than the Principal Amount of the Securities, depending on the performance of the Index from its Starting Level to its Ending Level. The payment at maturity will reflect the following terms:

**o If the value of the Index increases:**

You will receive the Principal Amount plus 165.00% participation in the upside performance of the Index per \$1,000 Principal Amount of the Securities;

**o If the value of the Index decreases but the decrease is not more than 30.00%:**

You will be repaid the Principal Amount;

**o If the value of the Index decreases by more than 30.00%:**

You will receive less than the Principal Amount and will have full downside exposure to the decrease in the level of the Index from the Starting Level.

· Investors may lose more than 30.00%, and possibly all, of the Principal Amount.

All payments on the Securities are subject to the credit risk of The Bank of Nova Scotia, and you will have no right to any securities tracked by the Index; if The Bank of Nova Scotia defaults on its obligations, you could lose some or all of your investment.

· No periodic interest payments or dividends.

· No exchange listing; designed to be held to maturity.

The estimated value of the Securities as of the Pricing Date is \$953.71 (95.371%) per \$1,000 Principal Amount. See "The Bank's Estimated Value of the Securities" in the pricing supplement.

The Securities have complex features and investing in the Securities involves risks not associated with an investment in conventional debt securities. See "Selected Risk Considerations" in this term sheet, "Additional Risks" in the pricing supplement, "Additional Risk Factors Specific to the Notes" in the product prospectus supplement and "Risk Factors" in the prospectus supplement and prospectus.

This term sheet should be read in conjunction with the pricing supplement, product prospectus supplement, prospectus supplement, and prospectus.

NOT A BANK DEPOSIT AND NOT INSURED OR GUARANTEED BY THE FDIC OR ANY OTHER GOVERNMENTAL AGENCY

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- An investment in the Securities is subject to risks associated with the Eurozone.
- The U.K.'s referendum to leave the European Union may adversely affect the performance of the Index.
- The Participation Rate applies only at maturity.
- The Redemption Amount at Maturity is not linked to the level of the Index at any time other than the Calculation Day.
- If the levels of the Index or the Index constituent stocks change, the market value of your Securities may not change in the same manner.
- Holding the Securities is not the same as holding the Index constituent stocks.
- There is no assurance that the investment view implicit in the Securities will be successful.
- The Index reflects price return only and not total return.
- Past performance is not indicative of future performance.
- We may sell additional Securities at a different issue price.
- Changes affecting the Index could have an adverse effect on the value of the Securities.
- The Bank cannot control actions by the sponsor of the Index and the sponsor of the Index has no obligation to consider your interests.
- The price at which the Securities may be sold prior to maturity will depend on a number of factors and may be substantially less than the amount for which they were originally purchased.
- The Securities lack liquidity.
- Hedging activities by the Bank and/or the Underwriters may negatively impact investors in the Securities and cause our respective interests and those of our clients and counterparties to be contrary to those of investors in the Securities.
- Market activities by the Bank or the Underwriters for their own respective accounts or for their respective clients could negatively impact investors in the Securities.
- The Bank, the Underwriters and their respective affiliates regularly provide services to, or otherwise have business relationships with, a broad client base, which has included and may include the issuers of the Index constituent stocks.
- Other investors in the Securities may not have the same interests as you.
- The calculation agent can postpone the Calculation Day for the Securities if a market disruption event with respect to the Index occurs.
- There is no affiliation between any Index constituent stock issuer or the sponsor of the Index and us, and neither we nor any of the Underwriters is responsible for any disclosure by any of the Index constituent stock issuers or the sponsor of the Index.
- A participating dealer or its affiliates may realize hedging profits projected by its proprietary pricing models in addition to any selling concession, creating a further incentive for the participating dealer to sell the Securities to you.
- Uncertain tax treatment: Significant aspects of the tax treatment of the Securities are uncertain. You should consult your tax advisor about your tax situation. See "Canadian Income Tax Consequences" and "U.S. Federal Income Tax Consequences" in the pricing supplement.

Not suitable for all investors

Investment suitability must be determined individually for each investor. The Securities described herein are not a suitable investment for all investors. Unless market conditions and other relevant factors change significantly in your favor, a sale of the Securities prior to maturity is likely to result in sale proceeds that are substantially less than the Principal Amount per Security. The Underwriters and their respective affiliates are not obligated to purchase the Securities from you at any time prior to maturity.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. You should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these

documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any Underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling your financial advisor or by calling Wells Fargo Securities, LLC at 866-346-7732.

Not a research report

This material is not a product of the Bank's research department.

Consult your tax advisor

Investors should review carefully the pricing supplement and consult their tax advisors regarding the application of the U.S. federal tax laws to their particular circumstances, as well as any tax consequences arising under the laws of any state, local or foreign jurisdiction.

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