

Oral Disclosure for Sales in Person or by Telephone

The NBC Global Companies Flex GIC, Series 5, 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 Issuance Date

The Deposits have a 5-year term with a closing on November 20, 2019. The Maturity Date will be November 20, 2024 and the Valuation Date will be November 13, 2024.

Return of your deposit

Payment at maturity of your Deposits will be linked to the price performance of the Reference Portfolio composed of the common shares of the following 20 companies: BCE Inc., The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Enbridge Inc., The Coca-Cola Company, Altria Group, Inc., Pfizer Inc., Verizon Communications Inc., Royal Dutch Shell plc, AXA SA, Vinci SA, L'Oréal SA, BP p.l.c., GlaxoSmithKline plc, Vodafone Group Plc, Nestlé SA, Novartis AG, Roche Holding AG, UBS Group AG and Bayerische Motoren Werke AG. 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 100.00%, 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 October 22, 2019, the dividends and/or distributions paid on account of all of the Reference Assets in the Reference Portfolio represented an annual return of approximately 4.63% representing an aggregate yield of approximately 23.15% over the term of the Deposits, assuming that the yield remains constant and the dividends and/or distributions are not reinvested.

Although the return of certain Reference Assets will be calculated in various foreign currencies, the foreign exchange rate between the Canadian dollar and such foreign currencies will not have any impact on the return of these Reference Assets, as the return of each of these Reference Assets will be the return calculated in its foreign currency, without any conversion back to Canadian dollars.

Fees

- The Bank will pay to the agent a selling fee of up to \$3.00 per Deposit sold under the offering.

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

- Bank's creditworthiness;
- Investors could make no return in 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;
- Conflicts 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 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 Asset 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;
- Exposure to foreign investments;
- Deferred payment;
- Legal, administrative and regulatory change;
- The 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. Investors should be willing to hold the Deposit to maturity;
- 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;
- Conflicts of interest may affect the Bid Provider.

Risks related to Equity Linked Deposits, including:

- Trading prices;
- Exposure to equities;
- Potential replacement of the Reference Shares;
- 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 October 28, 2019 for complete details of the risk factors.

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Suitability Consideration 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 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 a low 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;
- you are looking to diversify your portfolio across different sectors in the global markets through large market capitalization companies; 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, on the assumption that the dividend and/or distribution yield remains constant and that the dividends and/or distributions 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 initial 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 last 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.

Eligible 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 applicable conditions. More information about CDIC deposit insurance can be found in the “Protecting Your Deposits” brochure (available online at cdic.ca or by telephone at 1-800-461-2342).

Right of cancellation

The investor can cancel the order to buy the Deposits 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 governing the Deposits is provided to the investor.

Amendment to the Deposits

The terms of the Deposits may be amended without the consent of the Holders if 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. Conflicts 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 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 October 28, 2019 for more detailed and complete information on all aspects of the Deposits. Capitalized terms used and otherwise defined herein have the meaning ascribed in the Information Statement of the Deposits.