

# STATEMENT ON SCOTIABANK'S SANCTIONS POLICY

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## Our Enterprise Sanctions Policy

October 2022

The Bank of Nova Scotia is committed to sustaining a secure financial system in the jurisdictions in which it operates by taking necessary actions in accordance with a risk-based approach to comply with the sanctions regulations to which it is subject. The Scotiabank Enterprise Sanctions Policy ("Policy") and Enterprise Sanctions Risk Management Standards ("Standards") set out the minimum standards with respect to sanctions, and are applicable to:

- The Bank of Nova Scotia, including all domestic and international locations, and its wholly-owned or controlled subsidiaries (collectively, "Scotiabank" or the "Bank");
- All products, services, and delivery channels offered by Scotiabank; and
- All directors, officers, and employees of Scotiabank.

In every jurisdiction in which Scotiabank operates, the Bank must comply with applicable sanctions regulations in addition to the Policy and Standards. The sanctions regulations applicable to a particular transaction depend on the nature and type of the transaction, and the jurisdiction in or to/from which a transaction is processed. Applicable sanctions regulations can include laws promulgated by Canada, the United States of America (U.S.), the United Kingdom (U.K.), the European Union (E.U.) and other sanctions programs imposed by governments in jurisdictions where the Bank acts or operates, as well as by multilateral groups such as the United Nations (U.N.).

Business lines and operational units are required to develop and implement sanctions-related procedures and internal controls that are consistent with the Policy and Standards and with applicable local sanctions regulations.

Scotiabank's Global Head of Sanctions & Screening is responsible for the development, coordination, and implementation of the Policy and Standards across the Bank. Key sanctions controls focus on, but are not limited to, individuals responsible for overseeing day-to-day compliance with applicable sanctions regulations; relevant policies and procedures covering the Bank's sanctions operations; periodic, specialized training to appropriate employees; targeted screening of Bank's customer, director, officer, employee and transaction data to ensure the Bank does not transact or facilitate prohibited business with, on behalf of, or for the benefit of sanctioned parties or activities; and regular testing and auditing of the Bank's sanctions-related policies and procedures.

### How our Enterprise Sanctions Policy impacts you

Our Policy and Standards adopt strict standards of compliance with sanctions laws and regulations. As such, given our global footprint, the Bank may not be able to facilitate business activity or transactions that relate to certain individuals, entities, or jurisdictions even if that activity is not locally prohibited. In this regard and for your awareness, please note that unless permitted by law or by an appropriate, valid government-issued permit or license, the Bank does not currently provide financial services in connection with the following:

- Iran – The Bank does not undertake any transaction involving Iran, any party in Iran, or the Government of Iran or any of its political subdivisions, agencies, or instrumentalities;
- North Korea – The Bank does not undertake any transaction involving North Korea, any party in North Korea, or the Government of North Korea or any of its political subdivisions, agencies, or instrumentalities;
- Russia – The Bank does not undertake any transaction involving any individual, entity, or activity sanctioned under Canadian or U.S. economic sanctions on Russia;
- Syria – The Bank does not undertake any transaction involving Syria, any party in Syria, or the Government of Syria or any of its political subdivisions, agencies, or instrumentalities;
- Ukraine - The Bank does not undertake any transaction involving Crimea, or any of the occupied regions known as Donetsk People's Republic (DNR) and the Luhansk People's Republic (LNR), the areas of the Kherson oblast and of the Zaporizhzhia oblast that are illegally occupied by the Federation of Russia or any party in the five (5) aforementioned regions;

- Venezuela – The Bank does not undertake any transaction related to the provision of financing for or any other dealing involving the Venezuelan Government, including entities owned (50% or more) or controlled by the Venezuelan Government, or any Venezuelan political subdivisions, agencies, or instrumentalities, or those identified by the U.S. or Canada as close associates of the Maduro regime; and
- Cuba – The Bank does not undertake any transaction that has a U.S. nexus and is subject to U.S. jurisdiction.

The above list is demonstrative, not exhaustive, and the Bank has processes in place to respond to and comply with changes in laws and regulations. The Bank may change the prohibitions described here without notice at any time. Please contact your Branch or Relationship Manager if you are engaging in, or intend to engage in, business with jurisdictions, governments, individuals, or entities that may be the subject or target of economic sanctions.

Scotiabank may, in its sole discretion, also decide not to process transactions, provide products or services or otherwise facilitate transactions even where permitted by applicable sanctions laws and regulations where these activities fall outside of Scotiabank's risk appetite.

Customers should consider potential transaction-related risks and consult with their advisor(s) as applicable, as BNS will not be held liable for compliance with domestic and/or international sanctions obligations.

If you have any queries in relation to the Bank's policy position in relation to sanctions, you can contact your Branch or Relationship Manager.

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